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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Advertisers hold firm

Ad budgets steady, but concern grows

An Advertising Age roundup

Consumer-product marketers are holding firm on ad budgets following the Oct. 19 "Black Monday" stock market drop, but concerns about consumer confidence are increasing.

Automobiles and financial services have the biggest worries, but Black Monday is having a psychological impact on everything from fast-food to computers sales.

"To use a Los Angeles metaphor, it's an earthquake but we don't know what the damage is yet," said Dick Vaughan, Los Angeles-based corporate director of research for Foote, Cone & Belding Communications.

In trying to assess the damage, a category-by-category survey was taken looking at the current outlook of consumer marketers:

Automobiles

The emerging question for auto marketers is not whether there will be a sales drop but "how deep it will be?"

"I don't think the underlying economic facts should have the industry go off more than 10% at this time," said Chrysler Corp. Chairman Lee Iacocca at his quarterly press conference. But he expressed the widespread industry fear that shaken consumer confidence will lead potential buyers to postpone purchases.

"I don't think anybody in the world knows" how deep a downturn will be, Mr. Iacocca said.

No auto marketers admit they have cut ad budgets yet, but

(Continued on Page 106)

Inside:

- European financial ads take a hit—P. 73
- Agency analysts worry about fourth quarter—P. 107

Consumer worry keeps on rising

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Chicago—Consumer pessimism appears to be growing.

An Advertising Age "Consumer Misery Index" measuring the impact of the stock market activity on consumer buying attitudes jumped dramatically last week, well after the Oct. 19 "Black Monday" stock-market plunge *(see related chart on Page 106)*.

Data supplied by Leo J. Shapiro & Associates, a Chicago consumer research company, show that the percent of Americans saying the near-crash was very important to them personally rose from 8% to 15% between the week of Oct. 19 and the week of Oct. 26.

Significantly, the percentage saying they plan to cut back on consumer purchases also increased.

About 24% of 194 families surveyed nationally Oct. 27 and Oct. 28 said they feel like cutting back on spending for food at home, compared with 20% of 502 families surveyed Oct. 20 and Oct. 21.

In the latest survey, 6% say they feel like increasing their purchases, and 70% opted for no change.

There also was an increase in the percentage who are cutting back on eating out, from 22% in the first survey to 30% in the latest survey. Last week 2% said they feel like eating out more, and 69% opted for no change.

The percentage saying they feel like cutting back on gasoline purchases rose from 12% to 19%, with

(Continued on Page 106)

Grant ousted as 'sweeps' begin

CBS faces crucial test

By VERNE GAY
and JAMES P. FORKAN

New York—CBS is under fire again.

The network's top programmer stepped down late last week, just as the network enters the crucial November "sweeps" period. For the first time in more than a decade, CBS is entering the sweeps as the third-ranked network in prime-time ratings.

Even more critical: CBS' faltering schedule could cause a severe advertiser "make-good" crunch in the first quarter. Agency sources said the network has large audience deficits on several nights.

Bud Grant, president of CBS Entertainment and a 15-year company veteran, said Oct. 30 he would leave the company to form his own production company. If the CBS prime-time schedule does not improve, other top CBS executives could also leave.

Rumors have circulated for months about the continued tenure of CBS/Broadcast Group President Gene Jankowski. Messrs. Jankowski and Grant could not be reached at press time.

Kim LeMasters, VP-programs, was named the acting head of CBS Entertainment.

CBS is blaming its plight on ABC's telecasts of the World Series; experts say that is a valid ex-

(Continued on Page 104)

Celebrity wars

The long-awaited Michael Jackson commercial for Pepsi-Cola (bottom) finally hit the airwaves last weekend, and coming up next is Pierce Brosnan's second action-packed commercial for Diet Coke (above). See stories on Page 3.

Last Minute News

Johnson, JWT split on haircare

Racine, Wis.—S.C. Johnson & Son has pulled three haircare brands, worth an estimated $15 million, from J. Walter Thompson USA, Chicago. The Halsa Swedish Botanical Formula account went to Lotas, Minard, Patton, McIver, New York. Agree and L'Envie Parfum shampoos and conditioners will be reassigned, possibly to other Johnson agencies Foote, Cone & Belding and HDM Dawson Johns & Black, both Chicago. The marketer called the split a "mutual decision," reflecting JWT's concerns about conflicts with clients at other offices. JWT still will handle Edge shaving gel and Soft Sense lotion, worth a combined $5 million, and international business.

Esty beefs up for Jeep-Eagle

New York—William Esty Co. will open 20 to 25 field-service offices around North America to serve

(Continued on Page 8)

Ney recruits Bush ad team

By STEVEN W. COLFORD

Washington—Former Young & Rubicam Chairman Edward Ney is recruiting high-caliber ad talent for Vice President George Bush's presidential campaign.

The ad team may resemble the famed Tuesday Team, which propelled Ronald Reagan to a landslide re-election in 1984.

Mr. Ney, now chairman of PaineWebber/Young & Rubicam Ventures, said last week he is talking to agency executives to help shape Bush campaign advertising in 1988.

Roger Ailes, of Ailes Communications, New York, is the vice president's top political media adviser.

"If George Bush is lucky enough to be the party's candidate, how we'd handle campaign advertising is still to be determined," Mr. Ney said. "But I wouldn't

(Continued on Page 104)

Highlights

Taking cholesterol claims to heart 4

High-fiber claims still are hot in food advertising, but low-cholesterol claims may get even hotter. The National Blood Heart & Lung Association's National Cholesterol Education Program is raising consciousness about elevated cholesterol levels. That puts food marketers such as Campbell Soup Co., Procter & Gamble Co. and Quaker Oats Co. in line to profit.

Corporate Closeup: White Castle 6

White Castle System would seem an unlikely threat to rival restaurant chains. After all, its total 1986 sales are matched by the McDonald's Corp. every eight days. Yet the granddaddy of limited-menu, quick-service restaurants has raised the eyebrows of its larger, wealthier and younger competitors.

P&G, Upjohn's hairy deal 12

Procter & Gamble Co. and Upjohn Co. jointly will develop shampoos and other haircare products containing minoxidil, Upjohn's potentially revolutionary anti-baldness treatment. Upjohn said the long-term agreement with P&G will result in easier-to-use and more effective baldness remedies.

JWT hunting up new business 24

James Heekin III's first order of business is finding a new-business director. As the new general manager of J. Walter Thompson USA's New York office, replacing income from the $200 million loss of Burger King Corp. is a priority. Although the office recently added the $4 million Six Flags Great Adventure account, it will take more than that to do the job. The office needs bigger—and national—accounts.

Sears planning more for your life 28

Sears, Roebuck & Co. has been getting its Kenmore washers and refrigerators from Whirlpool Corp. since before World War I. But the marriage that helped make Kenmore powerful may be splintering. Sears is planning to test selling national brand-name products in its appliance department; it also will expand its limited assortment of brands in electronics.

Subaru redo 46

Subaru of America is boosting ad spending and giving a bigger marketing push to its low-price models. The Japanese importer will use a two-pronged marketing strategy, with the $10,000 price level as the dividing line. The 11-year themeline, "Inexpensive and built to stay that way," is being retained only for the entry-level Justy line. The theme "We built our reputation by building a better car" will be used for more expensive models.

INTERNATIONAL

Market crash hits world financial ads 73

The worldwide stock market crash could bring to a halt the European trend of heavily advertising the sale of government-owned companies. The most immediate reaction came from the U.K., where the government canceled the campaign to sell off the rest of British Petroleum. In France, 65 companies are scheduled for "privatization" over the next seven years.

Italian controversy over Fiat TV deal 73

An Italian publishing company controlled by Fiat SpA is ready to take a 50% stake in TV station Telemontecarlo, causing fear among Italian politicians, labor union leaders and mass-media experts. Reason for this is that Fiat, which controls a large share in the Italian press and telecommunications, will have a monopoly on the country's communications industry.

OTHER NEWS

The CBS and NBC television networks are reaching into their news departments for future prime-time series. CBS' "48 Hours," to be anchored weekly by Dan Rather, has been given the go-ahead for a January start. NBC has announced a news/entertainment/-sports series to counterprogram CBS' "60 Minutes." Page 56.

Volkswagen U.S. will try to build a "great-to-drive" marketing platform that will carry the launches of two major new products. With its new advertising strategy, Volkswagen joins the trend to emphasize brand character rather than individual models. Page 94.

Perspectivas

ADVERTISING AGE introduces *Perspectivas*, a monthly section covering all aspects of marketing to hispanics, including corporate, agency and media activity, new research, market analysis and commentary. This special section investigates the Tampa, Fla., hispanic market, monitors product activity, covers TV station launches and hispanic agency affiliation and assesses the general-market media's impact on hispanic consumers. Page 42.

SPECIAL REPORT

Marketing /Advertising Research

Marketing/Advertising Research*—As an ever-increasing number of candidates—even for state and mayoral races—turn to sophisticated polling techniques, business opportunities for political researchers are proliferating. In addition to profiles of 14 of the leading political pollsters, research methods in China and former Arbitron chief Ted Shaker are profiled. Starts after Page 56.*

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Ayer shuffles to serve BK

By JON LAFAYETTE

N W Ayer is boosting the national authority of its New York executives to improve coordination on its $200 million Burger King Corp. account.

Ayer last week created Ayer USA, which includes all the agency's domestic offices. Many of those offices will be servicing the account.

Jerry Siano, 52, who had been chairman of Ayer's New York office, was named chairman-ceo of Ayer USA, and Patrick Cunningham, 44, was named chief creative officer. Mr. Cunningham had been managing director of creative services for the New York office.

Exec VP David Means, 58, who had been in charge of several of Ayer's offices outside New York and reporting to N W Ayer Chairman Louis Hagopian, now reports to Mr. Siano.

"So much of our business involves multi-office clients that it makes sense to have a U.S. operation bringing all offices together under Jerry," Mr. Hagopian said.

At the same time, Ayer's New York office has been divided into five operating groups, each headed by a managing director of account services, who will report to Mr. Siano, and a managing director of creative services, reporting to Mr. Cunningham.

The reorganization follows a year in which Ayer bought and absorbed Cunningham & Walsh, was discharged by the U.S. Army amid controversy and, on Sept. 28, won the Burger King sweepstakes, taking the account from J. Walter Thompson USA.

Earlier this year, Young & Rubicam, which took over the Army account, similarly divided its New York office into three smaller working groups.

The agencies see this arrangement as a way to have senior people working more closely on client business, rather than administering large departments.

Unlike Y&R's new structure, Ayer left the research and media planning department intact. Y&R incorporates research and media personnel into the working groups.

Ayer's account-services heads will be Exec VPs Dominick Rossi and Warren Albright and Senior VPs David Gantman, Rodger Groves and Charles Meding. The creative heads will be Senior VPs Agi Clark, Keith Gould, Arthur Meranus, Jeffrey Odiorne and John Walsh.

Mr. Rossi is giving up his job as managing director of account services of the whole New York office to manage the BK account. Mr. Gould will head the BK creative team.#

General Mills offers cool holiday treats

By JULIE LIESSE ERICKSON

General Mills this week starts sending out Christmas treats: Betty Crocker brand ice cream novelties with holiday themes.

The five-item line being introduced nationally includes three specially shaped ice cream bars—Frosty Snowmen, Jolly Santas and Merry-Mint Trees—and two ice cream sandwiches—Gingerbread Men and Santa Bears. All packaging carries the Betty Crocker "spoon" logo, the first time General Mills has put that name on an ice cream product.

The novelties are being produced by the marketer's Toledo, Ohio-based Vroman subsidiary, purchased in 1985. Vroman currently makes Gold Rush ice cream bars and Yoplait soft frozen yogurt for General Mills' Yoplait unit.

Although the holiday treats are being marketed during the slowest season for ice cream sales, the new products continue General Mills' effort to give Vroman a greater presence in the $2 billion frozen novelties market.

DDB Needham Worldwide, Chicago, handles advertising for Vroman products, which got $2.7 million in measured-media support in 1986. But a spokeswoman for Minneapolis-based General Mills said there are no plans to advertise the holiday novelties.#

Guccione to buy magazine

'Sat. Review' redux

By PATRICK REILLY

Penthouse Publisher Bob Guccione says he plans to return *Saturday Review* to its highbrow, cultural past and might call on former editor Norman Cousins for help.

Mr. Guccione said he has yet to finalize the format for a revitalized *Saturday Review*, which Penthouse International Ltd., New York, said it will purchase from Manhattan Media Corp. However, he said *Saturday Review* will compete for advertisers with Conde Nast Publications' monthly *Vanity Fair*.

Mr. Cousins, *Saturday Review* editor from 1940 to 1971 and again from 1973 to 1977, said he would offer himself as a consultant to Mr. Guccione if he is asked.

Mr. Guccione said he got a congratulatory note from Mr. Cousins on the announcement of the purchase.

"I assumed he wouldn't be interested," Mr. Guccione said.

Saturday Review flourished under Mr. Cousins, reaching a circulation peak of 650,000 in 1961. After he left the magazine for good in 1978, it had several owners and several reincarnations.

Its latest version featured titillating covers of Hollywood starlets and stories on the latest trends in the arts. Its last issue published, in May

(Continued on Page 104)

Newspaper Advertising Inches; August 1987 vs. August 1986 (Standard Advertising Units in the Media Records Conversion System)

AKRON, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Beacon Journal (M)	89,444	—	91,577	—
Beacon Journal (S)	81,116	—	76,074	—
Grand Total	170,560	—	167,651	—

NOTE Beacon Journal changed from evening to morning publication effective July 13, 1987

ALLENTOWN, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Call (M)	155,557	—	149,294	—
Call (S)	95,563	—	102,763	—
Grand Total	251,120	—	252,057	—

NOTE Part run figures not available

ASBURY PARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press (E)	193,008	24,024	196,291	25,244
Press (S)	184,756	20,297	168,829	21,009
Grand Total	377,764	44,321	365,120	46,253

ATLANTA, GA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Constitution (M)	164,881	82,306	169,502	69,131
Journal (E)	166,036	78,324	164,203	69,562
Journal & Constitution (S)	150,501	84,810	147,287	84,338
Journal & Constitution (Sat)	59,042	1,824	52,980	—
Grand Total	540,460	247,264	533,972	223,031

NOTE Constitution Morning and Journal Evening published five days a week only

BALTIMORE, MD

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Sun (M)	135,679	10,070	134,209	5,149
Sun (E)	112,829	10,084	102,515	5,144
Sun (S)	175,712	64,774	183,003	62,921
Grand Total	424,220	84,928	419,727	73,214

BERGEN COUNTY, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Record (E)	148,761	20,362	159,102	18,548
Record (S)	173,139	54,711	162,266	50,948
Grand Total	321,900	75,073	321,368	69,496

BOSTON, MA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	85,899	—	79,900	—
Herald (S)	24,010	53,396	21,564	42,229
Globe (M)	135,083	12,254	132,210	12,369
Globe (S)	223,268	45,412	201,438	36,270
Grand Total	468,260	111,062	435,112	90,868

BUFFALO, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (AD)	96,067	33,727	115,701	22,562
News (S)	71,543	41,951	65,252	35,122
Grand Total	167,610	75,678	180,953	57,684

CAMDEN, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courier-Post (E)	130,599	20,121	125,468	14,476
Courier-Post (S)	80,155	22,743	64,219	19,721
Grand Total	210,754	42,864	189,687	34,197

CHARLOTTE, NC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Observer (M)	122,618	—	128,639	—
Observer (S)	82,674	—	80,450	—
Grand Total	205,292	—	209,089	—

NOTE Part run figures not available

CHICAGO, IL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
*Tribune (M)	117,399	251,557	121,593	250,907
*Tribune (S)	122,110	99,593	105,314	85,598
Sun-Times (M)	128,937	80,230	135,873	77,058
Sun-Times (S)	51,623	71,706	62,861	44,555
Grand Total	420,069	503,086	425,641	458,118

NOTE Tribune figures supplied by publisher to Media Records. 1987 figures represent advertising for 8/03/87–8/30/87

CINCINNATI, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Enquirer (M)	143,049	13,718	167,491	6,740
Enquirer (S)	163,861	11,800	151,035	18,073
Post (E)	71,627	32,350	74,495	21,959
Grand Total	378,537	57,868	393,021	46,772

CLEVELAND, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Plain Dealer (M)	131,101	33,366	134,093	29,175
Plain Dealer (S)	129,402	6,149	127,626	12,870
Grand Total	260,503	39,515	261,719	42,045

DALLAS, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	277,323	10,997	305,061	10,797
News (S)	190,218	15,605	184,869	17,036
Times-Herald (AD)	201,827	30,986	234,386	39,720
Times-Herald (S)	137,725	26,466	135,253	25,800
Grand Total	807,093	84,054	859,569	93,353

DENVER, CO

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Rocky Mt. News (M)	265,399	21,942	269,429	1,721
Rocky Mt. News (S)	79,854	35,070	104,384	897
Post (M)	163,624	45,875	188,399	13,353
Post (S)	112,074	31,608	131,483	3,842
Grand Total	620,951	134,495	693,695	19,813

DETROIT, MI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Free Press (M)	96,899	51,937	100,127	48,293
Free Press (S)	56,744	48,889	68,177	19,929
News (AD)	161,282	41,535	155,036	38,917
News (S)	110,831	41,941	104,283	41,637
Grand Total	425,756	184,302	427,623	148,776

ESCONDIDO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times-Advocate (E)	96,566	1,688	100,319	2,299
Times-Advocate (S)	53,773	—	55,255	71
Grand Total	150,339	1,688	155,574	2,370

FORT LAUDERDALE, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News & Sun-Sentinel (S)	121,392	—	115,922	—
Sun-Sentinel (M)	254,090	—	270,222	—
Grand Total	375,482	—	386,144	—

NOTE Part run figures not available. Morning figures include the Saturday Edition

FORT WAYNE, IN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal Gazette (M)	74,628	—	70,166	—
Journal Gazette (S)	76,596	—	62,280	—
News Sentinel (E)	77,293	—	79,788	—
Grand Total	228,517	—	212,234	—

NOTE Part run figures not available

GREENWICH/STAMFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Time (E)	75,048	13,090	70,824	1,582
Time (S)	75,062	8,643	72,913	—
Advocate (E)	97,404	24,629	96,914	17,854
Advocate (S)	78,540	7,560	68,939	1,032
Grand Total	326,054	53,922	309,590	20,468

HARTFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courant (M)	143,151	35,744	143,539	27,461
Courant (S)	87,763	159,043	85,922	148,942
Grand Total	230,914	194,787	229,461	176,403

HONOLULU, HI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Advertiser (M)	120,445	—	123,066	—
Star-Bulletin (E)	111,701	—	115,251	—
Star-Bulletin & Advertiser (S)	97,060	—	86,976	—
Grand Total	329,206	—	325,293	—

HOUSTON, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (AD)	225,191	36,462	223,176	49,748
Chronicle (S)	144,968	44,292	131,701	49,747
Post (M)	155,190	38,956	150,585	32,736
Post (S)	86,487	38,536	81,409	30,537
Grand Total	611,836	158,246	586,871	162,768

LONG BEACH, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press Telegram (M)	110,945	52,277	120,719	31,184
Press Telegram (S)	65,099	7,663	62,239	4,438
Grand Total	176,044	59,940	182,958	35,622

LONG ISLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Newsday (E)	100,501	122,930	137,887	99,846
Newsday (S)	82,525	126,521	101,662	122,391
Grand Total	183,026	249,451	239,549	222,237

LOS ANGELES, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	288,785	291,340	291,664	274,965
Times (S)	193,642	108,616	181,936	109,570
Herald-Examiner (M)	72,349	5,355	60,763	9,933
Herald-Examiner (S)	21,295	8,783	15,477	9,968
Grand Total	576,072	414,094	549,840	404,436

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	188,447	31,606	191,585	39,762
News (S)	100,417	4,973	100,991	1,297
Grand Total	288,864	36,579	292,576	41,059

*LOS ANGELES/TORRANCE, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Breeze (E & S)	227,637	—	222,570	—
Grand Total	227,637	—	222,570	—

NOTE Figures supplied by publisher to Media Records

*MEMPHIS, TN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Commercial Appeal (M)	143,365	65,499	133,567	109,898
Commercial Appeal (S)	121,083	17,638	109,047	7,724
Grand Total	264,448	83,137	242,614	117,622

NOTE Figures supplied by publisher to Media Records

MIAMI, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	134,481	—	161,925	—
Herald (S)	98,922	—	97,243	—
News (E)	51,919	—	61,163	—
Grand Total	285,322	—	320,331	—

NOTE Part run figures not available

MINNEAPOLIS, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star & Tribune (AD)	104,910	27,144	108,183	19,512
Star & Tribune (S)	176,067	7,556	152,016	5,030
Star & Tribune (Sat)	29,784	—	29,580	—
Grand Total	310,761	34,700	289,779	24,542

*NASHVILLE, TN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Banner (E)	105,180	—	109,344	—
Tennessean (M)	105,821	—	110,905	—
Tennessean (S)	118,005	—	99,383	—
Grand Total	329,006	—	319,632	—

NOTE Figures supplied by publisher to Media Records

NEW BRUNSWICK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Home News (E)	88,076	2,210	88,194	2,684
Home News (S)	94,396	15,828	94,148	7,870
Grand Total	182,472	18,038	182,342	10,554

NEW YORK, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	141,430	16,454	135,411	14,631
Times (S)	204,884	124,157	189,682	102,332
News (M)	64,107	77,872	60,780	84,581
News (S)	48,630	96,454	38,637	100,067
Post (AD)	69,083	1,336	53,868	1,159
Grand Total	528,134	316,273	478,378	302,770

NEWARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star Ledger (M)	206,193	4,626	204,084	5,405
Star Ledger (S)	246,104	37,303	207,489	30,243
Grand Total	452,297	41,929	411,573	35,648

OAKLAND, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Tribune (M)	81,070	81,305	84,526	80,052
Tribune (S)	45,085	59,864	36,763	54,202
Grand Total	126,155	141,169	121,289	134,254

OCEANSIDE, CA
SAN DIEGO COASTAL NORTH COUNTY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade-Tribune (E)	88,214	5,884	101,043	4,448
Blade-Tribune (S)	62,915	720	60,570	1,913
Grand Total	151,129	6,604	161,613	6,361

NOTE Blade-Tribune Evening published five days a week only

ORANGE COUNTY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Register (AD)	321,920	75,942	321,278	80,754
Register (S)	154,937	928	147,192	7,937
Grand Total	476,857	76,870	468,470	88,691

PHILADELPHIA, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Inquirer (M)	141,318	32,548	141,087	36,181
Inquirer (S)	145,798	87,385	137,122	61,335
News (E)	76,472	3,673	77,696	2,396
Grand Total	363,588	123,606	355,905	99,912

*PHOENIX, AZ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Arizona Republic (M)	212,204	15,692	224,747	8,768
Arizona Republic (S)	134,700	—	141,351	—
Gazette (E)	202,761	15,827	216,154	8,972
Grand Total	549,665	31,519	582,252	17,740

NOTE Figures supplied by publisher to Media Records

*PROVIDENCE, RI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal (M)	87,398	143,313	77,846	81,852
Journal (S)	112,502	48,750	102,400	55,434
Grand Total	199,900	192,063	180,246	137,286

NOTE Figures supplied by publisher to Media Records

*ST. LOUIS, MO

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post Dispatch (M)	109,295	28,975	114,964	30,198
Post Dispatch (S)	151,054	—	146,314	—
Grand Total	260,349	28,975	261,278	30,198

NOTE Figures supplied by publisher to Media Records

ST. PAUL, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Pioneer Press Dispatch (AD)	88,060	—	89,273	—
Pioneer Press Dispatch (S)	136,468	—	125,423	—
Grand Total	224,528	—	214,696	—

NOTE Part run figures not available

SAN ANTONIO, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Express-News (AD)	105,281	48,537	117,120	46,182
Express-News (S)	91,066	29,398	88,149	38,656
Express-News (Sat)	42,302	—	44,221	—
Light (AD)	124,839	21,468	146,997	17,091
Light (S)	97,927	7,365	102,835	11,617
Light (Sat)	33,468	1,364	33,160	2,227
Grand Total	494,883	108,132	532,482	115,773

NOTE Express-News All Day and Light All Day published five days a week only

SAN DIEGO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Union (M)	208,164	40,810	210,288	31,762
Union (S)	150,840	879	146,599	—
Tribune (E)	210,617	38,058	214,159	31,300
Grand Total	569,621	79,747	571,046	63,062

SAN FRANCISCO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (M)	122,130	62,582	124,124	77,689
Examiner (E)	119,770	64,221	—	—
Examiner & Chronicle (S)	89,883	45,933	81,484	58,274
Grand Total	331,783	172,736	205,608	135,963

NOTE 1986 Examiner Evening figures not available

SAN JOSE, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Mercury News (AD)	284,927	14,417	277,939	22,448
Mercury News (S)	175,384	—	173,681	843
Grand Total	460,311	14,417	451,620	23,291

*STATE COLLEGE, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Centre Times (E)	78,850	4,336	73,639	3,794
Centre Times (S)	44,289	226	44,785	569
Grand Total	123,139	4,562	118,424	4,363

NOTE Figures supplied by publisher to Media Records

*TOLEDO, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade (E)	100,850	—	117,993	—
Blade (S)	120,667	—	108,805	—
Grand Total	221,517	—	226,798	—

NOTE Figures supplied by publisher to Media Records

WASHINGTON, DC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post (M)	246,727	37,904	246,412	35,214
Post (S)	165,510	59,197	170,203	47,389
Grand Total	412,237	97,101	416,615	82,603

WASHINGTON, DC SUBURBAN GROUP

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Montgomery Journal (M)	55,105	227	61,733	699
Fairfax Journal (M)	64,798	1,089	72,877	991
Grand Total	119,903	1,316	134,610	1,690

NOTE Montgomery Journal Morning and Fairfax Journal Morning published five days a week only

WESTCHESTER ROCKLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Reporter Dispatch (E)	87,267	6,387	84,042	10,579
Reporter Dispatch (S)	85,766	33,910	97,929	22,920
Grand Total	173,033	40,297	181,971	33,499

WICHITA, KS

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Eagle-Beacon (M)	104,410	—	126,112	—
Eagle-Beacon (S)	98,832	—	84,508	—
Grand Total	203,242	—	210,620	—

NOTE Part run figures not available

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page

SAU* is the registered trademark of the American Newspaper Publishers Association

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NEWSPAPER

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Staff photo by Arnold Adler

Don Ohlmeyer, chairman of Ohlmeyer Communications Cos., sits in front of his many awards for television productions.

Ohlmeyer loss

RJR Nabisco takes back $200M in broadcast buying

By VERNE GAY

RJR Nabisco has grabbed its $200 million broadcast-buying account away from Ohlmeyer Communications Cos. and taken it in-house.

RJR Nabisco also pulled from New York-based Ohlmeyer all its golf-related promotion activities and snapped up several top Ohlmeyer executives.

John Martin, former Ohlmeyer president and a longtime associate of Chairman Don Ohlmeyer, joined RJR Nabisco, Atlanta, last week as an exec VP to head up its corporate communications and the sports-promotion functions formerly handled by Ohlmeyer. The corporate board is expected to approve his appointment Nov. 18.

RJR Nabisco owns about 50% of Ohlmeyer, but industry observers say the relationship between the two has soured. RJR has been unhappy with Ohlmeyer's sports-promotion performance, sources say, and Ohlmeyer has been upset with the increasing load of promotional and advertising responsibilities from RJR.

Whether this will lead RJR Nabisco to sell its stake back to Mr. Ohlmeyer or to

(Continued on Page 92)

Good news: Consumers bounce back

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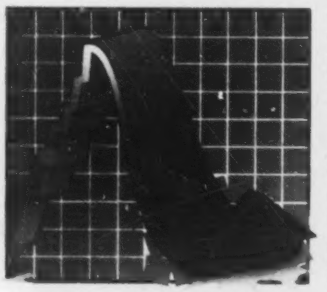
CHICAGO—Consumer optimism took a dramatic upturn last week, the first time since the stock market's Oct. 19 "Black Monday" plunge.

Also, the first hard numbers showing automobile and retail sales since that day indicate Main Street America's buying habits were not immediately affected.

The only sour note is that Christmas spending may still be off this year, compared with 1986.



The ADVERTISING AGE "Consumer Misery Index," measuring consumer buying attitudes, showed decided drops in the percentage of people who plan to cut back on buying food, eating out, driving, buying gasoline and buying clothes *(see chart on Page 91)*.

Also, few people now feel this is a worse time to buy a home or a new car, purchase air travel or invest in stocks.

The conclusions are based [illegible] interviews with 1,302 adults over five successive surveys, including 200 adults surveyed on Nov. 3 and 4, by Leo J. Shapiro & Associates, a consumer research company here.

"The stock market crash shows its first signs of slipping from the nation's consciousness," the survey concluded.

There is a growing belief the stock market's behavior will not lead to a recessionary economy. The percentage of people who said the near-crash made no difference to them or their families has remained between 75% and 79% through five surveys.

But in terms of how important it is likely to be in their own lives, only 10% gave it a "most important" rating, down from a high of 15%.

On the automotive front, Chrysler Corp., Ford Motor Co. and General Motors Corp. each reported hefty increases in sales of light-duty trucks in October, an indication the market has become "price-sensitive," said Cynthia Certo, analyst with Integrated Automotive Resources, Wayne, Pa. Most light trucks are priced below the average car.

Led by Ford's 15.1% gain, U.S.-based automakers posted a total car sales increase of 1.3% for the Oct. 21-31 period this year, compared with 1986.

"We have seen an expected and normal increase in our car sales as the month progressed," said Louis Lataif, VP-sales operations for Dearborn, Mich.-based Ford's North American Automotive Operations.

Sales of low and mid-range import nameplates generally held their own, too. Toyota sales were up 9.5% and Honda sales were up 4.3% for the entire month.

But luxury-car importers may be the first consumer-product marketers to take a big hit from the stock market dive.

BMW was off 11.2% for October. Jaguar, 20.8%; Mercedes-Benz, 25.7%; Porsche, 30%; and Volvo, 26.8%.

The sluggish sales pace for luxury cars flies in the face of traditional auto-marketing wisdom, which holds that the most af-

(Continued on Page 91)

Last Minute News

Pepsi asks BBDO to pitch Slice

SOMERS, N.Y.—Pepsi-Cola Co. has invited its main agency, BBDO Worldwide, New York, to pitch the estimated $30 million Slice soft-drink account now at J. Walter Thompson USA, sources say *(see related JWT story on Page 3)*. A Pepsi spokesman confirmed the company is looking at new advertising approaches from both BBDO and JWT as the four-flavor line moves from an introductory to an established status. JWT's only other Pepsi business in the U.S. is Jake's, a test product.

Alfa Romeo frees $14 million account

MILAN—Italian automaker Alfa Romeo is seeking a new agency for $14 million in business in seven European countries and eventually may look for one agency to take care of its account on a worldwide basis. The automaker is leaving Lintas:Worldwide, London, because

(Continued on Page 8)

Malone shows off cable power, P. 40.

Toyota to name agency for new upscale unit

Saatchi may get Lexus

By CLEVELAND HORTON

Toyota Motor Sales USA will name an agency this week to handle its estimated $60 million Lexus account, and all indications point to current agency Saatchi & Saatchi DFS' New York office as the winner.

The Torrance, Calif.-based car marketer is scheduled to make its announcement in New York on Nov. 10. That is 23 months before the first car from its new, upscale Lexus division hits the market.

Saatchi & Saatchi DFS in Torrence currently handles Toyota's $230 million account.

Neither Toyota nor Saatchi & Saatchi DFS executives would comment. Sources said, however, that the signs point to Lexus going to New York, where the agency is known as Saatchi & Saatchi DFS Compton.

Senior agency executives apparently convinced the leading automotive importer in the U.S. that it will be able to service the account as a separate entity.

That separation is important to Toyota because the agency will have to develop an image for Lexus distinct from the regular Toyota line.

Saatchi has experience handling portions of the Toyota account separately. The agency created a retail advertising division 11 years ago to meet the needs of Toyota's dealer associations.

Toyota also realizes there is a relatively small number of agencies able to handle a large car account without facing a conflict.

By naming the Lexus agency almost two years before the division produces its first car, Toyota will give the agency plenty of time to familiarize itself with the account.

"We feel that we only get one

(Continued on Page 91)

Highlights

Soft-drink marketers thirsty for space 4

Smaller soft-drink companies are shifting media ad dollars to in-store merchandising to counter "calendar marketing agreements" between retailers and Coca-Cola and Pepsi-Cola bottlers. Faced with the tough decision of how to compete, second-tier marketers are questioning the value of advertising as consumers become increasingly influenced by price.

Ad Review: How novel 12

Magazine advertising sure is getting to be fun. There was a time when advertisers were content to combine artwork, headlines and body copy to present a persuasive sales message, but that tired, old strategy is definitely on the wane. What we have now is Reader Involvement, wherein the process of flipping through a magazine becomes an exercise in arts and crafts.

Agencies promote promotion 32

Major ad agencies, faced with declining ad spending and marketers' growing dependence on sales promotion, continue to expand promotional capabilities via acquisition. The search may intensify because current economic conditions could accelerate marketers' use of promotion.

Tuning in on Malone 40

While a spectator at the 1984 Olympic Games in Los Angeles, former ABC Chairman Fred Pierce was handed a letter from John Malone. In it, the president of the nation's largest cable-systems operator informed Mr. Pierce that he would switch off ABC's ESPN at midnight unless Mr. Malone heard from the ABC boss by 5 p.m. End of message. The most powerful executive in cable TV can afford to throw his weight around. Many observers believe he will not stop until he is the most powerful man in television.

Touring the auto ad showroom 78

To cut through the advertising clutter produced by more than 40 U.S. automakers, Advertising Age has traced the recent evolution of advertising by the six biggest auto advertisers. Since the 1988 model year began, some automakers have unveiled new creative advertising approaches, some have repositioned their cars for a different audience, while others are sticking close to last year's strategies.

Rax feasts on all-you-can-eat 87

The "smorgasbord" is making a comeback, and at least one fast-food chain is making it the cornerstone of its market positioning. Rax Restaurants last week began a TV campaign to introduce its Lunch Bar and Dinner Bar, two all-you-can-eat buffets that the chain expects will establish a strong price/-value image. With the uneasy economic outlook, that positioning could be especially important.

INTERNATIONAL

French shops still plan going public 56

Undaunted by the volatile stock market, at least one French agency, Feldman Calleux & Associes, sees going public as a way to finance expansion, and others will probably follow. Other agency names surfacing are BDDP Group, RSC&G and Eurocom's Belier.

Chicken in China 57

The world's first fast-food outlet in China, a 500-person capacity Kentucky Fried Chicken restaurant, is thriving since it opened early last month. Though open for a month, the official grand opening is Nov. 12, and a media extravaganza is planned.

OTHER NEWS

While circulation at a trio of "national" newspapers continued to climb, major metropolitan dailies posted mixed results for the six months ended Sept. 30, according to the Audit Bureau of Circulations' latest FAS-FAX report. Page 12.

Nestle Foods Corp. will cultivate consumer tastes for its specialty chocolates with its first retail store in Atlanta. The retail experiment continues Nestle's attempt to market products that appeal to upscale consumers. Page 28.

The agency that wins a $15 million assignment to market U.S. Olympic coins next year will face some major international competition. Page 43.

Saab-Scania hopes to fly past its European sports sedan competitors by linking its cars to its parent company's aircraft division. Page 70.

Now that Kim LeMasters is sitting all alone in the CBS programming hot seat and the November sweeps are upon him, he must set priorities for the rest of the new fall season. Page 80.

The publishers of *California Business* are starting a new monthly on Los Angeles-area business despite rumors the magazine is on the block. Page 82.

SPECIAL REPORT

***Sports Marketing**—Everything from football to fat-tire bike racing is getting corporate backing these days as advertisers jump on one of the hottest promotional monsters yet. This year, more than 3,400 companies will spend at least $1.35 billion sponsoring sporting events, compared with an estimated $300 million in 1983. The 1988 Olympics Games alone already have tallied some $370 million in corporate support. Starts after Page 50.*

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U.S. drops Ayer probe

Army issue over?

By JANET MEYERS

The U.S. Attorney has dropped a four-year investigation into N W Ayer's handling of the Army account.

Although the investigation produced only one individual guilty of wrongdoing, it resulted in Ayer losing the $100 million account—at the time its largest—and forced the New York agency into a public battle to protect its honor.

"The U.S. Attorney's decision leaves us with a profound sense of relief that our confidence in the honor and integrity of Ayer is vindicated at last," agency Chairman Louis Hagopian said in a Nov. 6 memo to agency staff.

Mr. Hagopian had fumed late last year when, in the 11th hour of a review of the account Ayer had handled for 19 years, the Army suspended the agency from all government work. The suspension, slated to expire in a few weeks, effectively knocked Ayer out of the review for a five-year, $500 million contract.

Young & Rubicam was awarded the contract in January.

Ayer filed suit in U.S. Claims Court in Washington in January, seeking to overturn the suspension and recoup the $525,000 it spent on its aborted presentation to keep the account. Ayer had served the Army nearly unchallenged for years; it created the successful "Be all you can be" theme.

Mr. Hagopian refused comment on whether Ayer will pursue its suit against the Army.

"We were on the brink of taking steps to reactivate it," said Gerald Norton, partner at Pepper, Hamilton & Scheetz, the Washington law firm handling the suit. The U.S. Attorney's action, he said, "raises a range of questions."

The Department of Defense's Criminal Investigation Service, which was operating a separate investigation in tandem with the U.S. Attorney (southern district of New York), declined to reveal whether it would drop its probe.

The government last year charged Ayer had rigged bids, inflated time cards and was responsible for the conduct of Jack Bidus, the sole person charged in the case. Mr. Bidus, an Ayer VP, was charged with collecting $60,000 over 12 years in kickbacks from Saul Leyton, president of Hurrah Productions, a small production house.

Mr. Bidus, arrested in late 1985, pleaded guilty to the charges in April 1986, a month before the Army announced it would review the contract in the middle of its five-year run. That made the timing of Ayer's November 1986 suspension curious, because the Army easily could have suspended the agency soon after Mr. Bidus' sentencing.

But subsequent papers requested from the Army revealed that the U.S. Attorney also believed it was close to indicting Thomas Donoghue, an Ayer public relations VP.

However, the U.S. Attorney evidently never developed a strong enough case to indict Mr. Donoghue and ceased its investigation of him.

Apparently, the Army's only solid evidence came from Messrs. Bidus and Leyton, who for months supplied information to investigators about alleged schemes in which Ayer creative people supplied low-bid information to favored subcontractors.#

More advertisers jump in

Cable TV ad sales soaring

By WAYNE WALLEY

Cable TV is exploding as major advertisers look for alternatives to the estimated 20% increase in fourth-quarter broadcast network TV prices.

Industry analysts expect from 20% to 40% increases in annual and/or fourth-quarter sales at each cable network as the industry tops the $1 billion ad revenue mark for the first time.

Every major cable network—Arts & Entertainment, Cable News Network, CBN Cable Network, CNN Headline News, ESPN, Lifetime, MTV: Music Television, The Nashville Network, Nickelodeon, Superstation TBS, USA Network and VH-1: Video Hits One—reports scores of new advertisers amid the tightest fourth-quarter marketplace in cable history.

Many observers predict cable will exceed earlier projections that revenues would jump 19% to $1.1 billion this year.

In contrast, the Big 3 broadcast networks expect a 5% to 7% increase, to about $9 billion.

Many advertisers recently have bought cable for the first time. They include Adidas USA, Campbell Soup Co., Dannon Co., Duracell Inc., Eastman Kodak Co., Ford Motor Co.'s Lincoln-Mercury Division, E&J Gallo Winery, Lever Bros., National Dairy Board, Nintendo of America, Perrier Group, Polaroid Corp. and Timex Corp.

"A lot of advertisers may not have come on cable except for the tight network marketplace," said John Barbera, New York-based senior VP-sales for CNN and Headline News. "We needed a breakthrough to convince new advertisers to try us. This is it."

Prime-time programs on A&E have been at near "sold out" levels for four months. CBN sales for the fourth quarter are up 41% compared with last year; TNN's fourth-quarter sales are up 30.6%. CNN's annual ad revenues are up 20% this year; Superstation TBS will pull in 15% to 20% more in ad revenues this year. Nickelodeon's revenues are triple its 1984 results, while its nighttime programming counterpart, Nick at Night, has doubled its 1986 revenues. USA Network

(Continued on Page 92)

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AD REVIEW

Don't gimme gimmicks

Novelty ads flood media

By BOB GARFIELD

Last week's *Time* had a four-page spread for Merit cigarettes; open it up and a sailboat mainsail pops right out at you, with coupon attached. Gosh!

Glamour has tipped-in cards with microencapsulated Poison and Ciara perfumes and a peel 'n' brush blusher sample from Maybelline Co. I didn't try the blusher, but I can say without hesitation that the intermingling of Poison and Ciara smells better than rancid Crisco.

Magazine advertising sure is getting to be fun. There was a time when advertisers were content to combine artwork, headlines and body copy to present a persuasive sales message, but that tired, old strategy is definitely on the wane.

What we have now is Reader Involvement, wherein the process of flipping through a magazine becomes an exercise in arts and crafts.

Honeywell Inc. gave *Business Week* readers a pop-up of an entire factory/office complex. The importers of Absolut vodka and Canadian Mist liqueur are bringing us holiday music via microchip.

One of these days somebody will attach a blasting cap to a high-gloss gatefold. The reader tugs at it, and . . . KABOOM!

The ultimate attention-getter, eh?

Toyota Motor Sales USA gave Saatchi & Saatchi DFS the go-ahead to include cardboard binoculars in a spread that focuses on its new slogan, "The new dimension in driving."

But the question is, as advertisers grope for ever-niftier novelties in the battle for better Starch INRA Hooper recall scores, once you have reader attention: Then what?

Take Saatchi & Saatchi DFS' brainstorm on behalf of Toyota Motor Sales USA. To point up its "The new dimension in driving" slogan, the automaker tips in detachable cardboard binoculars—yes, binoculars—providing a Viewmaster-like 3-D image of a Toyota Corolla. I believe this ad, featured in Time Inc. books, cost a fortune.

But, boy oh boy, is it ever a grabber! It grabs you right into a conventional four-page spread that is so turgid, ordinary and uncompelling that you'd wonder why anybody would want to call attention to it:

"The depth and beauty of the new 1988 Corolla LE Sedan is not an illusion. It's a reality. Refined chassis engineering plus front-wheel-drive offers the superiority of a quieter ride and . . ." Zzzzzzzz.

Call me an old fogy, but I think the money and energy behind this gimmick would have been expended better on an arresting sales pitch.

That is not, however, to condemn all value-added print advertising. It's simply a call to reason, a suggestion that agencies and clients ask a few questions. To wit: Does my perfume sample get lost in a cloud of competing fragrances? Does my expensive microchip music do anything to increase my ad's memorability? Does the hysteria to produce a more novel novelty ad distract from the business of selling?

Am I, in short, using an Atlas II booster to launch a spitball?#

Editor's note: Philip Morris USA 's Merit ads are handled by Leo Burnett USA, Chicago; Maybelline is handled by the Bloom Agency, Dallas; Honeywell, BBDO Worldwide, Minneapolis; Revlon Group's Ciara, in-house; Christian Dior's Poison, in-house; GrandMet USA's Absolut vodka, TBWA Advertising, New York; Brown-Forman Co.'s Canadian Mist, Ally/Gargano MCA, New York.

National newspapers gain

'USA Today,' 'Journal' post higher circulation

By GARY LEVIN

While circulation at a trio of "national" newspapers continued to climb, major metropolitan dailies posted mixed results for the six months ended Sept. 30, according to the Audit Bureau of Circulations' latest FAS-FAX report (AA, Nov. 2).

Both dailies in Boston suffered circulation losses during the period, compared with year-earlier totals, while the two major papers in Minneapolis and St. Paul had increases as each expanded its marketing area.

In Chicago, Houston, Los Angeles and New York, leading dailies gained at the expense of their No. 2 or No. 3 rivals.

The figures were released as agency, advertiser and media executives prepared to meet this week in San Francisco for the ABC's annual conference.

Average daily sales of Gannett Co.'s *USA Today* jumped 12.3% to 1,324,223, as the paper celebrated its fifth anniversary. *The Wall Street Journal* was up 0.5% to 1,961,846, while *The New York Times* rose 2.1% daily to 1,022,899, and 0.3% Sunday to 1,589,290.

Among remaining New York papers, the *Daily News* was up 1.2% daily and 1.1% Sunday *(see chart)*. The gains for the Tribune Co. daily appear to have eroded circulation further at the *New York Post*, which declined 5.6%, or more than 40,000 copies, to 690,915. The *Post* does not publish a Sunday edition.

Times Mirror Co.'s *Newsday*, the Long Island-based daily that recently has made gains in Manhattan and elsewhere in the region, jumped 6.3% daily to 641,363, and 2.3% Sunday to 682,018.

In Chicago, the *Tribune* widened its lead over the *Sun-Times*, gaining 2.7% daily and 0.5% Sunday. The *Sun-Times* fell 1.3% and 1.9%, respectively.

The *Los Angeles Times* continued to dominate that market, gaining 2.5% daily and 2.7% Sunday. The much smaller *Herald-Examiner* fell 1.1% daily and 2.9% Sunday, while the *Daily News* gained 3.8% and 6.0%, respectively.

The *Orange County Register*, in nearby Santa Ana, Calif., posted a 3.1% daily gain, to 317,331, and a 4.2% Sunday increase, to 362,404.

Its Sunday circulation nears the combined total for the No. 2 and No. 3 Los Angeles dailies.

Sales of the *Houston Post* were down 2.1% daily and 3.7% on Sunday, falling to 301,100, and 347,052, respectively.

The *Chronicle's* average daily circulation was 406,776, an insignificant gain, and 534,771 on Sunday, up 0.8%.

Detroit dailies, fighting for approval of a joint operating agreement, had mostly bad news in terms of circulation. Knight-Ridder Newspapers' *Free Press* was down 1.1% daily and 1.9% Sunday; Gannett Co.'s *News* gained 0.8% daily but lost 0.3% Sunday.

The rechristened *Star Tribune*, "newspaper of the Twin Cities," and the *St. Paul Pioneer Press Dispatch* each had gains averaging 2.6% daily and Sunday as both made inroads into their competitors' turf. The *Star Tribune* removed Minneapolis from its masthead and began an expanded circulation drive by creating three regional editions.

In Denver, the *Rocky Mountain News* continues to be the better-selling daily paper, gaining 1.5% to 332,114, while the *Post* also gained 1.5% to 230,471. On Sunday, however, the *Post* continues to lead despite a 5% circulation drop to 404,271.

The *News'* Sunday sales were up 1.6% to 373,206.

In a more lopsided competition, the *Washington Post* gained 1.8% daily and 1.6% Sunday, while the *Washington Times* lost 12.2% daily, falling to 91,508, or nearly one-eighth the *Post's* daily total.

The *Times* does not publish on Sunday.

Dallas dailies did not report figures because of pending litigation in which the ABC is named as a defendant.#

Newspaper circulation results mixed

Average paid circulation for the six months ended Sept. 30, 1987, for competitive major market newspapers. Because of pending litigation, Dallas newspapers are not included in the FAS-FAX report. *Source*: Audit Bureau of Circulations.

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
BOSTON				
Globe	502,521	−2.7	781,407	−2.9
Herald	355,355	−1.2	265,401	−1.3
CHICAGO				
Sun-Times	604,862	−1.3	613,940	−1.9
Tribune	765,371	2.7	1,117,275	0.5
DENVER				
Post	230,471	1.5	404,271	−5.0
Rocky Mountain News	332,114	1.5	373,206	1.6
DETROIT				
Free Press	649,312	−1.1	732,699	−1.9
News	686,787	0.8	837,511	−0.3
HOUSTON				
Chronicle	406,776	0	534,771	0.8
Post	301,100	−2.1	347,052	−3.7
LOS ANGELES				
Herald-Examiner	238,811	−1.1	195,009	−2.9
Daily News	159,348	3.8	174,767	6.0
Times	1,113,459	2.5	1,384,857	2.7
MINNEAPOLIS/ST. PAUL				
Pioneer Press/Dispatch	193,075	3.0	251,484	2.4
Star Tribune	389,410	2.8	629,845	2.2
NEW YORK				
Daily News	1,285,869	1.2	1,615,038	1.1
Post	690,915	−5.6	NA	NA
Times	1,022,899	2.1	1,589,290	0.3
WASHINGTON				
Post	761,142	1.8	1,096,725	1.6
Times	91,508	−12.2	NA	NA

Special Report

Sports Marketing

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Companies learn to play the game

By Wayne Walley

Athletes won't be the only ones competing for gold at the 1988 Winter and Summer Olympics.

Corporate America, as it did in 1984, is rushing to support the Games in Calgary and Seoul to the tune of at least $370 million. Some predict companies will spend as much as $400 million in sponsorships before the Olympic flame is lit, and $500 million touting the Olympic association.

But this is only a drop in the bucket when it comes to the nation's hottest promotional monster—sports marketing.

Everything from the big three professional sports—football, baseball and basketball—to offbeat events like beach volleyball and fat-tire bike racing are finding eager advertisers ready to pony up cash for an identifiable link.

Lesa Ukman, editor of Chicago-based industry newsletter *Special Events Report*, estimates more than 3,400 companies will spend at least $1.35 billion this year in fees just to sponsor sports-related events, compared with an estimated $300 million in 1983. And some 400 corporations have formed event-marketing departments with separate budgets. Only 10 existed in 1982.

Bob Dowling, publisher, *Sports Marketing News*, Westport, Conn., says total sports spending by advertisers will exceed $6 billion this year if the analysis includes athletes' endorsement contracts, commercial time sold within sports telecasts, sporting event sponsorship budgets and other related expenses.

In its original form, sports marketing merely concerned hiring an athlete to endorse a product. Who can forget Joe Namath in pantyhose? And personal endorsements remain a viable option. Arnold Palmer pockets $6 million a year from his contracts with The Hertz Corp., PaineWebber Inc., Pennzoil Co. and others. Jim McMahon has been in more commercials

(Continued on Page S-2)

Top corporate spenders on sports marketing

Company	Sponsorship budget*
1. Philip Morris Cos.**	$85
2. RJR Nabisco	58
3. Anheuser-Busch Cos.	50
4. Adolph Coors Co.	12
5. Coca-Cola Co.	10

*$ in millions
**includes Miller Brewing and General Foods
Source: Special Events Report, Chicago.

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Companies learn the game

(Continued from Page S-1)

than football games the past year, picking up an estimated $3 million.

But many companies believe that linking their image to individuals is risky—particularly in light of drug problems among athletes and other image-crippling fiascos—leading them to tie in with events instead. The strategy offers longer-term stability and can help build a stronger image.

The biggest annual sports sponsorship spenders, according to *Special Events Report*, are Philip Morris Cos., RJR Nabisco and Anheuser-Busch Cos. with annual budgets of $85 million, $58 million and $50 million, respectively. The expenditures are less than 10% of their annual ad budgets.

"These companies aren't spending more each year; it remains pretty constant. But more companies are spending money in the category. That's where the growth is, and it will continue to grow," says Delbert Wilber, president of DelWilber + Associates, McLean, Va., a special events marketing specialist.

The cost of buying TV time is more expensive despite lower ratings, so companies are looking for more efficient options, contributing to the category's growth. Sports often is used for product introductions, to increase name awareness or as a way to compete with a regionally dominant brand.

"Companies also recognize sponsorship can build an affinity or a bond with the consumer," says Mr. Wilber. "More advertisers are starting to create sales promotions in tandem with sponsorship, too. If you have a theme and event exclusivity, you stand out. And if you spend the money on a local sweepstakes tied in with the event, you can see the results."

Volvo North America Corp., Rockleigh, N.J., claims the number of impressions—one person seeing Volvo's name one time—generated from its $3 million tennis sponsorship expenditures last year were worth $25 million in media advertising.

Another example is Frito-Lay, a DelWilber client that wanted to increase sales of Ruffles potato chips in New York. The Plano, Texas-based company signed a two-year agreement to become the "Official snack food of the New York Yankees." Then Frito-Lay started a Memorial Day promotion, "Win with the Yankees in Boston." The results: Sales during the 1987 Memorial Day weekend increased 21.5% over the previous year.

(Continued on Page S-4)

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Many sponsors still on sidelines

By Lori Kesler

As the stakes of big games keep rising, many marketers are taking a cautious stance about becoming involved in minor women's sports. They're waiting for games to emerge as viable partners before deciding to play.

Lori Kesler, ADVERTISING AGE's *St. Louis correspondent, covered network TV's involvement in the upcoming 1988 Olympic Games in the July 13, 1987 Sports Marketing Special Report.*

"It's such an uncluttered area a sponsor can take a sport that hasn't been exploited and really make it its own," says Lesa Ukman, publisher of Chicago-based *Special Events Report*, an industry newsletter. "I see a lot of potential in the long run."

Experts agree that women's sports so far haven't generated many lucrative sponsorship deals except in professional tennis and golf. Insiders estimate that women's sports got only $100 million to $150 million of the $1 billion-plus spent overall last year on sports sponsorship. In fact, even the most optimistic boosters admit women's sports never may attract as many dollars as the games men play.

■ *Excepting golf, tennis, women's sports failure to draw fans cools marketer interest*

For one thing, any spectator sport's popularity—and value to sponsors—depends on its ability to draw crowds and produce superstars, says Ellen Merlo, group director-marketing promotions, Philip Morris USA, New York.

She says few women athletes have reached superstar status in the past because girls' sports haven't gotten much attention at the high school level. "Women are just now starting to aspire to be professional athletes," she says. "They've never before seen this as a realistic way to earn a living."

Another problem, says one expert, is that TV programmers doubt large numbers of women will watch women's sports on TV. "When they try to reach women, they're more likely to use entertainment than sports," says Monica de Hellerman, president of International Sport Summit, New York.

Meanwhile, when sponsors set up local participation events for amateur runners, walkers or cyclists, they tend to favor co-ed events rather than women or men-only affairs.

Doug Pirnie, director-marketing services for International Management Group, Cleveland, argues that the co-ed strategy makes sense because most marketers want to target a dual audience. Because a growing number of men are shopping for such things as

(Continued on Page S-6)

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USA

Companies learn the game

(Continued from Page S-2)

Ryder System, Miami, merely looked next door to the Doral Hotel & Country Club and its Doral Open, a stop on the Professional Golf Association Tour, as a means of enhancing its image. "We're known for our yellow trucks, but that's only 25% of our business," says Wendell Beard, VP, Ryder. "We thought sponsorship of a golf tournament could help."

Ryder's financial support—about $1.5 million for PR costs, media buys on the telecast and a contribution to the prize money—boosted the tournament's purse to $1 million. The increase helped the Doral Ryder Open draw 59 of the top 60 money winners last year. Attendance increased as did TV ratings.

Ryder estimates its sponsorship provided at least 103 million print media "impressions." That doesn't even count radio and TV exposure or the goodwill generated by wining and dining customers at the event and allowing them to play with the professionals in the pro/am tournament.

Sponsorship of major televised events also can help a company avoid being part of the clutter when it just buys 30-second spots. The networks are now willing to guarantee sponsors logo exposure and other considerations in return for ad buys.

The John Hancock Sun Bowl is a primary example. The Boston-based life insurance company paid $500,000 for rights fees, bought 25% of the commercial inventory for $350,000 and was allowed to place its logo on the 50-yard line.

But that's not all. As the Sugar Bowl sponsor last year, U.S. Fidelity and Guaranty Co., Baltimore, another insurance company, reaped extra rewards from its involvement in the event's festival, which includes a regatta, a national intramural flag football competition and a basketball tournament.

"It helps the agents," says Minor Carter, senior VP, USF&G. "They can entertain clients at the game [in our] hospitality tents. We didn't have much name recognition before, but we know its better now because it's easier for our agents to sell."

Sports tie-ins, however, can flop just as easily. While most companies now use in-house experts or hire consultants to devise sports marketing plans, some still jump in blindly.

The most fabled failure belongs to Chicago-based Beatrice Cos., which signed an estimated $80 million, five-year deal with Mario Andretti. Instead of putting brand names on Mr. Andretti's car, Beatrice used its less recognizable corporate moniker. The company couldn't justify the expense without quantifiable results and pulled out a year later.

The only other dangers, according to Mr. Dowling, exist when advertisers expect more, and events promise more, than sports marketing can deliver. "People have to be realistic or they will become disillusioned," he says. "Especially since more companies are looking to regional events because of their cost-effectiveness. The adver-

(Continued on Page S-6)

How the sports score—1987 sponsorship dollars

(in millions)

Golf	
PGA Senior Tour	$24
PGA Tour	85
LPGA Tour	17
Motor sports	
CART	75
IHRA	18
IMSA	50
NASCAR	85
NHRA	35
SCCA	13
Running	
Marathons, road races	50
Tennis	
WITA North American	21
MIPTC North American	28

Source: *Special Events Report*, Chicago

Sponsors on the sidelines

(Continued from Page S-4)

food and household goods, the marketers of those products don't limit themselves to women anymore, he says.

Certain female-oriented products might reasonably link up to women-only sports events, says Mr. Pirnie, but they also may encounter problems. For example, "it's sometimes hard for a cosmetics company to figure out how to use a hot, sweaty event to sell more mascara and blush," he says.

And some people claim the very mention of some female products can embarrass male sports editors who control coverage of an event. When the Indianapolis-based U.S. Synchronized Swimming sold title sponsorship of its national championships to Tambrands Inc. for its Tampax line, it found newspapers reluctant to include the sponsor's name.

Some editors said they were following their stylebooks. Indeed, earlier this year the Associated Press ruled that corporate names would not be used to identify sporting events unless the events were indistinguishable without them. Others claimed ignorance of the event's proper name. But Betty Watanabe, Synchronized Swimming's executive director, suspects some editors just couldn't bring themselves to print the word Tampax. "Having a condom sponsor probably would have brought us more press," she quips.

Experts agree it may take a few years for sponsors to figure out how to make the most of women's sports. But there's been progress at several levels. In professional sports, women's tennis and golf are "very healthy and getting healthier every year," says Ms. Ukman.

The Ladies Professional Golf Association Tour, for example, will offer a $12 million purse next year, and its stable of big-name sponsors includes Konica U.S.A Corp., MasterCard International, Mazda Motors of America, McDonald's Corp., RJR Nabisco's Nabisco Brands, Nestle Foods Corp. and Sara Lee Corp.

Tennis likewise attracts big money and prestige sponsors—but it hasn't always been so. Philip Morris' Virginia Slims cigarettes began sponsoring women's tennis in 1970 when "women players were getting about one-tenth what men got and they played their matches at off-hours on back courts," says Ms. Merlo.

But pioneer players such as Billie Jean King and Rosie Casals proved they could wow the crowds with an entertaining game. In time, they were able to negotiate better prize money and sponsorships through a more lucrative series of tournaments. The result: The women's tennis purse for 1987 amounts to more than $18 million and the sport has several bona fide superstars.

Virginia Slims, the sport's largest sponsor, underwrites several individual events and the grand finale $1 million-dollar world championship series each November. In return, Virginia Slims gets worldwide publicity, an opportunity to sample adult audiences and to spin off retail promotions.

Ms. Merlo says clutter in traditional media has driven companies to seek more creative marketing vehicles. Sponsorship of the right sporting events, she says, will deliver "the consumer groups you want in a place they choose to be."

Some experts see women's professional bowling as the next hot women's sport. Although it's currently supported mainly by industry sponsors, the sport could offer a consumer product lots of visibility, says John Falzone, president of the Ladies Pro Bowling Tour, Rockford, Ill.

He says 59 million people bowl every year, including 23.[illegible] million women. That generates strong audience interest for the ladies' fall tour, currently airing on ESPN for 90 minutes every Saturday afternoon.

The women pros will take home $835,000 in prizes from 13 events this year; the purse in 1988 is expected to top $1 million. The biggest sponsor lined up for 1988 is Seagram's Coolers, which will underwrite pro bowling's U.S. Open for men and women in April.

Meanwhile, San Francisco-based Major League Volleyball, a women-only sport that made its professional debut last February, is scouting for corporate sponsors for its four-month 1988 season. MLV operates teams in New York, Chicago, Dallas, Minneapolis, San Jose and Los Angeles. (There is no comparable men's league.)

Lee Meade, MLV executive director, says he'd like to sign marketers of women's products such as cosmetics, clothing, microwave cuisine, or wine coolers. Current sponsors include several volleyball equipment manufacturers and Fujitsu America, a computer company.

He's hoping the '88 Olympics will spawn another surge of interest in the sport as well as bring MLV a new crop of players. Viewership of women's volleyball topped all other Olympic events in 1984, he says.

"Volleyball has a strong chance of making it," says Holly Turner, a principal of women's sports marketing consultancy Auchincloss & Turner, San Francisco. However, she acknowledges that team sports for women generally don't garner as much corporate support as the individual sports such as tennis and gymnastics. "There's in-

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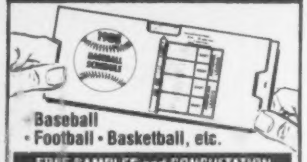

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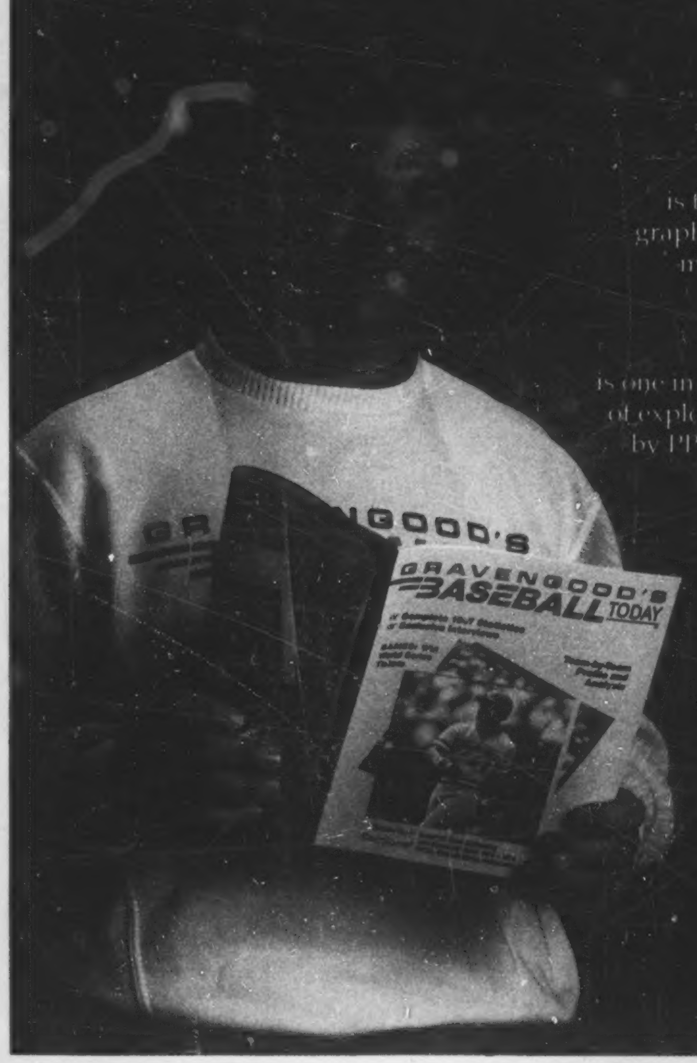

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Companies

(Continued from Page S-4)

tiser has to realize 30,000 things could go wrong."

Ms. Ukman also warns of potential disappointments regionally, but believes company decentralization of overall advertising plans will lead to sponsorship of new types of sports and non-sports events.

Others say some sports, particularly NASCAR racing and golf, have neared the saturation point, forcing agencies and sports marketing companies to seek other alternatives. They say this is why events like skateboarding, fat-tire racing, beach volleyball and sled-dog racing are finding sponsors.

As for other trends, Monica de Hellerman, president, International Sport Summit, New York, believes gambling will create new opportunities for sports marketers.

"Gambling supports soccer in Europe and it could do the same here," she says. "Gambling revenues could provide the funds to help a sport promote itself and become popular. Then it could become more desirable to sponsors."

Because of changes in European broadcasting rules and more use of commercials, Ms. de Hellerman also expects more American companies to use sports to introduce their products in Europe, a marketing strategy Anheuser-Busch already has used with football to introduce its Budweiser beer in England. ■

Grand prix gets jump on affluent fans

By Janice Steinberg

They're lean, they're sleek, they have names like Bodacious Daniel, Eternal Journey and Touch of Class. They are grand prix show jumpers and they are the literal muscle behind one of the fastest growing spectator sports in the U.S.

Long one of Europe's most popular sports, grand prix jumping has been growing steadily in the U.S. since 1978, when the Cleveland-based American Grandprix Association organized its first national tour.

"We had a marketable commodity in the series," says Leonard King, AGA president based at Valley Forge Military Academy in Wayne, Pa. "National sponsors want a national presence. That's what got the ball rolling originally."

The tour started with 16 events and no corporate sponsors. In 1980, under contract with ESPN, the AGA started receiving television coverage and scored its first tour sponsor, Citicorp Diners Club's Carte Blanche credit card. Mercedes-Benz of North America took over tour sponsorship in 1981, an arrangement that continued until 1986.

Then, the 1984 Olympics put grand prix jumping on network TV. An enthusiastic public saw a colorful, lively sport in which riders urged their horses over a series of challenging jumps and were marked on faults—such as balking or knocking down a pole—and speed. And they saw U.S. equestrians take both individual and team gold medals in the event.

"The 1984 Olympic Games, being in the States and getting the television exposure they did, very much increased the interest in horse sports in general and grand prix jumping in particular," says Bill Landsman, New York-based PR director of the U.S. Equestrian Team. "Then, the fact that the U.S. won both the team and individual gold medals didn't hurt at all. I think people like to watch something that we're winners at."

"After ABC's coverage of the equestrian phase of the Olympics, we saw a dramatic increase in spectator attendance and sponsorship interest," says Jim Passant, PR director, AGA.

There are now two major national grand prix tours—the AGA and the Culpeper, Va.-based U.S. Grand Prix League—offering 56 events this year.

■ *'Prestigious, quality imagery' of horse jumping events reins in A-B, Rolex and others*

While exact figures aren't available, industry sources estimate corporate sponsorship of grand prix jumping for 1987 totals more than than $1.3 million in the U.S.

Anheuser-Busch Cos. and Rolex Watch USA sponsor the 1987 AGA and USGPL tours, respectively. In addition to tour sponsorships, corporations also sponsor the tours' individual regional events. Current event sponsors include Cadillac division of General Motors Corp., Chrysler Corp., GMC Trucks, RJR Nabisco's Nabisco Brands, Prudential-Bache Securities and United Missouri Banks.

Corporations are sinking $1.3 million into a sport which, although growing, still draws comparatively small audiences for one simple reason: upscale demographics.

The 44,000 members of the New York-based American Horse Show Association, which includes people involved in grand prix, dressage and other events, have average annual household incomes of $77,700, says Kathleen Mitchell, director-communications. Their median age is 35 and a surprising 86.1% are women.

"That's interesting for companies having anything to do with female products. They don't realize [horse events] are a gold mine," says Ms. Mitchell, who is seeking corporations to sign up for three-year sponsorships of all the American Horse Show Association events, including grand prix.

"The equestrian world, like the yachting world, tends to be pretty well-heeled," says a spokesman for New York-based Rolex. In addition to sponsoring the USGPL tour, Rolex is involved with the U.S. Equestrian Team and uses team members in a series of print ads, created in-house, as part of an ongoing campaign that compares sports champions' athletic excellence to that of Rolex watches.

Anheuser-Busch, which attached its Michelob brand name to the AGA tour, encourages local distributors to set up hospitality areas at the grand prix events and occasionally to do in-store promotions with counter cards. St. Louis-based A-B's tour sponsorship costs about $550,000, according to Mr. Passant.

Rolex Watch USA comes along for the ride in print ads supporting horse jumping.

"Horse jumping provides very prestigious, quality imagery, and that is consistent with our Michelob super-premium brand," says Joe Castellano, senior manager-sports marketing.

When it was the AGA tour sponsor, Mercedes suggested that local dealers set up hospitality areas and provide special seating at the events. This year, when Mercedes ended its association with the AGA, the company produced it's own series of three grand prix regional events in affiliation with horse shows in Dallas, Los Angeles and New York.

"We got out [of the AGA sponsorship] because we felt that a 32-event situation just wasn't paying us back. We were only getting worth out of some markets, some events," says Chris Dirato, sports PR manager at Mercedes-Benz, Montvale, N.J.

The first Mercedes Show Jumping Championships were held in Los Angeles on June 28, Dallas on Aug. 8, and New York City on Nov. 7, the latter as part of the National Horse Show at Madison Square Garden. Each event carried a purse of $50,000 and a $10,000 bonus for the winning rider.

CBS Sports will broadcast an hour-long program of "The Mercedes Horse Jumping Championship" on Dec. 5. Mercedes pre-bought a set percentage of the program inventory. Specific figures were unavailable, but generally, in order to get its name in a program title, a sponsor buys at least one-third of the commercial time on CBS, says Peter Tortorici, VP-programming, CBS Sports, New York.

"I think [what Mercedes has done] is part of a larger trend," says Lesa Ukman, editor of Chicago-based industry newsletter *Special Events Report*. "As corporations know what they want and are more and more practiced at sponsorship, they're going to create events for themselves to meet their objectives, rather than buying into somebody else's circuit."

"All the horse sports are getting more interest from sponsors," she adds. "Certainly dressage and steeplechase are as exciting as jumping. The real key with these sports is that if there's an authenticity to the event with a following, it will probably appeal to a corporation."

As for the the sport's future, "I think it will remain very

Janice Steinberg, a San Diego-based free-lance writer, is a frequent contributor to Special Report.

Grand prix jumping shows steady gains

American Grandprix Association growth, 1978-1986

	1978	1980	1982	1984	1986
Number of events	16	17	24	30	32
Total prize money & year-end rewards	$247,000	$385,000	$700,000	$1,255,000	$1,525,000
Average event purse	$15,400	$20,600	$26,250	$34,300	$41,562
Total tour attendance	34,000	68,000	150,000	230,000	275,000
Average event attendance	2,000	4,000	6,250	7,700	8,300
Total sponsorship income	0	$129,600	$486,500	$980,000	$1,285,000
Total print publicity (inch)	3,500	7,000	17,000	25,800	30,000
Total ESPN publicity (minutes)	0	4,320	3,240	3,780	5,000 +

Source: American Grandprix Association

$6,200,000,000...

In 1986 alone, corporations spent $6.2 billion on sports marketing. In the year to come, 6 of every 10 corporations that use sports to sell products plan to increase their sports marketing budgets.

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Sources: SMN 1987 Subscriber Profile; SMN Projection Based on Compiled Data

SPORTS MARKETING NEWS
INSIDE:
RACE IN TROUBLE
College Grid TV Pact Won't Bother Sponsors
Sponsors Dump $37M Into CART

Sponsors

(Continued from Page S-8)

Lever 2000 Atlanta Stride in late September to build awareness of its new product, Lever 2000, a family deodorant soap currently in test in the Atlanta market.

Lever Bros. decided to put on the striding event, which attracted about 1,000 participants, because "sponsorship of a new activity buys a brand high visibility," says Andrea Gurvitz, senior VP of D-A-Y PR, a division of Ogilvy & Mather Worldwide, New York.

She says the company targeted women by distributing entry flyers through such outlets as women's health clubs and daycare centers.

However, the stride itself

much an elitist activity, simply because of how much it costs to do it," says David Wright, president of Intersport Inc., a Greenwich, Conn., company that produces grand prix and other sporting events. He adds that the horses themselves cost $200,000 to $1 million, and that training and transportation costs are also high. "You see a lot of sponsors coming in and going out. They stay for a while and a lot of them become disillusioned. In some cases it's just too upscale an audience; it's a finite group of people."

Mr. Wright sounds the only pessimistic note among sports-marketing professionals involved in show jumping, however. The rest say interest in—and sponsorship of—grand prix will continue to grow, and that its appeal will be not just upscale, but widespread.

"Horse jumping has been a sleeper and I think it will have grand appeal in this country, not just as an elitist sport, because people in rural areas as well as suburban areas are used to seeing horse events," says Monica de Hellerman, president of New York-based International Sport Summit. "When you go to every country fair, one of the key events is a horse pull or a horse skill event." Ms. de Hellerman says another reason grand prix jumping will grow is that it is "uniquely suited to television."

Mr. Landsman says he sees "a broadening of the sponsorship base to [include] mass-market products."

Certainly there's no sign of major sponsors abandoning grand prix in the near future. Anheuser-Busch signed a two-year agreement to sponsor the AGA tour and Mercedes has entered into multiyear agreements with the three horseshows to continue its grand prix events.

Grand prix jumping may prosper even if it continues to be viewed as elitist. "Originally we felt that we had to downplay the upscale image, but as it turned out, the upscale image is what has supported us," says Mr. King.

Signing 3M an Olympian effort

Multimillion, two-tiered deal gets company into major sport sponsorship via '88 Games

By Pat McGeehan

When executives of ISL Marketing decided to approach 3M about being one of the first worldwide sponsors of the Olympic Games, they knew it would be a tough sale.

As the exclusive marketing consultant for The Olympic Programme *(see related story)*, a marketing package created by ISL and the International Olympic Committee, ISL was seeking global marketers and 3M, an $8.6 billion behemoth with operations in 50 countries, certainly fit the bill. But St. Paul, Minn.-based 3M, while a highly visible advertiser on TV sports programming, had never sponsored a major sporting event, and ISL's sponsorship pitch carried a $10 million-plus price tag.

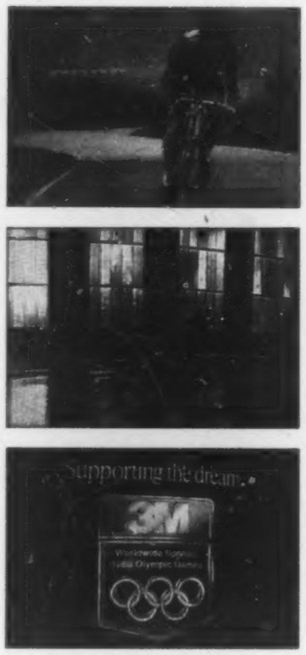
What ISL had in mind was to convince 3M its Scotch brand products should be the "official audio and videotapes of the 1988 Olympic Games," according to Robert Prazmark, VP of ISL Marketing USA, New York, the U.S. division of Lucerne, Switzerland-based ISL Marketing Group.

After the sports marketing company made its pitch to 3M, the conglomerate's executives mulled the offer and decided to take it—and a whole lot more.

They returned a proposal to ISL that would give 12 of 3M's product groups official status—for the price of one. If 3M was going to make the Olympic jump, it might as well expose as many products as possible to the world audience.

"They came at us with a brand concept. What we were interested in was a company concept," says Donn Osmon, VP-marketing and public affairs. The company sought official product status for everything from those ubiquitous, yellow Post-It notes to electrical connectors and cables.

ISL was willing to give 3M more for its money, as long as the original price tag held, Mr. Prazmark says. ISL's primary concern was getting a minimum amount of money for each sponsorship. The company knew there would be few, if any, other takers for 3M's product categories.



Spots for 3M's Olympic sponsorship show a skater and cyclist in training, but emphasize the participant's parental support.

The various Olympic committees, however, were concerned about clutter. "They thought 'the official electrical connectors of the 1988 Olympic Games' was going a little too far," Mr. Prazmark recalls.

So, a two-tier deal was structured. It granted official status to four of 3M's product categories: audio and videotapes, computer discs, tapes and laser discs; Thinsulate clothing insulation and Thintech waterproof fabric; Scotchgard fiber and fabric protectors; and Scotch and 3M adhesive tapes.

Each of those product groups can be promoted and advertised as the official product of its type of the '88 Olympics.

"We chose those [categories] that were much more related to consumer products," says Mr. Osmon.

Eight other product groups may be designated as products of a "worldwide sponsor of the 1988 Olympic Games." They are: Post-It notes; Buf-Puf facial and body sponges; 3M and Scotch scouring pads and materials; Nomad floor mats; Scotch and 3M adhesives, caulking materials and glues; energy-saving and energy-control products; electrical and electronic cables and connectors; and reflective materials. Since that deal was hammered out, 3M has returned for an additional helping. Its professional healthcare products also will carry "official product" designation.

Neither 3M executives nor Mr. Prazmark would disclose the amount 3M is paying for the sponsorship, but it is estimated to be about $12 million.

3M has taken so strongly to the idea of Olympic sponsorship, Mr. Prazmark says, he has come to believe that 3M, rather than standing for Minnesota Mining & Manufacturing, is short for More, More, More.

Charles Eldridge, 3M's VP-corporate marketing services, says the appeal of ISL's offer wasn't the idea of sponsoring a sporting event. Technically, the company's consumer products don't lend themselves well to sports sponsorship in the way cars, trucks and beer do. In fact, only 10% of the company's sales are to consumers; the other 90% go to industry. "We are the first and, I believe, the only company that fits into the business-to-business category to sponsor the Olympic Games," says Mr. Eldridge.

"The sports marketing element is important," he adds, "but the biggest and most important element is the Olympics themselves. 3M operates on a global basis in 50 countries, most of which would be sending some sort of representation to the Summer Games and many of them also to the Winter Games."

Since 3M signed on as a TOP sponsor, it has developed novel ways of promoting the Olympic association. At numerous trade shows around the world, 3M's booths have been built around Olympic themes and filled with memorabilia from past Games that the company dug up in the International Olympic Committee's archives in Switzerland.

Since then, other sponsors have followed suit, according to Mr. Prazmark. "Now, all the sponsors have access to the archives," he says. "3M is pioneering the Olympic association in a way that's never been done before," he says. "They have really thrown their marketing muscle behind this."

(Continued on Page S-12)

Pat McGeehan, a former ADVERTISING AGE *reporter, covered the ad market for TV sports programming in the July 13, 1987 Sports Marketing Special Report.*

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was designed to include the whole family—husbands, children, even babies in strollers or backpacks.

Lever contributed a portion of the entry fees to New York-based Women's Sports Foundation, a group dedicated to expanding sports and fitness opportunities for girls and women, with whom it put on the event.

Lever paid WSF a $25,000 honorarium, and charged entrants a $5 fee, of which $3.75 went to recoup the payment to WSF. If Lever 2000 goes into national distribution, the company may take the stride concept to other cities, says Ms. Gurvitz.

"It's a good fit—a family soap sponsoring a stride for women and their families."

—*Lori Kesler*

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November 16, 1987

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Brokers go on the attack

By JUDITH GRAHAM

NEW YORK—Three major brokerage houses are breaking aggressive ad campaigns in the wake of last month's stock market plunge.

Each campaign represents a major change in approach.

Black Monday, Oct. 19, "literally changed all the rules governing . . . advertising for our industry," said John Lampe, senior VP-director of advertising and public relations at PaineWebber. "Market conditions required [something] totally new."

E.F. Hutton & Co. has turned to an ad agency for the first time in five years, farming out a chunk of its $20 million-to-$25 million account to Hal Riney & Partners.

Hutton's new campaign breaks tonight with a 60-second teaser on ABC-TV's "Monday Night Football." It will run throughout the week on network TV. The meat of the campaign—four hard-hitting :30s featuring customers talking to brokers—breaks later this month.

Hutton's change of direction is being led by Jerry C. Welsh, senior exec VP-marketing and strategic development since March and former director of worldwide marketing, American Express Travel Related Services.

It was apparent even before the October stock plunge that there had to be a "quantum change" in financial advertising, Mr. Welsh said. "All this soft advertising had to give way to something more jugular."

Tonight's teaser spot is a collage of quick shots of city life accompanied by the inspirational chant from the Oscar-nominated movie "The Mission." After the music crescendos to a climax, the spot closes with the slogan: "A new day has begun. E.F. Hutton. We listen."

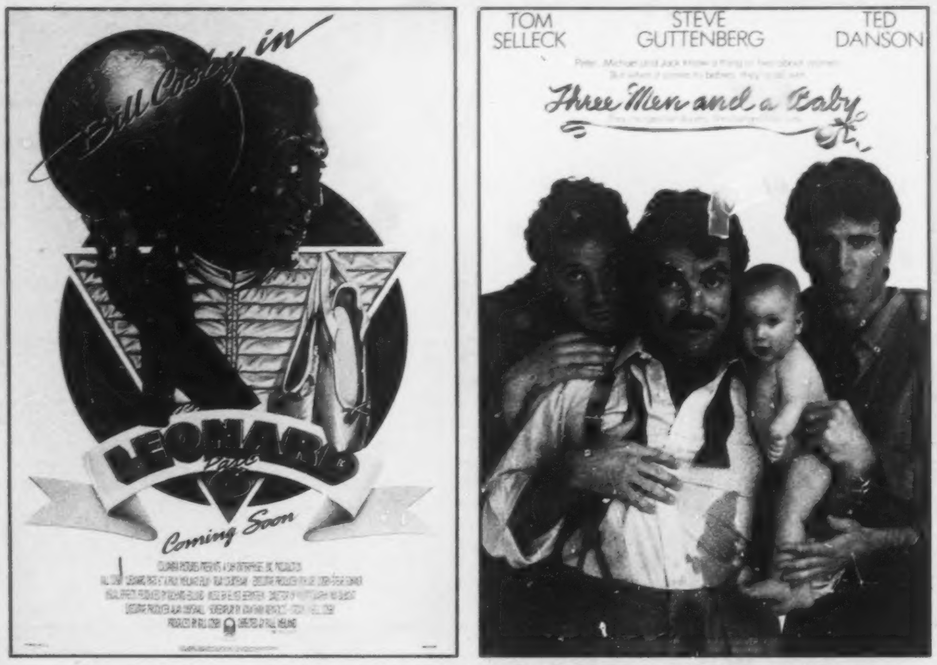
Until 1982, when it went in-house, Hutton's account was handled by Benton & Bowles (now D'Arcy Masius Benton & Bowles), which created the famous "When E.F. Hutton talks, people listen" campaign in 1972.

Drexel Burnham Lambert, the largest player in the "junk bond" market, last week broke its first major television campaign.

The commercials, from Chiat/Day, target policy-makers and opinion leaders, and are running on cable and broadcast spot in Los Angeles, New York and Washington.

Company executives said the effort was created before the stock market plunge but that its message—the social

(Continued on Page 106)



Hollywood's lure: Bill Cosby and two of TV's other big draws, Tom Selleck and Ted Danson.

'Tis the season

Movies are hot, bubbly's not

HOLIDAY MARKETING

By WAYNE WALLEY

LOS ANGELES—Movie studios are juggling release dates and linking up with Coca-Cola Co., McDonald's Corp. and Sears, Roebuck & Co. in their pursuit of record box-office sales this holiday season.

The trick is to have the product and marketing strategy that will work in an unusually crowded holiday theatrical film marketplace.

At least 24 films are due for release in the five weeks between Thanksgiving and New Year's Day, the most active holiday market in recent memory.

Box office sales could hit $500 million or more,

(Continued on Page 108)

By JENNIFER PENDLETON

LOS ANGELES—E&J Gallo Winery is trying to put the sparkle back into the nation's top-selling sparkling wine, Andre champagne.

Modesto, Calif.-based Gallo today launches its 1987 holiday TV campaign for Andre with a new approach from Hal Riney & Partners, San Francisco.

Gallo will not discuss the campaign, but retail sources expect a breezy, tongue-in-cheek approach in which celebrities make toasts with Andre.

For Gallo's champagne, there has been little to

(Continued on Page 108)

Presidential campaign ads tap into cable

By STEVEN W. COLFORD

WASHINGTON—In a media breakthrough, the presidential campaign of Sen. Robert Dole (R., Kan.) plans to use national cable TV advertising for fund raising, and Vice President George Bush's campaign may not be far behind.

The Dole and Bush moves would be a major step forward in making national cable a permanent part of the political landscape.

First off the mark likely will be Sen. Dole. A 60-to-90-second Dole spot tentatively is planned to break on the Financial News Network probably by Jan. 1.

It will mark the first national use of cable by a presidential candidate, said a spokesman at the Cabletelevision Advertising Bureau, a New York-based industry organization that promotes cable advertising.

The Dole forces also plan to break conventional broadcast advertising by Nov. 30 to try to overtake the GOP front-runner, Vice President Bush.

Although the Dole campaign's main creative work will be handled by Ringe Media, Washington, and its media placement by Multi Media Services, Alexandria, Va., the first Dole cable commercials may contain some excerpts from an 18-minute Dole biographical video produced by Murphy & Castellanos, Alexandria.

"The video gives a pretty good sense of themes for the campaign, and we may just edit that down to broadcast length," David Keene, the Dole campaign's senior political consultant, said.

The Dole biographical video,

(Continued on Page 106)

Last Minute News

Beatrice moves brands to Calif. agencies

FULLERTON, CALIF.—Beatrice Cos.' Hunt-Wesson unit awarded Dailey & Associates, Los Angeles, and Ketchum Advertising, San Francisco, $10 million in business that was resigned last week by J. Walter Thompson USA, Chicago *(see related story on Page 8)*. Dailey will pick up the LaChoy and Swiss Miss brands and an undisclosed Hunt-Wesson new product. Ketchum gets Fisher Nuts and Rosarita Mexican foods.

O'Rielly quits as partner, creative director

NEW YORK—Curvin O'Rielly, 45, resigned as a partner and creative director of O'Rielly O'Brien Clow/RSCG, an agency founded here a year ago by the French agency Roux, Seguela, Cayzac & Goudard. Mr. O'Rielly said he quit because he opposed a plan to expand the agency via acquisitions. Mr. O'Rielly is the former creative chief of McCann-Erickson here and Ogilvy & Mather, Chicago.

(Continued on Page 8)

Ad agencies slash jobs—Page 3

Kennedy has 'paper trail' on ads

By STEVEN W. COLFORD

Judge Anthony M. Kennedy, President Ronald Reagan's latest Supreme Court nominee, is neither good news nor bad news for the advertising industry.

The consensus is that the judge is a judicial centrist on the subject of commercial speech.

In past rulings, Judge Kennedy has held commercial speech is protected by the First Amendment, but that protection is not absolute.

In 1978, Judge Kennedy delivered the decision of the 9th Circuit Court of Appeals in California, where he has sat since 1975, in a case involving ad claims by Standard Oil of California for a gasoline additive.

In that case, Judge Kennedy upheld the Federal Trade Commission's finding that Standard Oil's TV spots for Chevron gas with F-310 were misleading.

But Judge Kennedy threw out as overly broad the FTC's attempt to prohibit Standard Oil from advertising "any" product that created a misleading impression by use of tests, demonstrations or visual means.

Judge Kennedy's advertising credo seems to rest in his statement that "commercial speech is not exempt from First Amendment protection."

ANTHONY KENNEDY

In a note likely to be pored over by alcoholic beverage and tobacco marketers, Judge Kennedy said "comment on a subject of public interest must not be stifled even when it is presented in an advertising format. However, when discussion of a matter of public concern becomes a vehicle for sale of a product, the representations which bear on the characteristics of the product may take on increased importance in the mind of the public, and it is appropriate for the FTC to consider this factor in determining whether the advertising is misleading or deceptive."

Floyd Abrams, a noted First Amendment lawyer with the New York firm of Cahill Gordon & Reindel, said Judge Kennedy, in the Standard Oil case, "applied the commercial speech doctrine in a sound and appropriate fashion."

In one of the Standard spots, which aired in the first half of 1970, a "dirty engine" auto that emitted black exhaust smoke before receiving Chevron with F-310 subsequently emitted transparent vapor. The issue of public concern raised by the spots was pollution, and Standard's accompanying claim was "Chevron with F-310 turns dirty smoke into good, clean mileage."

Standard argued to the FTC and Judge Kennedy that their claims were true, though Standard, shortly before the FTC complaint, superimposed on the ads a message admitting the black-smoke auto had a "very dirty engine purposely used to provide severe test."

In examining the likelihood that viewers would be deceived into thinking F-310 removed all harmful chemical emissions from auto exhaust, Judge Kennedy showed some indulgence.

He said the public was not so ignorant as to accept "a patently absurd interpretation of an advertisement."

But, for the most part, he sided with the FTC, which, in its com-

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Special Report

Sales Promotion:
What makes this marketing medium work, who does the design work and how do different strategies develop? Special Report takes a close look at the anatomy of a sales promotion. Starts after Page 64.

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Audit Bureau sets agreement on bulk sales

By PATRICK REILLY

SAN FRANCISCO—National newspapers such as *USA Today* have scored a partial victory in their efforts to get bulk sales figured more prominently in Audit Bureau of Circulations reports.

At a meeting here last week, the ABC membership recommended that bulk sales be given first-page prominence on the Audit Reports and Publisher's Statements that newspapers use to report circulation. Bulk sales officially would be referred to as "third-party sales" and could not be added to the average paid circulation figures.

The recommendation is a compromise between newspapers, such as Rosslyn, Va.-based Gannett Co.'s *USA Today*, which wants bulk newspaper sales counted with audited paid circulation, and advertisers, such as J.C. Penney Co., New York, that do not want to pay advertising rates for circulation that includes bulk sales.

Bulk sales are copies sold to hotels, restaurants and other institutions for free distribution to guests or patrons.

The institutions pay at least 50% off the cover price.

"For so long, bulk sales has been a dirty word, it's been tainted," said Dan F. Pearson, director of media, RJR Nabisco, Atlanta, and leader of a two-year task force that recommended the format change. "Up to now, ABC has shoved bulk in the back of the report, in essence placing a value judgment on it. By moving up the numbers, we leave the judgment to the buyers."

K.A. Baird, publisher, *Kitchener-Waterloo Record*, Kitchener, Ontario, called the changes "buyer driven." "It's a significant step for all of us," he said. "It's a change I never thought I'd see in my lifetime."

The changes are considered

(Continued on Page 109)

'No problems'

Ohlmeyer drops Molson deal, denies rift with RJR Nabisco

By VERNE GAY

NEW YORK—Ohlmeyer Communications Co. last week said it was pulling out of a joint venture with Molson Cos. Ltd. Toronto, as part of its restructuring program.

OC (Canada) mainly produces Molson's TV hockey game productions that now will be run by Molson, which owns 51% of the joint venture.

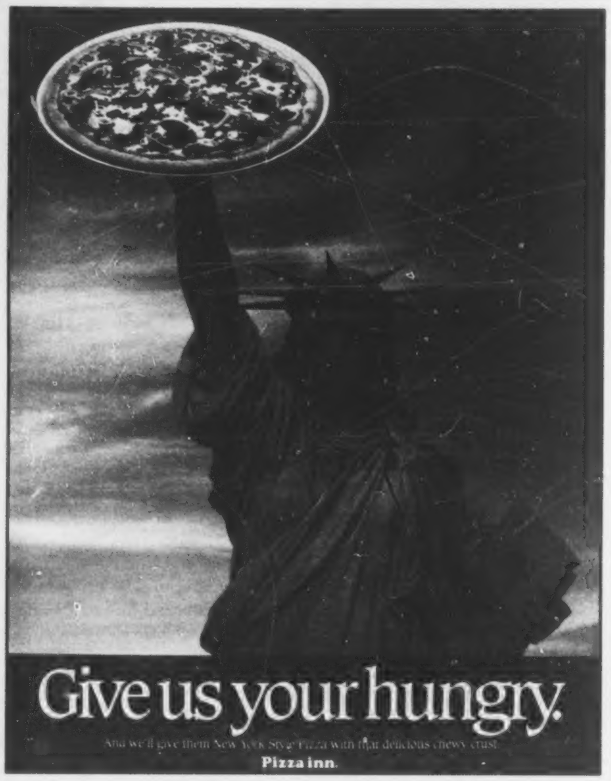
Donald Thompson, senior VP-general manager OC (Canada), said Mr. Ohlmeyer was focussing on TV production in the U.S. Ohlmeyer no longer will share in equity from the Molson joint venture or get fees from RJR Nabisco for promotional and broadcast buying duties.

In addition, Ohlmeyer no longer will handle endorsements for heavyweight boxing champ Mike Tyson. That project now will be handled by Atlanta-based RJR Nabisco.

Mr. Ohlmeyer said the moves were part of his ongoing plan to concentrate on TV and motion picture production in Los Angeles. But industry sources have noted that OCC, with 1987 revenues of approximately $40 million, is giving up several revenue streams as a result of

(Continued on Page 109)

Next week: Second 100 Leading National Advertisers


Give us your hungry.
And we'll give them New York Style Pizza with that delicious chewy crust.
Pizza inn.

A Lady with crust

Pizza Inn today starts testing New York Style Pizza in four markets. Advertising, via Ogilvy & Mather, uses the Statue of Liberty to reinforce the product's New York origins *(see story on Page 105).*

Healthcare giants pull plug on big ad plans

By JULIE LIESSE ERICKSON

The once-promising notion of developing brand-name healthcare services nationally may be dead, and with it, much of the industry's potential to become a major national advertiser.

Hospital Corp. of America will terminate its 18-month-old relationship with Ogilvy & Mather, New York, as of Dec. 20.

Nashville, Tenn.-based HCA will not seek another national agency of record, returning to a decentralized marketing strategy with individual hospitals contracting advertising services, a spokesman said.

HCA's decision follows by less than two weeks Humana Inc.'s termination of its two-year relationship with Grey Advertising, New York (AA, Nov. 9).

Beber Silverstein & Partners, Miami, takes over Humana's group health products—mostly its health maintenance organizations and insurance plans—and will handle media buying for individual hospitals.

Humana's goal of creating national brand-name advertising (selling the Humana name as well as individual hospitals and their services) is on hold "at least for the present," said a spokesman for the Louisville, Ky.-based company.

Although details have not been completed, the Humana spokesman said individual hospitals will be allowed to hire their own agencies pending corporate approval.

The pullbacks by the nation's two largest hospital chains temper earlier predictions that healthcare advertising could exceed $1 billion by 1990 (AA, March 9).

> "Very quickly we realized that Humana was not poised for dramatic growth but instead was in a retrenching period."
> —*Nancy Bachrach*
> *Grey Advertising*

Healthcare remains an attractive growth market for agencies as HMO enrollment and competition both increase and as hospitals diversify and publicize their services.

But with Humana and HCA both shelving national advertising, at least temporarily, the courtship between the hospital industry and national ad agencies appears to have ended.

The industry's advertising likely will grow at a slower rate than some had earlier expected and be carried by local agencies handling smaller acounts.

Problems existed on both sides of the relationship between hospital chains and national agencies, industry observers said.

While agencies generally have been frustrated in making healthcare accounts profitable, hospital chains have been battered financially—by rising insurance premiums, stock price fluctuations and overambitious expansion plans.

The chains also have been discouraged by a lack of immediate payback from increasing their ad spending.

HCA awarded O&M what was then estimated to be an $8 million account in June 1986 after a long-term relationship with Eric Ericson & Associates, Nashville. Total measured-media spending in 1986 was only $200,000, however, according to Leading National Advertisers figures.

Although HCA was satisfied with O&M's work, the spokesman said that "with our company's restructuring, standardized or centralized advertising doesn't seem to make sense."

HCA sold 104 of its hospitals in

(Continued on Page 107)

TV will benefit the most

K mart hacks insert-ad funds

By PATRICIA STRNAD

TROY, MICH.—K mart Corp. will cut an estimated $40 million to $45 million from its in-house newspaper insert ad program next year and channel those funds into other media, primarily TV.

The shift demonstrates the No. 2 retailer's determination to shed its old flashing-blue-light personality by using image-builders such as upscale food and entertainment expert Martha Stewart (AA, Aug. 24).

K mart is betting its traditional customers are more sophisticated and want better lifestyles than in the past, even though their buying power has not changed.

The changes under way at K mart could be as revolutionary as the first K mart store 25 years ago, which launched the retailing idea of a suburban discount supermarket for non-food items, said retail analyst Fred Marx, president of Marx Management Co., Birmingham, Mich.

"I think now K mart's in a position where it will be doing some more trailblazing," Mr. Marx said.

K mart ad agency Ross Roy Inc., Bloomfield Hills, and its New York-based subsidiary, Calet, Hirsch & Spector, together handle less than $65 million, or 12%, of the estimated $540 million spent on advertising for the 2,200-plus K mart retail stores.

An estimated 88%, or $475 mil-

(Continued on Page 106)

World News Roundup

LONDON—Abbey National Bank chose Saatchi & Saatchi for a $15 million account to launch new financial services, including checking accounts, high-interest accounts and a pension plan.

TOKYO—An advertising tax is being considered by the Japanese government's Tax Advisory Committee, sources say. Last year, the Diet, Japan's parliament, forced former Prime Minister Yasuhiro Nakasone to withdraw a proposed ad tax.

LONDON—Samsonite moved its estimated $6 million pan-European account to Grey Advertising from TBWA.

DUESSELDORF—The planned merger between Eggert/DYR and HCM to form HDM (AA, July 20) has been delayed. Both agencies continue to work independently and as competitors as negotiations continue.

LONDON—An anti-fur-coat spot, via TBWA, has been banned from major cinema chains here for being too gory. The 90-second spot

(Continued on Page 75)

Jobs: No layoff relief

By JON LAFAYETTE

Will the big agencies continue to shrink their staffs next year? So far, there are no signs that business pressures squeezing payrolls are letting up.

"We're all looking at how we can get the job done more efficiently," said Roy Bostock, president of D'Arcy Masius Benton & Bowles, New York.

Of the 10 U.S. agencies that employ the largest numbers of advertising workers, seven reported job counts have declined this year.

The total loss for the seven, in the Jan. 1-to-Oct. 1 period, was 1,486 positions. Three agencies reported their staffs had grown by a cumulative total of 573 employees, for a net loss of 913 jobs among the top 10 employers.

The tally, and the ranking of top agency employers, is based on data supplied by the agencies and excludes non-advertising units, such as public relations and TV program

(Continued on Page 92)

Who's tightening up staff

Top ten U.S. advertising agencies—measured by employment—have cut staff by a total 4% since the beginning of the year, when the workforce equalled 22,813. Figures below are total agency employment excluding public relations. *Source*: The agencies cited.

	Jan. 1, 1987	Oct. 1, 1987	Change
Young & Rubicam[1]	2,900	3,100	+ 6.9%
Ogilvy & Mather	2,840	2,657	− 6.4
Foote, Cone & Belding[2]	3,051	2,636	−13.6
Grey Advertising	2,238	2,440	+ 9.0
J. Walter Thompson	2,200	2,000	− 9.1
Leo Burnett	1,768	1,939	+ 9.7
DMB&B[3]	1,981	1,878	− 5.2
BJK&E	2,066	1,840	−10.9
DDB Needham	1,899	1,705	−10.2
Saatchi & Saatchi DFS	1,870	1,705	− 8.8

[1] Includes wholly owned Wunderman Worldwide and Cato Johnson/Y&R. Excludes joint ventures.

[2] Estimated 200 employees from PR units were subtracted to get these totals; also, yearend '86 figures include employees of Deutsch, Shea & Evans, San Francisco; North Castle Partners, Greenwich, Conn.; and Carl Byoir & Associates, New York. These units were divested at yearend.

[3] Excludes specialty ad units: Medicus International—91 as of Oct 1. (92 as of yearend '86); Direct Inc., 28 (27); Intergroup Marketing & Promotion, 79 (66).

Layered look loses favor

By JENNIFER LAWRENCE

While the nation's top ad agencies are cutting staff, some midsize agencies are re-examining and sometimes eliminating layers of management.

"Some agencies are doing this offensively and others are doing it defensively," said Michael Lesser, chairman-ceo of Lowe Marschalk, New York. "The industry is asking, 'How will the premier agency of the future be structured to be successful?' "

Few agencies are willing to identify specific restructuring because of the sensitivity of employees to possible layoffs.

Many of the midsize agencies have been prodded to rethink their structures because that is what major clients are doing. "We can't walk into an agency pitch with 10 people when the client only has two," said one agency source. "He starts wondering whether he is going to have to pay for all these people."

Robert Bloom, chairman-ceo of the Bloom Cos., Dallas and New York, has come up with a plan for his agency that he said will meet clients' needs and improve his agency's bottom line.

The answer is to reduce—not eliminate—the middle-management layer in account service, creative and media departments, Mr. Bloom said. In this way, the organization would be heavy on the bottom for support functions and heavy on the top at decision-making levels.

Instead of the traditional organization in the shape

(Continued on Page 92)

Cigarette sales expected to drop by 2.5% this year

By JOHN C. MAXWELL JR.

Cigarette sales are expected to reach about 568 billion units this year, a 2.5% decline from 1986.

While 1986 industry shipments declined 2.1% compared with '85, sales were helped by a sizable increase in trade inventory buying during the fourth quarter. This inflated '86 volume and caused weak sales in first-quarter '87.

We continue to believe that the industry's real rate of decline is between 1.5% and 2%. This would make it appear that the consumption downtrend is abating somewhat, though the long-term outlook is one of a decline.

It appears unlikely that the cigarette federal excise tax will increase within the next several months, if at all. Therefore, 1987 industry sales should be unaffected by either inventory swings that would accompany an excise tax hike or by a change in the underlying consumer demand.

Examining market share trends, only three companies are expected to turn in positive performances in 1987. Philip Morris Cos., the market leader since 1983, advanced 1.1 share points. New York-based PM's 37.9% market share will be another record and the highest any cigarette company has attained since the early 1930s.

PM has widened its lead over second-place R.J. Reynolds Tobacco Co. by more than 5 share points and was the only company to be up in units. Nevertheless, RJR, Winston-Salem, N.C., managed to improve by 0.3 share points, thanks to the rapid growth of its "branded generic" Doral, up 44%.

Brown & Williamson Tobacco Corp. had a larger decline in 1987 than a year ago and fell 0.9 points. After successfully test-marketing Capri, a stylish, superthin women's cigarette, Louisville, Ky.-based B&W is expanding the brand in a national rollout.

Lorillard, which had maintained share last year, gained a 0.1 point in 1987 due to Newport's 10% volume gain. New York-based Lorillard is the only company without an entry in the price/value segment.

American Brands continued to decrease at the same rate as previously—0.3 points—and Liggett & Myers Tobacco Co., Durham, N.C., also had a 0.3 point share decline.

As has been true since 1983, the price/value segment is the industry's most dynamic area. It is expected to achieve 10% of the industry's volume by yearend, up 11% compared with last year.

The branded-generics subsegment, primarily represented by Doral and Cambridge, is responsible for the price/value growth. The b&w generics continued to erode, while the value 25s largely were unchanged.

The largest branded generic, RJR's Doral, had introductions of Ultra Lights and Full Flavor packings in late 1986. The brand achieved a 3% overall market share, which is more than 30% of subsegment sales. RJR has 38.6% of the low-price market overall.

Philip Morris' Cambridge, with two new full-flavor packings launched last June, captured 1.1% of the market. This increased PM's price/value share to 14.9%.

Brown & Williamson, whose generics/private-label brands and Richland 25s entries have stabilized, has a 21.8% subsegment share, down almost 5 share points from last year.

American Brands became a contender with Malibu, a "promotional" brand with a $3-off-carton coupon or a 30¢-off-pack coupon.

Liggett & Myers, whose generic/private-label brands experienced weakness, suffered the largest price/value segment loss.

By contrast, the full-price segment has dipped to 90% of the market. PM led the industry with a gain of 1.2 percentage points in this segment. Marlboro, for the 23rd consecutive year, enjoyed substantial share growth and was ahead by 0.9 points for 1987. The brand hit an all-time high market share of 23.9%. This, coupled with the introduction of new Ultra Lights extensions from Virginia Slims, further improved PM's full-price performance.

RJR's full-price brands—Camel, More, Salem and Winston—each experienced small losses. However, Now, with about a 1% market share, grew slightly.

B&W's flagship Kool brand continued to fall 0.5 points, while its other major brands declined marginally. Although the impact of Capri has yet to be felt, B&W had the largest full-price segment loss of 0.6 points.

Newport, Lorillard's leading brand, was the only other full-price brand to expand sales, with a 0.5 points share advance.

In the top 10 standings, Newport moved to fifth position from eighth and was up 10% in unit volume, one of the fastest-growing cigarettes in the group.

Doral's 44% growth (this may be a conservative estimate) made it the 10th-largest-selling cigarette in the U.S., knocking out American Brands' Pall Mall from that position. Thus, Doral, Marlboro and Newport were the only three cigarettes in the top 10 that were up in absolute volume.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Shares of cigarette market

	1986	1987*	Change
Philip Morris	36.8	37.9	1.1%
R.J. Reynolds	32.3	32.6	0.3
Brown & Williamson	11.7	10.8	−0.9
Lorillard	8.1	8.2	0.1
American Brands	7.2	6.9	−0.3
Liggett	3.9	3.6	−0.3
Total	100.0	100.0	

*Figures estimated. *Source:* John C. Maxwell Jr.

Cigarettes' top ten

Source: John C. Maxwell Jr.

Company Brand	Units 1986	1987	Per cent 1986	1987
Philip Morris				
Marlboro	134.19	135.70	23.0	23.9
Benson & Hedges	25.36	23.70	4.4	4.2
Merit	23.15	22.40	4.0	4.0
Total	182.70	181.80	31.4	32.1
R.J. Reynolds				
Winston	65.33	63.12	11.2	11.1
Salem	45.18	44.01	7.8	7.7
Camel	25.10	23.56	4.3	4.2
Vantage	18.73	17.99	3.2	3.2
Doral	12.36	17.75	2.1	3.0
Total	166.70	166.43	28.6	29.2
Brown & Williamson				
Kool	37.19	33.84	6.4	5.9
Lorillard				
Newport	22.29	24.55	3.8	4.3
Total, top 10	408.88	406.62	70.2	71.5

Syndicated cartoons off to good start

NEW YORK—"Beverly Hills Teens," "Duck Tales," "Real Ghostbusters" and "Visionaries" got off to promising starts in the children's cartoon syndication season, Petry Television says.

Petry's assessment was based on A.C. Nielsen Co. and Arbitron data for 15 metered markets from Sept. 7 to Oct. 2.

"Teddy Ruxpin" showed mixed results while "Bionic Six," "BraveStarr," "Captain Power," "The Comic Strip," "Dinosaucers," "Kid-Songs," "Saber Rider" and "Spiral Zone" fared poorly.

"BraveStarr," "Captain Power," "Ruxpin," "Spiral Zone" and "Visionaries" are based on toy products.

Separately, New World Television's "Marvel Universe," due in fall 1988 syndication, will add "RoboCop" to the weekday afternoon package. "RoboCop" joins the previously announced "Captain America" and offnet reruns of "Spider-Man" and "Incredible Hulk."#

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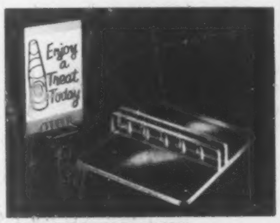

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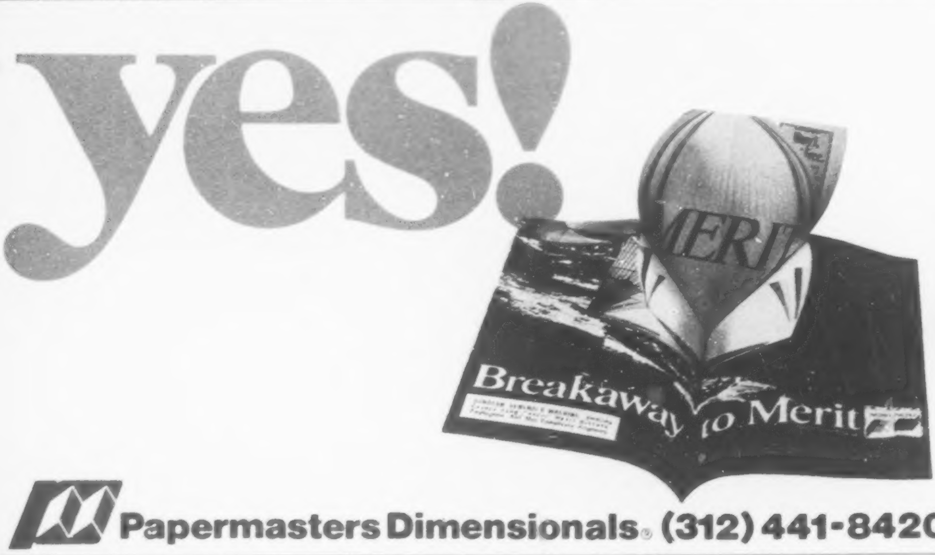

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To Reach Households With Children Age 6–12 Directly Through Our Exclusive "IN-SCHOOL" Fall Marketing Promotion.

Now in its 7th Big Year, our SUPER SAFETY "Trick-or-Treat" Bag™ Program for Halloween offers outstanding Sales Increases, Trade Awareness, and Support through no waste couponing and sampling.

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Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

NOVEMBER

Art & antiques

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Art & Antiques (10X)	77.5	69.3	666.7	517.4
Art News (10X)	150.0	98.0	1,049.9	878.9
Southwest Art	80.2	82.8	948.9	821.1
Total Group	**307.7**	**250.1**	**2,665.5**	**2,217.3**
% change		**23.0%**		**20.2%**

Auto/cycle/rec. vehicles

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
ATV Sports	45.1	46.9	468.2	612.2
Autoweek (52X)	195.3	124.2	1,685.6	1,514.8
Car & Driver	96.2	89.1	1,027.0	952.9
Car Collector & Car Classics	18.5	23.0	191.5	187.2
Car Craft	75.7	68.8	940.7	814.8
Circle Track	69.4	58.1	833.3	667.8
Cycle World	32.4	26.3	533.7	478.1
Dirt Rider	59.1	31.9	401.7	421.7
Dune Buggies & Hot VWs	72.7	81.7	835.6	956.9
Family Motor Coaching	158.6	134.5	1,716.6	1,586.7
4 Wheel & Off-Road	92.0	89.3	979.4	946.4
Four Wheeler	91.0	68.0	952.0	892.0
Hot Rod	73.4	76.0	817.7	685.0
Motorcyclist	28.0	18.0	501.5	478.5
Motor Trend	77.0	80.6	823.5	721.8
Motorhome	81.1	79.1	931.4	995.5
Rider	20.4	24.5	433.5	517.4
Road & Track	102.5	107.4	1,107.7	1,070.4
Trailblazer	48.6	37.1	531.9	422.5
Trailer Life	100.9	101.9	1,152.6	1,214.1
Total Group	**1,537.9**	**1,366.4**	**16,865.1**	**16,136.7**
% change		**12.6%**		**4.5%**

Boating & yachting

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Boating	119.0	113.8	1,663.9	1,501.9
Chesapeake Bay	41.8	36.8	517.1	437.0
Cruising World	110.0	90.0	1,393.6	1,443.8
Lakeland Boating (11X)	—	—	716.1	629.2
Motor Boating & Sailing	147.5	132.9	1,780.2	1,841.7
Sail	80.4	103.5	1,176.7	1,240.8
Small Boat Journal(6X)	—	—	268.0	249.2
Trailer Boats(11X)	40.4	23.1	571.0	446.9
Western Boatman(6X)	30.0	31.0	216.1	226.3
Yachting	143.1	132.8	1,568.2	1,524.6
Total Group	**712.1**	**663.8**	**9,870.9**	**9,541.3**
% change		**7.3%**		**3.5%**

Canadian

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
L'Actualite	123.5	134.0	903.8	932.6
Chatelaine:				
English Edition A.	133.9	105.9	928.6	1,020.8
French Edition	102.3	91.8	822.3	875.1
City & Country Home(10X)	71.0	67.9	554.8	550.6
Equinox	57.8	47.5	250.1	236.0
Flare A.	104.0	97.3	959.1	905.5
Macleans (52X) A.	213.0	248.0	1,307.1	1,464.8
Moneywise	55.9	46.3	370.7	390.9
Reader's Digest:				
Canadian-English A.	70.6	57.9	566.1	729.5
Canadian-French A.	61.0	52.5	433.3	606.4
Toronto Life	162.7	221.0	1,097.0	1,062.2
Vancouver	109.5	110.1	773.7	843.5
Total Group	**1,265.2**	**1,280.2**	**8,966.5**	**9,618.0**
% change		**-1.2%**		**-6.8%**

Civic/fraternal

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
American Legion	34.8	26.7	375.2	273.7
Elks (10X)	20.6	22.2	196.2	187.9
Kiwanis	18.6	18.8	179.5	181.3
Lion (10X)	7.0	8.0	83.8	64.6
Rotarian	17.5	17.0	165.8	164.2
V.F.W. (11X)	33.4	31.5	320.0	286.6
Total Group	**131.9**	**124.2**	**1,320.5**	**1,158.3**
% change		**6.2%**		**14.0%**

Comics

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Archie Comics Group	5.0	3.0	69.0	43.0
DC Comics	7.0	4.5	71.0	58.5
Marvel Comics Group	9.0	8.0	98.5	78.0
Total Group	**21.0**	**15.5**	**238.5**	**179.5**
% change		**35.5%**		**32.9%**

General

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
American Health (10X)	77.7	64.7	658.1	565.6
American Heritage (7X)	48.2	—	237.0	85.1
American West (6X)	28.7	33.0	213.2	234.2
The Atlantic A.	81.9	75.3	419.1	424.5
Bon Appetit A.	117.0	129.2	906.6	906.2
Changing Times	90.9	81.6	705.0	582.4
Conde Nast's Traveler	45.0	—	158.0	—
Connoisseur	142.4	135.4	893.2	817.2
Consumers Digest (6X)	32.1	23.3	145.3	173.2
Ebony	109.7	101.2	1,022.1	1,024.8
Fifty Plus	39.9	46.6	423.9	402.3
Food & Wine	100.7	91.7	657.2	597.0
Games (6X)	15.2	15.1	91.6	201.4
Golden Years	42.6	37.6	434.5	289.5
Gourmet	182.8	157.1	1,166.3	1,047.3
Harper's A.	33.1	23.9	336.1	247.3
Harrowsmith (6X)	46.0	38.0	289.0	237.0
Let's Live	46.0	56.0	503.0	547.0
Life	63.7	234.7	511.8	735.3
Mature Outlook	53.9	44.5	46.3	44.5
Modern Maturity (6X)	50.6	54.2	228.3	228.5
Money	165.8	155.8	1,417.5	1,344.8
Money Maker	8.0	—	36.8	—
Moneyworth (4X)	—	—	34.2	30.5
Mother Jones (9X)	—	—	118.9	136.1
National Geographic Traveler(4X)	—	—	117.0	106.2
Prevention	63.4	70.2	683.0	682.3
Psychology Today	41.0	40.2	333.0	328.9
Reader's Digest A.	174.9	133.8	1,061.0	1,057.2
Saturday Evening Post (9X)	36.4	40.5	325.8	306.7
Smithsonian	134.1	110.3	961.6	888.6
Sylvia Porter's Personal Finance (10X)	53.1	47.2	447.1	390.8
Town & Country	235.5	233.2	1,520.4	1,464.6
Travel-Holiday	45.2	45.9	576.2	478.3
Travel & Leisure	163.5	124.5	1,126.2	1,160.3
Vanity Fair	104.2	75.2	762.0	519.3
Writer's Digest	33.8	29.8	313.5	278.9
Yankee	104.7	107.4	894.5	859.0
Total Group	**2,811.5**	**2,656.8**	**20,774.0**	**19,422.9**
% change		**5.8%**		**7.0%**

Home

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Americana (6X)	19.0	15.4	126.7	151.8
Architectural Digest A.	232.2	207.0	1,449.7	1,419.7
Better Homes & Gardens	180.2	144.6	1,277.6	1,213.5
Colonial Homes (6X)	59.3	69.4	379.6	391.7
Columbus Monthly-Homes (4X)	—	—	121.1	105.4
Country Home (6X)	356.1	299.6	78.3	63.3
Country Living	108.0	86.7	984.1	814.1
Family Handyman (10X) A.	40.5	45.9	519.5	534.0
Flower & Garden (6X)	—	—	212.0	190.6
Home	59.6	47.4	579.6	545.4
Home Mechanics	60.4	51.3	646.0	636.7
The Homeowner (10X)	30.6	26.0	325.4	282.2
Horticulture	34.3	33.0	398.2	391.8
House Beautiful	97.1	84.2	811.1	793.4
House & Garden	134.3	137.3	1,069.4	1,068.8
Houston Home & Garden	59.8	82.7	769.1	822.6
Metropolis	62.2	54.8	585.6	385.0
Metropolitan Home	105.7	67.4	740.1	632.9
1,001 Home Ideas	65.0	56.9	576.9	511.7
Phoenix Home/Garden	124.8	65.7	833.8	761.5
Practical Homeowner	39.9	38.5	426.1	467.7
Rodale's Organic Gardening	31.2	41.5	519.0	604.8
South Florida Home/Garden	36.5	33.2	340.1	350.3
Southern Accents (6X)	100.9	105.5	601.0	596.7
Southern Living	164.9	171.0	1,348.4	1,545.8
Sunset Magazine A.	162.5	156.4	1,366.1	1,503.7
Workbench (6X)	54.1	43.1	281.7	279.6
Total Group	**2,419.1**	**2,164.4**	**17,366.1**	**17,064.7**
% change		**11.8%**		**1.8%**

In-flight & other passenger

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Alaska Airlines	54.9	60.0	599.7	643.8
America West Airlines	58.4	35.5	558.9	276.8
American Way (24X)	180.3	117.1	1,269.9	1,080.8
Brighton Inflight Group:				
Continental	46.2	35.0	500.5	346.5
Hawaiian Air (6X)	17.8	—	100.8	—
East/West Network:				
Eastern Review	76.0	103.2	743.8	1,075.5
Northwest	53.8	58.3	522.5	513.2
PSA Magazine	83.3	134.3	913.3	1,025.9
Pan Am Clipper	71.7	44.0	502.8	484.5
Spirit	68.5	95.3	664.4	1,056.6
TWA Ambassador	63.3	64.2	558.7	108.5
Vis 'A Vis	85.8	116.2	669.6	1,058.0
Halsey Publications:				
Delta Sky	100.0	95.2	909.2	836.5
US Air	72.3	54.9	586.5	510.7
Piedmont Airlines' Pace	100.0	94.3	1,000.0	917.4
Spirit of Aloha (6X)	34.1	26.4	345.1	301.9
Total Group	**1,166.5**	**1,133.9**	**10,445.7**	**10,236.6**
% change		**2.9%**		**2.0%**

Men's

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Esquire A.	116.8	136.8	1,015.6	1,089.7
Firehouse Magazine	45.9	52.8	506.8	501.9
Gentlemen's Quarterly A.	198.7	182.2	1,741.3	1,749.7
M Magazine	74.8	71.8	832.2	698.9
Muscle & Fitness	131.0	111.3	1,368.4	1,211.1
Penthouse A.	40.3	33.9	447.0	406.3
Playboy A.	72.8	61.8	601.2	659.7
Salute (8X)	34.7	25.6	215.9	116.6
Total Group	**715.0**	**676.2**	**6,728.3**	**6,433.8**
% change		**5.7%**		**4.6%**

Metropolitan

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Aloha (6X)	35.8	33.2	187.2	180.3
Atlanta	81.3	61.5	673.3	586.1
Baltimore	111.9	104.4	860.9	882.1
Boston	211.9	217.9	1,818.3	1,745.0
California	57.9	74.2	677.5	703.1
Chicago	143.6	180.1	1,180.7	1,485.9
Chicago's North Shore	108.1	112.2	950.6	928.2
Cincinnati	71.1	88.2	702.6	721.5
Cleveland	62.5	85.0	749.6	783.3
Coast (39X)	51.4	60.7	2,028.7	2,340.6
Columbus Monthly	76.5	84.2	802.4	780.2
Connecticut	109.7	89.8	1,109.6	1,035.9
D/Magazine, Dallas/Ft. Worth	136.1	130.2	1,232.9	1,341.4
Denver	40.2	40.8	401.0	397.7
Detroit Monthly	197.0	144.4	974.5	880.9
Grand Rapids	56.7	52.3	472.9	444.6
Gulfshore Life (10X)	76.2	75.0	766.0	676.0
Honolulu	191.4	105.6	798.8	707.3
Louisiana Life (6X)	41.7	57.0	238.0	248.9
Madison	61.9	68.0	692.9	667.6
Memphis	85.0	86.5	889.0	821.5
Metropolitan Detroit	158.0	98.5	824.1	841.5
Miami/South Florida	110.7	74.9	634.8	712.4
Mid Atlantic Country	35.1	31.0	383.7	438.2
Milwaukee	83.8	86.0	688.4	733.6
Minneapolis/St. Paul	129.2	135.6	1,155.8	1,105.5
New England Monthly	60.8	54.1	501.0	435.4
New Jersey Monthly	103.9	91.5	1,046.2	884.2
Ohio	70.4	63.2	678.6	680.1
Oregon (6X)	—	—	232.0	—
Orlando	83.0	103.0	1,025.5	1,067.0
Palm Beach Life	83.1	90.8	683.5	658.6
Palm Springs Life	107.0	114.9	1,252.8	1,210.7
Philadelphia	191.4	173.7	1,669.2	1,492.4
Phoenix	72.1	174.2	730.6	1,065.0
Pittsburgh	91.0	92.5	765.2	746.5
St. Louis	61.9	61.1	605.9	543.0
San Diego	185.7	158.6	1,553.0	1,500.0
San Francisco Focus	159.9	126.6	1,119.7	1,059.8
Texas Monthly	135.8	155.8	1,103.9	1,349.7
Twin Cities	79.3	77.3	777.4	618.3
The Virginian (6X)	62.5	53.3	361.1	347.8
Washington (7X)	67.0	62.5	367.0	373.5
The Washingtonian	268.5	210.0	1,752.3	1,703.9
Total Group	**4,408.0**	**4,240.3**	**38,118.7**	**37,925.4**
% change		**4.0%**		**0.5%**

Movie/romance/radio/tv

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Macfadden's Women's Group:				
Modern Romances	28.6	27.5	275.6	242.8
Secrets	28.6	27.5	275.6	242.8
True Confessions	28.6	27.5	275.6	242.8
True Experience	28.6	27.5	275.6	242.8
True Love	28.6	27.5	275.6	242.8
True Romance	28.6	27.5	275.6	242.8
Sterling Women's Group:				
Daytime TV	25.8	25.5	273.2	280.7
Modern Screen (6X)	—	—	73.5	79.2
Movie Mirror (6X)	—	—	14.5	18.5
Soap Opera Stars (6X)	—	—	82.5	78.6
TV Movie Screen (6X)	—	—	38.5	42.8
TV Picture Life (6X)	5.0	—	34.3	14.2
Total Group	**202.2**	**190.3**	**2,170.0**	**1,971.0**
% change		**6.2%**		**10.1%**

Music/entertainment

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Audio	109.5	98.0	1,118.6	1,043.6
Dance Magazine	51.1	50.2	519.4	452.5
Playbill	56.9	59.5	504.4	505.3
Stereo Review	123.4	120.7	848.6	812.9
Video Magazine	76.3	86.0	755.6	817.0
Total Group	**417.2**	**414.4**	**3,746.5**	**3,631.3**
% change		**0.7%**		**3.2%**

National Sunday magazines

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Parade (52X)	59.3	67.4	558.8	595.1
Total Group	**59.3**	**67.4**	**558.8**	**595.1**
% change		**-12.1%**		**-6.1%**

Outdoor & sport

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Alaska	48.9	42.0	388.9	468.1
The American Handgunner (6X)	59.0	36.0	290.0	229.0
American Hunter	26.2	24.1	277.7	276.2
American Rifleman	23.3	25.6	245.8	236.5
Bass Master (10X) A.	41.3	56.5	584.3	497.5
Bicycling (9X)	—	47.6	817.6	686.9
Ducks Unlimited (6X)	40.6	44.6	217.5	210.6
Field & Stream	80.2	97.0	925.4	996.6
Fishing World (6X)	20.6	25.7	210.8	219.0
Florida Sportsman	93.1	91.3	1,281.3	1,155.7
Golf Digest	85.8	64.0	1,098.7	1,018.1
Golf Magazine	68.8	43.5	817.7	718.7
Gun Dog (6X)	59.0	42.7	242.2	218.0
Guns	49.0	38.0	375.0	350.0
Guns & Ammo	66.5	57.0	556.8	559.4
In-Fisherman (6X)	47.0	43.0	468.0	412.7
Outdoor Life	88.4	75.9	907.2	853.4
Outside Magazine	61.3	68.6	598.6	540.2
Petersen's Hunting	70.8	80.0	610.8	599.0
Runner's World (12X)	44.7	29.3	410.5	339.4
Salt Water Sportsman	78.1	61.3	1,118.6	950.1
Sierra (6X)	46.0	43.0	241.4	256.4
Shooting Times	38.3	41.2	418.8	413.8
Ski (8X) A.	168.3	144.9	793.5	697.1
Skiing (7X) A.	213.0	221.0	831.3	743.6
Skin Diver	106.9	94.1	1,147.8	1,014.8
Southern Outdoors (9X)	50.8	57.8	275.2	398.2
Southern Outdoors Saltwater(8X)	—	—	224.4	—
Sport	43.0	49.3	445.2	415.2
Sports Afield	50.0	63.0	902.6	784.8
Tennis	66.2	55.8	800.6	784.3
Waterski (8X)	48.3	48.3	493.6	395.5
Western Outdoors (10X)	31.5	31.8	414.5	434.7
Wildfowl (6X)	—	—	90.2	77.8
Wing & Shot (6X)	24.5	17.9	99.4	27.9
World Tennis	58.4	18.0	400.9	318.4
Total Group	**2,098.2**	**1,978.7**	**20,022.9**	**18,297.2**
% change		**6.0%**		**9.4%**

Photography

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
American Photographer	—	—	—	—

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads.

All figures represented in this chart are supplied by the magazines. ADVERTISING AGE makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

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	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Petersen's Photographic	44.2	31.1	314.5	284.1
Popular Photography	105.3	81.5	779.5	661.1
Total Group	**149.5**	**112.6**	**1,094.0**	**945.2**
% change		32.8%		15.7%

— Religious —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Charisma	61.3	54.1	572.0	564.4
Christian Herald (11X)	25.5	28.2	276.4	280.9
Christianity Today (18X)	72.5	69.5	517.9	505.4
Ministries Today (6X)	36.0	43.8	234.7	256.5
Moody Monthly	54.8	49.0	355.3	426.8
Our Sunday Visitor (52X)	18.9	15.1	158.3	126.6
Today's Christian Woman (6X)	39.7	58.0	229.9	203.3
Total Group	**308.7**	**317.8**	**2,344.5**	**2,363.9**
% change		-2.9%		-0.8%

— Science/electronic /mechanic —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Discover	49.6	59.9	485.0	383.8
Family & Home Office Computing	60.6	63.5	469.9	476.5
Omni	86.7	80.8	671.2	651.5
Personal Computing	267.1	133.2	1,913.9	1,374.6
Popular Mechanics	90.8	89.7	923.6	1,010.9
Popular Science	89.7	68.7	777.5	741.0
Scientific American	72.9	56.3	496.0	391.6
Spectrum	77.7	90.3	725.7	913.6
Total Group	**795.0**	**642.4**	**6,462.8**	**5,943.3**
% change		23.8%		8.7%

— Woman/fashion/service —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Bride's Magazine (6X) A.	—	—	2,097.8	1,775.4
Cosmopolitan A.	257.1	233.7	2,238.3	2,274.8
Essence	83.7	87.2	854.0	891.0
Family Circle (17X) A.	137.4	147.3	1,455.4	1,592.6
Glamour	212.0	201.8	2,087.6	2,008.6
Good Housekeeping A.	172.6	218.5	1,547.8	1,780.2
Harper's Bazaar	165.5	167.0	1,512.4	1,597.6
Health	50.0	49.2	522.2	446.6
Ladies' Home Journal	147.9	145.5	1,159.1	1,233.3
Mademoiselle	184.0	165.6	1,668.4	1,496.4
McCall's	124.1	123.4	1,043.3	1,032.6
Military Lifestyle	68.6	69.2	509.7	522.2
Modern Bride (6X)	177.0	185.7	1,721.5	1,534.7
Ms.	42.5	41.2	473.9	432.9
New Woman	80.4	81.3	887.1	811.3
Parents Magazine A.	176.7	148.9	1,250.5	1,104.3
Redbook	121.9	137.9	1,120.1	1,066.6
Savvy	40.3	44.0	350.8	327.4
Self	132.9	152.2	1,133.8	1,094.5
Seventeen	122.0	116.3	1,378.8	1,295.4
Shape	73.1	67.5	805.5	791.9
Soap Opera Digest (26X)	17.6	19.9	210.6	200.9
'Teen Magazine	59.7	45.7	658.9	576.7
True Story A.	61.1	56.6	546.4	529.9
Vogue	306.5	330.2	3,078.9	2,989.9
W Magazine	156.4	119.2	1,425.1	1,287.4
Woman (9X)	40.0	—	290.0	161.5
Weight Watchers	32.5	38.2	350.3	372.8
Woman's Day (16X) A.	163.8	148.6	1,554.9	1,504.4
Women's Sports & Fitness	—	—	—	—
Workbasket	37.7	34.5	328.4	350.1
Working Mother	129.1	123.6	918.7	834.7
Working Woman	141.0	194.5	1,075.9	1,207.8
Total Group	**3,715.0**	**3,694.1**	**36,256.0**	**35,126.6**
% change		0.6%		3.2%

— Youth —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Boys' Life	22.7	16.0	190.3	180.9
Campus Life (10X)	41.3	41.0	413.3	396.7
Total Group	**64.0**	**57.0**	**603.5**	**577.6**
% change		12.2%		4.5%

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— Business/national —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Barron's	248.1	215.4	2,114.3	1,873.4
Black Enterprise	70.9	66.8	696.9	728.8
Business Week (52X) A.	596.3	395.8	3,588.4	3,072.2
Business Month	—	—	—	—
Financial World (26X)	56.5	47.6	593.6	548.4
Forbes (26X)	504.5	459.1	2,867.7	2,708.0
Fortune (26X)	467.8	362.1	2,469.3	2,307.3
Frequent Flyer	60.0	67.2	576.3	605.4
Futures	98.2	46.3	615.7	486.3
Inc. Magazine A.	—	—	—	—
Income Opportunities	93.1	65.7	687.1	535.5
Industry Week (25X) A.	91.6	102.9	803.4	949.7
Nation's Business (12X) A.	46.2	41.6	334.7	342.3
Personal Investor (6X)	—	—	—	—
Venture	76.5	82.4	642.4	695.5
Total Group	**2,409.7**	**1,953.0**	**15,989.7**	**14,852.8**
% change		23.4%		7.7%

— Business/regional —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Advantage-Nashville's Bus. Mo.	—	—	—	—
Arizona Bus. Gazette (52X)	57.1	40.6	379.3	324.8
Baltimore Bus. Journal	106.0	92.8	889.1	665.4
Boston Bus. Journal (52X)	142.6	141.7	1,392.8	1,334.0
Business Atlanta	94.8	114.5	641.9	688.4
Business First of Buffalo	—	—	—	—
Business First of Columbus	151.3	81.2	1,100.4	826.2
Business Journal-Milwaukee	132.0	128.5	1,271.0	1,057.1
Business Journal-Sacramento	60.1	66.7	658.7	473.6
Business North Carolina	50.5	49.3	453.5	433.5
Capital Dist. Bus. Review (52X)	78.7	—	793.7	—
Cincinnati Business Courier	128.5	113.6	1,111.6	800.1
Corporate Report Kansas City	27.4	31.2	235.2	275.3
Corporate Report Minnesota	79.0	78.0	758.0	788.0
Crain's Chicago Bus. (52X)	212.1	182.8	1,517.8	1,636.0
Crain's Cleveland Bus. (52X)	81.1	101.4	634.0	648.8
Crain's Detroit Bus. (52X)	94.4	97.3	782.0	655.4
Crain's New York Bus. (52X)	62.8	59.2	390.2	358.9
Florida Trend (13X)	—	—	—	—
Georgia Trend	71.7	69.1	676.9	546.7
Grand Rapids Bus. Journal	47.1	33.9	469.0	357.3
Hawaii Business	38.5	43.5	463.6	470.4
Houston Bus. Journal (52X)	88.8	62.8	692.0	832.0
Indianapolis Bus. Journal (52X)	—	—	—	—
Kansas City Bus. Journal	—	—	—	—
Los Angeles Bus. Journal(55X)	90.1	47.9	787.7	362.3
Manhattan Inc.	98.2	94.2	749.4	705.0
New England Bus. (20X) A.	57.8	108.4	634.6	811.3
New Orleans City Business	—	—	—	—
Pacific Bus. News (52X)	111.3	111.0	1,159.3	1,172.7
Philadelphia Bus. Journal (52X)	172.9	155.0	1,385.7	1,274.4
Pittsburgh Bus. Times (52X)	140.3	124.6	1,233.9	1,102.8
Providence Business News	75.0	43.0	693.7	235.2
Regardie's/Washington	174.0	167.0	1,442.0	1,289.0
San Diego Bus. Journal (52X)	36.8	48.9	321.5	351.5
San Jose Bus. Journal	—	—	—	—
South Florida Bus. Journal	91.5	91.3	1,032.9	1,121.3
St. Louis Bus. Journal (52X)	148.4	143.0	1,289.6	1,395.8
Texas Business	40.3	56.3	344.3	573.1
Warfields Monthly Baltimore	75.7	394.4	664.6	78.6
Total Group	**3,116.7**	**3,173.0**	**27,050.0**	**23,644.8**
% change		-1.8%		14.4%

— National Sunday magazines —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Parade (52X)	53.3	60.9	499.5	527.7
USA Weekend (52X)	41.2	48.0	391.7	497.5
Total Group	**94.5**	**108.9**	**891.2**	**1,025.2**
% change		-13.2%		-13.1%

— Newspaper Sunday magazines —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Boston Globe	186.4	195.5	1,809.2	1,824.1
Chicago Tribune	166.9	89.6	1,091.9	871.9
Cleveland Plain Dealer	76.9	66.0	621.7	535.8
Columbus Dispatch	23.9	78.6	339.5	432.4
Detroit News	87.0	78.0	713.0	753.0
L.A. Times	77.5	68.2	609.1	677.3
Louisville Courier-Journal	52.0	67.0	528.0	599.0
Miami Herald	51.0	75.2	375.0	465.2
New York Times Magazine	411.1	421.6	3,314.0	3,286.7
Philadelphia Inquirer	120.7	73.5	755.7	660.5
Seattle Times	100.0	89.0	620.0	593.0
St. Louis Post Dispatch	87.3	54.1	731.3	561.4
Toledo Blade Magazine	34.6	38.1	388.1	452.7
Washington Post	136.1	154.6	1,247.9	1,260.2
Total Group	**1,611.4**	**1,549.0**	**13,144.4**	**12,973.2**
% change		4.0%		1.3%

— Weeklies/bi-weeklies —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
The Advocate (26X)	130.8	107.7	1,371.3	1,279.3
Army Times Military Group:				
Air Force Times (52X)	180.3	172.1	1,648.7	1,764.5
Army Times (52X)	177.0	163.5	1,604.4	1,654.9
Navy Times (52X)	196.7	189.0	1,790.5	1,852.6
The Blood-Horse (52X)	267.3	467.6	3,313.3	3,788.4
Capper's (26X)	19.2	33.7	265.2	274.1
Commonweal (22X)	6.6	9.7	76.1	66.3
Golf World (43X)	79.5	35.3	970.5	823.4
Grit (52X) A.	28.0	28.9	271.3	246.7
National Journal (50X)	110.3	99.8	665.8	591.4
National Review (25X)	—	—	—	—
New Republic (48X)	56.3	41.5	399.5	354.0
New York Magazine (50X)	320.3	291.9	2,457.5	2,445.1
New Yorker	292.5	322.5	1,895.0	2,036.9
Newsweek (52X) A.	275.9	266.0	2,039.0	1,972.4
People (52X)	316.9	302.7	2,759.8	2,910.8
Rolling Stone (25X)	132.1	144.9	1,335.6	1,110.4
Sporting News (52X)	63.3	51.2	522.5	507.3
Sports Illustrated (52X) A.	264.5	248.5	2,099.8	2,165.3
Time (52X) A.	242.8	275.1	1,869.7	2,035.8
Travelhost (52X) C.	3,518.5	3,195.0	32,064.0	32,200.0
TV Guide (52X) A.	394.3	311.5	3,039.0	2,869.4
TV Update (52X) C.	—	—	—	—
Us Magazine (26X)	51.6	44.3	463.9	401.6
U.S. News & World Report (52X) A.	167.3	129.2	1,274.8	1,247.3
Total Group	**7,291.9**	**6,931.7**	**64,197.3**	**64,597.9**
% change		5.2%		-0.6%

— Foreign —

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Business Week Int'l (52X)	201.7	164.0	1,188.1	1,304.2
De Armas Publications:				
Geomundo:				
Argentina	7.0	4.0	38.0	15.0
Central America	9.0	6.0	61.0	40.0
Chile	6.0	7.0	47.0	45.0
Colombia	14.0	14.0	126.5	82.8
Ecuador	7.5	7.0	55.5	36.0
Mexico	8.7	14.0	82.2	88.2
Peru	5.0	5.0	49.0	30.0
Puerto Rico	8.0	3.0	56.0	28.5
U.S.	7.0	5.7	45.7	48.3
Venezuela	21.5	10.5	174.5	126.5
Hombre De Mundo:				
Central America	9.0	5.0	57.0	49.3
Chile	8.0	4.0	54.0	49.3
Colombia	32.0	16.0	138.3	142.0
Ecuador	7.0	4.0	50.0	42.3
Mexico	25.0	31.7	107.0	161.7
Peru	4.0	3.0	34.0	29.3
Puerto Rico	9.5	3.0	61.5	40.3
U.S.	8.3	14.0	124.5	98.7
Venezuela	26.5	16.5	174.0	180.8
Ideas Para Su Hogar:				
Argentina	4.0	6.3	21.7	18.2
Colombia	16.2	21.0	123.8	113.2
Ecuador	3.0	4.0	24.5	21.0
Mexico	13.0	19.3	96.3	85.8
Peru	2.0	2.0	53.5	29.0
Puerto Rico	—	—	—	0.2
U.S.	2.0	4.0	45.5	43.0
Venezuela	18.5	5.0	111.5	86.7
Mecanica Popular:				
Argentina	12.3	7.7	78.8	47.3
Central America	12.7	12.3	89.7	88.3
Chile	7.7	7.0	46.3	45.3
Colombia	23.0	22.3	184.7	151.3
Mexico	27.0	23.7	181.7	124.0
Peru	15.3	14.8	128.2	111.7
Puerto Rico	10.3	10.0	75.5	67.5
U.S.	3.2	5.2	39.2	57.7
Venezuela	18.3	22.0	144.0	116.2
Vanidades Continental:				
Argentina	13.2	3.0	155.5	76.8
Central America	32.3	20.0	180.7	172.3
Chile	6.7	5.7	50.8	40.7
Colombia	122.2	129.8	718.5	799.3
Ecuador	16.0	23.5	172.5	187.2
Mexico	104.0	99.5	757.3	776.0
Peru	29.3	15.8	206.2	153.8
Puerto Rico	35.7	34.8	343.7	309.3
U.S.	52.5	54.2	476.7	441.0
Venezuela	70.7	56.5	424.7	384.0
Hearst International:				
Buenhogar:				
Central America	5.0	3.0	12.0	13.0
Chile	3.0	2.0	11.0	13.0
Colombia	53.7	48.3	327.5	324.3
Ecuador	8.0	13.5	94.0	111.0
Mexico	55.8	70.5	325.5	335.0
Peru	22.0	23.5	133.5	94.0
Puerto Rico	16.2	12.5	53.0	92.5
U.S.	11.3	19.7	185.3	200.2
Venezuela	63.5	45.2	259.5	211.0
Cosmopolitan en Espanol:				
Central America	17.3	13.0	63.8	46.7
Colombia	45.8	35.3	201.8	161.3
Ecuador	2.0	2.0	20.0	2.0
Mexico	66.3	65.8	410.3	410.7
Peru	3.0	1.0	6.0	1.0
Puerto Rico	23.3	13.0	146.5	104.3
U.S.(Spanish language)	20.0	24.7	241.7	248.7
Venezuela	34.8	28.3	184.3	147.0
Cosmopolitan Foreign:				
Australia	94.0	92.4	606.6	660.3
Brazil	67.0	81.9	614.6	637.6
China	58.0	55.2	442.0	429.9
France	117.0	154.2	996.6	904.8
Germany	170.0	167.2	1,216.5	1,067.9
Great Britain	162.0	148.0	1,071.0	1,100.5
Greece	52.0	52.0	383.0	402.0
Holland	113.0	114.0	664.0	695.0
Italy	98.3	103.3	729.5	657.7
Japan	51.9	53.9	478.0	482.3
South Africa	97.0	113.0	728.0	785.0
Good Housekeeping Foreign Editions:				
Australia	51.0	53.0	352.9	360.7
Great Britain	190.9	182.4	1,311.0	1,247.7
International Management:				
English	71.5	56.2	323.3	418.7
Middle East	12.3	16.2	61.3	113.2
Johnston International:				
Alam Attijarat	21.8	30.7	231.3	332.4
Far East Business	27.7	58.5	260.1	384.5
Modern Africa (6X)	—	—	64.0	102.8
Latin America Finance (6X)	—	—	93.1	92.5
Newsweek International A.:				
Atlantic (52X)	138.4	125.4	759.4	794.5
Latin America (52X)	33.1	35.4	249.6	295.1
Asia (52X)	67.9	75.6	503.4	571.0
Progreso (9X)	9.3	7.6	49.8	71.6
Reader's Digest:				
Arabic	7.5	9.5	79.5	70.5
Asian	192.0	239.0	1,554.0	2,040.5
Australian	46.0	52.0	466.5	548.8
Belgian-Flemish	84.0	98.0	479.0	677.6
Belgian-French	48.0	52.0	318.5	395.1
British	81.8	75.0	493.0	471.1
Chinese B.	121.0	133.0	896.9	1,021.8
Danish	43.0	45.5	294.8	321.9
Dutch	69.8	68.8	378.4	377.4
Finnish	42.5	48.3	436.5	445.9
French	34.5	34.3	249.5	151.7
German	118.2	88.5	730.2	611.4
Iberian	—	5.0	2.0	17.5
Indian-English	83.0	94.5	707.0	698.0
Indian-Hindi	5.0	20.0	113.0	97.0
Italian	67.0	45.0	460.5	330.0
Korean	26.0	22.5	343.1	255.8
Latin American:				
Argentina	24.0	21.5	125.0	132.5
Brazil	—	—	—	18.0
Central American	4.0	10.0	39.0	70.0
Chile	22.0	26.0	116.0	126.0
Colombia	38.0	27.0	258.0	210.0
Ecuador	4.0	9.0	28.0	61.0
Mexico	75.9	84.1	592.1	566.5
Peru	3.0	10.0	34.0	72.0
Puerto Rico	2.0	3.0	32.0	45.5
U.P.B.	3.0	10.0	31.5	62.0
U.S. Spanish	8.5	11.0	89.0	156.5
Venezuela	3.0	8.5	35.0	63.0
New Zealand	51.3	68.0	480.3	549.3
Norwegian	25.8	8.5	162.6	73.0
Portugal	52.0	39.0	393.5	380.0
South African	112.5	106.0	733.0	782.5
Swedish	8.0	15.5	68.0	130.5
Swiss-French	41.0	32.0	235.5	218.3
Swiss-German	65.0	39.0	335.0	278.0
Time International:				
Time-Asia	109.9	84.8	545.1	679.2
Time-Atlantic	161.2	138.8	849.2	924.9
Time-Canada	216.9	235.4	1,454.6	1,716.2
Time-Latin America	43.0	43.1	311.4	426.8
Visao (52X)	148.2	229.0	1,083.7	1,408.7
Vision/Latin America (24X) A.	40.0	39.8	259.6	273.7
Total Group	**5,592.5**	**5,593.8**	**38,813.2**	**40,263.9**
% change		0.0%		-3.6%

How to join the ad world

Students learn the right pitch to land a job in tight market

An Advertising Age roundup

Between agency mergers, huge account shifts and economic turmoil, the jobs get fewer and the jobless get tougher.

With increasing numbers of agency veterans competing for jobs, the prospect for students of advertising dims.

The job market is the tightest it has ever been, said Richard Wilde, media arts department chairman of the School of Visual Arts, New York.

"Students sense that something's up, that the business is going through a transition," said Gerry Contreras, communications design department chairman and professor, Pratt Institute, New York.

The industry mergers have "affected even the entry-level jobs. They are simply harder to get because there are fewer of them," Mr. Wilde said.

Even with entry-level positions, agencies "want people with training," said Sumner Wyman, instructor of the InterAd course at American Graduate School of International Management, Glendale, Ariz., and president of Scottsdale-based Wyman Associates, a marketing consultancy. "Agencies do not want neophytes."

To compete for those jobs, students are looking carefully at how they will market themselves.

"My teachers have stressed over and over that we have to position ourselves, that we have to use creative strategies and targeted self-promotion," said Tom Lunt, a copywriting student at the Portfolio Center, Atlanta.

Portfolio Center students have "done a lot of research about where we'd like to work. We look at not just the agency structure but also at the types of products they work with, then position ourselves to them," Mr. Lunt said.

Portfolios

The students' biggest tool in selling themselves is their portfolios.

Most of the homework assignments at the Portfolio Center are designed to spice up a student's portfolio, said Norm Grey, creative director of Gillis, Townsend, Bowes, Hanlon and a Portfolio Center instructor. "We try really hard to avoid a cookie-cutter portfolio.

"When people come in for a job interview, so many of their portfolios look alike. . . . I have my students go pick out store brands that aren't advertised . . . and have them do ads and TV commercials for it."

The School of Visual Arts places greater emphasis on campaigns in portfolios instead of just single ads.

Problems arise when students develop portfolios based not on their own personalities, but on what they believe will get them a job, said Bryan Birch, instructor at the Art Center College of Design, Pasadena, Calif., and senior VP-creative director for BBDO Worldwide, Los Angeles. "Chances are, if an agency does not like your portfolio, it won't like you."

Rather, he tells students to find ads they like. "They will discover that all of those ads were probably created by two or three agencies" and should apply at those shops, he said.

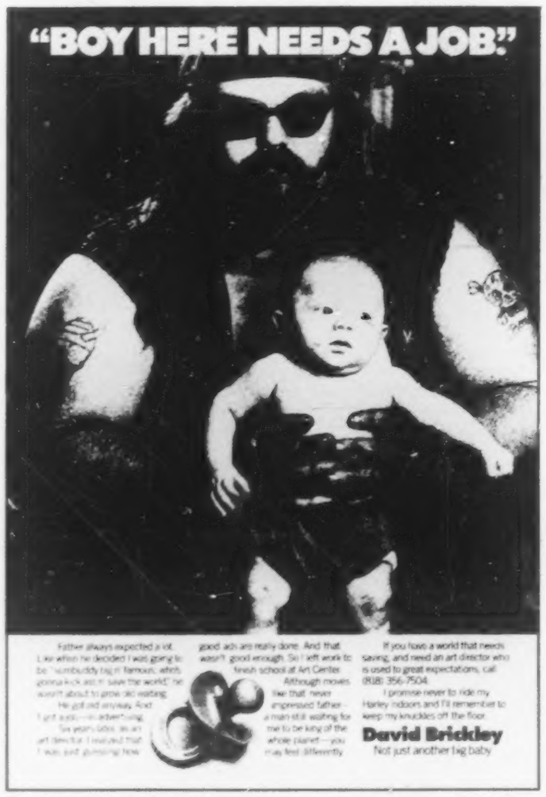
David Brickley, a recent Art Center graduate, did just that. He developed a self-promotion piece that eventually landed him the position of free-lance art director with San Francisco-based Hal Riney & Partners. The mailer featured a large photograph of a rough-looking biker holding a baby. It was headlined "Boy here needs a job." Mr. Brickley said Riney was looking for "someone who could think."

Agency exposure

Teachers advise students to get as much exposure to agencies as possible, including portfolio reviews attended by agency executives and interviewing. Most of the schools employ agency executives to teach classes; some even hold classes in their shops' offices.

Many of Pratt's 44 faculty members are from New York ad agencies, Mr. Contreras said. The 100 faculty members at the School of Visual Arts represent such agencies as DDB Needham Worldwide; Della Femina, Travisano & Partners; and Scali, McCabe, Sloves. Portfolio Center instructors all work full time in the ad business.

Carole Jankowski, a copywriter at Young & Rubicam, and Art Harris, an art director there, gave their Pratt class a project that gave the professionals trouble, a campaign for a Johnson & Johnson sunblock lotion endorsed by pediatricians.


"BOY HERE NEEDS A JOB."
David Brickley
Not just another big baby

It takes imagination to sell yourself to ad agencies these days—especially if you're fresh out of school. David Brickley, a graduate from the Art Center College of Design, Pasadena, Calif., used this piece to land a job with Hal Riney & Partners, San Francisco.

"It was a challenging kind of real scenario. You got to question, 'Can I cut it in the real world?' " said Maureen Volpe, a student in the class.

Some schools simulate not only professional advertising experience but also agency structure. In American Graduate School's InterAd course, four teams of six students become mock agencies and develop an international advertising and marketing campaign for a client.

To give his students the edge, Mr. Wilde of the School of Visual Arts schedules a portfolio review and luncheon a week after commencement for his graduates, 50 top art directors and personnel from the best agencies.

"I've started the networking [for the students] to meet these people and to get criticism and a sense of the real world," Mr. Wilde said.

The Portfolio Center also hosts a review for its students. In addition, the students face a quarterly critique in which a panel must approve their work before they can sign up for the next quarter.

Job interviewing also gives students exposure to agencies.

One of American Graduate School's recent alumni, David Burnett, an assistant account executive at Grey Direct, New York, found interviewing to be an encouraging experience.

"Even if the interviewer did not have a position available in his area, if he liked you he would try to get you into the organization through another channel," he said.

Smaller agencies, markets

Because larger markets are especially crowded with experienced professionals, some students are looking to smaller markets and lower-profile shops to break into the industry.

"Five years ago students were totally geared to the Top 15 to 20 consumer advertising agencies; now they are open to any agency," said the School of Visual Arts' Mr. Wilde.

Any agency in New York, that is. The industry "is seeing marvelous stuff from Minneapolis, Texas, etc., but my gut feeling is . . . New York is still the capital of advertising," and students want to stay there, he said.

Boutique agencies are "absolutely a viable alternative if [students] do a tutelage with a top principal," Mr. Wilde said.

Kevin Brown, who is majoring in art direction and graphic design at Pratt, last summer landed a job in a small graphics design company, learning the basics from the company's president. But his main interest is advertising, and his goal is to land a job with an agency in the U.S. or abroad.

Mr. Brown sees one advantage to a smaller agency. "The largest agencies are restricted a lot more—they're not as free to do advertising that's experimental. They're restricted by their clients," he said.

Related fields

Another option for students unable to crack the advertising industry is to pursue a job in a related field. For example, Portfolio Center students are advised to look for jobs at design studios, direct-marketing companies, in-house client departments and other advertising-related companies.

While most of the advertising students at the School of Visual Arts are not looking to related fields, graphic design majors are targeting those areas, Mr. Wilde said. His advertising students still are "interested in the science of persuasion, not just promotion."

Another valuable asset is internship. Students at the School of Visual Arts are given a chance to intern at a major agency. Of 60 seniors, 20 are chosen. One-third of the 20 eventually are hired by the agency, Mr. Wilde said. If the students are not paid, they get class credit.

Despite the tightened job market, students remain optimistic.

"I tell my students, 'Don't get panicky, there is always room at the bottom,' " said American Graduate School's Mr. Wyman.

The Art Center's Mr. Birch agreed. "Agencies are looking for sparks wherever they can find them."#

Betsy Spethmann in Chicago wrote this story from reports by Laura Loro in Philadelphia; Jo Beth McDaniel in Atlanta; and Marie Spadoni in Phoenix, Ariz.

Agency layoffs

(Continued from Page 3)

production divisions.

Many of the agencies posting job declines in 1987 also spent 1986 reducing their staffs.

JWT Group, before its takeover this year by WPP Group, pared jobs in 1986 at its J. Walter Thompson USA unit to shore up profits.

For three merger-created agencies—Bozell, Jacobs, Kenyon & Eckhardt; DDB Needham Worldwide; and DMB&B—1987 also shapes up as a second straight year of staff cutbacks.

During 1986, newly formed DDB Needham, created by the merger of Doyle Dane Bernbach and Needham Harper Worldwide, reduced staff by 325; JWT cut by 126; Saatchi & Saatchi Compton—before its merger with DFS Dorland Worldwide—by 106; DMB&B by 79; and Ogilvy & Mather U.S. by 70.

And if the plunging stock market leads into a recession, a third year of belt tightening probably is in store, many sources believe.

The ebb and flow in job counts among these agencies partially reflects won and lost business.

After winning the $100 million U.S. Army recruiting account this year, Young & Rubicam added about 200 jobs to its staff to service it.

At J. Walter Thompson USA, about 100 jobs disappeared when the $200 million Burger King Corp. account was lost to N W Ayer.

Staff consolidations and agency spin-offs also have accelerated the downward trend in job counts at the top agencies.

Agency managements also are caught in a vise between shareholders' desire for stable and improving profits and client demands for more efficient, less costly services. That has focused more attention on staffing.

Outside the 10 largest U.S. agency employers, the agencies ranked No. 12 and No. 13 in U.S. advertising employment also reported staff declines thus far in 1987.

BBDO Worldwide said that, as of August, it had 1,546 jobs in advertising-related work, down 7.3% from the beginning of the year. Backer Spielvogel Bates, created by the merger this year of Ted Bates Worldwide and Backer & Spielvogel, said its U.S. advertising employment as of Oct. 1 was 1,227, off 2.2% from the beginning of the year.

The No. 11 U.S. agency employer, McCann-Erickson Worldwide, reported its job count was 1,666 on Oct. 1, up only slightly from the 1,661 reported last Jan. 1. Staff numbers had risen by nearly 100 in '86.#

Richard L. Gordon and Gary Levin in Chicago contributed to this story.

Layers

(Continued from Page 3)

of a pyramid, Mr. Bloom envisions an organization in the shape of an hourglass. Positions could be eliminated through attrition, layoffs or reassignments.

"We want to provide more senior time to our clients," he said. "The idea is to cut out layers in the middle, like having five people with note pads looking at a rough cut because the client used to have those layers.

"We are trying to eliminate those layers of approval. You get people who really make a contribution."

Mr. Bloom said he could not offer a formula as to which positions would be eliminated. In some cases it might be a management supervisor and in others the title might be account supervisor, he said.

Agency executives agreed that not all accounts can be handled in this way. Large package-good companies—whose brand management approach helped create the layers—may need agencies with a broad tier of middle management.

They noted, however, that many agencies grew to match client growth. The layers came about because elevating titles became a way of keeping staffers at an agency.

"You have to put titles aside and start to organize along job function lines," Mr. Lesser said.

Howard Davis, chairman-ceo of Dallas-based Tracy-Locke, said he believes agencies still are in for more than middle-management cutbacks.

"The story is not just middle management," he said. "It is more that the industry is paying attention to expense manifestation. Very few agencies are not affected. The good old days will never return. We must do more with less. Clients want senior people, and we have to ask whether or not we are getting value for every person on the payroll."#

NEWSPAPER

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

JWT, Discover face uphill fight

Poor agency image

By JON LAFAYETTE

NEW YORK—J. Walter Thompson Co. plans to fight back from massive account losses by aggressively pushing for new business and shoring up its relationship with key clients, sources say.

JWT executives see that approach as the best chance to stem financial losses, boost its image and improve sagging morale among agency staffers.

The agency has lost $458.5 million in business and gained only $163.9 million that can be documented since London-based WPP Group said it would buy JWT Group last June *(see chart on Page 65)*.

Last week JWT's Chicago office lost the $42 million Sears, Roebuck & Co. Discover card account to DDB Needham Worldwide.

That loss came on the heels of other hefty losses, including the New York office's $20 million-to-$25 million Goodyear Tire & Rubber Co. account *(see story on Page 65)* and the $200 million Burger King

(Continued on Page 65)

Card use lagging

By LAURIE FREEMAN

The *real* market test for Sears, Roebuck & Co.'s Discover card is just dawning.

After two years of introductory ads proclaiming the "dawn of Discover," Sears and new agency DDB Needham Worldwide now must get people to use it.

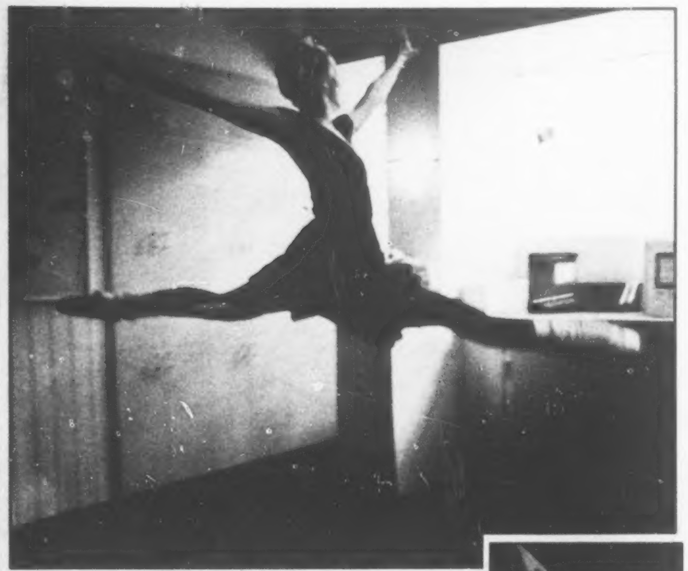
DDB Needham, Chicago, handed the $42 million account last week, appears to face a tougher challenge than former agency J. Walter Thompson USA did in getting consumers to apply for the card.

Although more than 19 million Discover cards have been issued and more than 700,000 retail and service establishments accept it, consumers still are more likely to pull out their MasterCard, Visa or American Express card for major purchases.

The account review—in which Leo Burnett USA was the third participant—was decided on the basis of marketing strategies as much as creative presentation.

Sources said executives at Sears' Dean Witter Fi-

(Continued on Page 65)



TV commercials feature people dunking Fab 1 Shot to the tune of "Sweet Georgia Brown."

Fast break

New Colgate 'pouch' scores with consumers

By LAURIE FREEMAN
and JON LAFAYETTE

Colgate-Palmolive Co.'s new "all-in-one pouch" laundry product is "flying" off store shelves even before the $35 million advertising blitz kicks into high gear this week.

Available at retail only a few weeks, Fab 1 Shot is getting a quick shot at creating—and leading—a new segment of the $3.25 billion laundry-detergent business.

"If these kinds of sales continue, we're going to have problems with out-of-stocks when they [Colgate] kick in" advertising, said a Midwestern retail executive. "Fab has been flying out of here," another retailer said.

Fab 1 Shot, a combination detergent, fabric softener and anti-static ingredient rolled national without test marketing (AA, Aug. 31), is aimed squarely at Procter & Gamble Co.'s similar Tide Multi-Action Sheets, now in test.

Although Colgate's TV spots broke Nov. 19, its marketing plan calls for a Nov. 27 "roadblock" buy of simultaneous commercials on all three major TV networks. Commercials, airing in 15, 30 and 60-second versions, will be supported by a national coupon drop Nov. 29.

Ariel Allen, VP-creative at New York-based Colgate, said the Fab 1 Shot campaign is the "largest

(Continued on Page 67)

Big issue for '88: Compensation

An Advertising Age roundup

Agency compensation looms as 1988's most significant and controversial issue for advertisers and agencies.

A festering problem for several years, compensation now threatens to overshadow creativity as the chief determinant in new-business reviews. Some agencies have turned down new accounts because of disagreements on this subject.

Whether straight commission, fee, commission-plus-fee or sliding-scale arrangements, new action is being taken on payment structures.

The changes have the potential to reshape the rules of the $100 billion-plus ad industry, some observers say.

Also, general economic conditions seem to be exacerbating the problem.

Greg Ostroff, analyst with Goldman, Sachs & Co., New York, said talk of an economic downturn next year has turned "low-key, low-level" discussions on compensation into "high-level, urgent discussions."

Since last year, the list of those arguing over compensation has grown to include some of the nation's top advertisers and agencies:

- Switzerland-based Nestle SA is asking its agencies to submit proposals on the compensation structure, with an eye to ending the company's commission-based system *(see stories on Pages 18 and 61)*. Carnation Co., a Nestle subsidiary, already cut its commissions by more than 10% this year, meaning its agencies are getting 12% or 13% instead of 15%.
- General Foods Corp. was rearranging its compensation structure until a companywide restructuring forced it to put those plans on hold *(see story on Page 60)*.
- Procter & Gamble Co., since acquiring Richardson-Vicks in 1985, has explored changing its compensation structure. Currently, R-V agencies are on a cost-plus-fee formula, while P&G agencies retain the 15% standard.
- Schering-Plough's Scholl USA recently selected DDB Needham Worldwide for its $7 million footwear account through a creative review. But when compensation discussions between the two broke down, DDB Needham bowed out and Della Femina, Travisano & Partners, a finalist in the re-

(Continued on Page 60)

Last Minute News

Rafting probe begins

KAMLOOPS, BRITISH COLUMBIA—Canadian officials have begun investigating the Aug. 1 rafting accident on the Chilko River in British Columbia that killed five U.S. advertising executives.

The investigation could raise important questions about liability involving business entertainment in advertising and other industries, as well as resolve troubling questions surrounding the accident. Those questions may end up the subject of lawsuits.

Coroner Robert Graham told ADVERTISING AGE he expects to issue in early December a "judgment of inquiry" detailing what happened. He also will make recommendations to the Canadian government on rafting procedures.

"We need to know whether the people in the raft were wearing life jackets, the proper head gear, following proper procedure on the river,

(Continued on Page 8)

Hot marketing ideas scarce this holiday retail season—Page 3

Inside: Second 100 Leading National Advertisers

Advertising Age
100

Kidvid tumbles

People meters make ratings dive

By VERNE GAY and JULIE LIESSE ERICKSON

The Big 3 TV networks may owe advertisers an estimated $40 million worth of Saturday morning advertising time as a result of the switch to people meters.

That change in audience measurements has dropped ratings 25% to 30% for children's programming, sources said, leaving the networks with substantial audience shortfalls and "make-good" obligations in the $150 million daypart.

The situation is so serious, TV and agency sources report, that ABC-TV is threatening to program the daypart to appeal to teens, or abandon it altogether. ABC is the third-ranked network on Saturday morning and has seen its key demographic, 2-to-11-year-olds, plummet by 21%.

Most of the inventory paybacks are expected to come from ABC. Agency sources said CBS has emerged in the best shape as its total audience has grown recently after a slow start.

However, the nets as a group have seen children viewing levels drop 29% from the same period last year.

The $40 million in paybacks is expected to represent total losses for the entire broadcast year, extending from the fourth quarter of 1987 through August 1988.

Initial response from several key cereal and toy advertisers was that they recognize the problems of measuring children's viewership but that they also expect the networks to stick to their original agreements and compensate them for the shortfalls.

"We will not renege on our obligations," said Marv Goldsmith, senior VP-national sales for New York-based ABC, who added that the audience fall-off "is a big, huge problem."

The networks and A.C. Nielsen Co. have suggested

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Bond Corp. Holdings' acquisition of G. Heileman Brewing Co. is not official yet, but the Australian company already is rearranging Heileman executives.

24 Real estate on the rise
Century 21 Real Estate Corp. is boosting its fourth-quarter ad budget, as Prudential Insurance Co. of America enters the real estate brokerage business with a new subsidiary.

44 'Miami Herald' revamps insert
The *Miami Herald* is updating its Spanish-language insert, renamed *El Nuevo Herald*.

51 Dairy board targets 'tweens'
To reach "tweens," the National Dairy Promotion & Research is launching a $9.3 million TV campaign aimed at 9 to 15-year-olds.

52 Actmedia buys Shelfvision
Actmedia, the $135 million POP company, reached agreement to buy rival Shelfvision.

56 EPB gains muscle in Philly
Earle Palmer Brown Cos. last week bought Spiro & Associates to strengthen its presence in Philadelphia.

62 Koch has advice for Uncle Sam
New York City Mayor Edward Koch thinks the federal government should underwrite TV commercials touting the benefits of buying products made in the U.S.A.

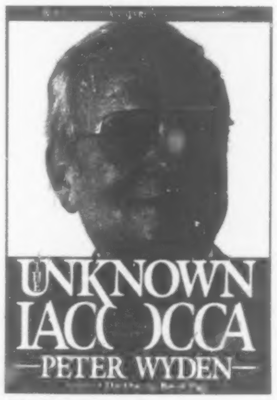
63 Sears' Disney dreams come true
Sears, Roebuck & Co.'s 10-year marketing contract with Walt Disney Co. indicates the retail giant's efforts to shift from mass merchandiser to specialty retailer.

INTERNATIONAL

42 Danes tune in TV spots
Advertisers are lining up to buy the first TV ad time available in Scandinavia as Denmark phases in the use of TV advertising on a new regional channel.

For fast, fast, fast
relief take two tablets.

ATHENA winners. P. 50



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Industry fumes as Florida pols stall on ad tax

By STEVEN W. COLFORD

The advertising industry's war with Florida over an ad tax threatens to flare up again.

What is rankling the three major ad industry associations, as well as media representatives, is the absence of any sign from state leaders that advertising will be exempted from the state's 5% tax on services during a special December session of the state Legislature.

That tax has been on the books since July 1, but intense opposition from the ad industry and others led Gov. Bob Martinez to ask the Legislature to repeal it.

The prospect of no relief this year from the tax "would be like inviting World War IV," said DeWitt Helm Jr., president of the Association of National Advertisers. "I don't know if there are any more meetings and media that can be canceled down there, but if there are . . ."

The passage of the tax bill triggered an all-out ad industry war in Florida, including canceled meetings and ad billings, which has hurt local TV and radio stations.

Already there is talk that Gov. Martinez and legislative leaders will not convene a special December session. An October special session that was to consider changes or repeal ended in chaos.

The lawmakers might wait until April's regularly scheduled legislative session to tackle problems created by the tax.

House Speaker John Mills and Senate President Jon Vogt said their current 13-city Florida tour, aimed at hearing what the public wants to do with the 5% tax, is turning up much support for the tax, especially from individual citizens.

Messrs. Mills and Vogt, both of whom want to amend the existing tax to exclude advertising, said they will not convene the special session until they are certain they have the votes to support them.

All the while, advertisers continue to pay to Florida its 5% tax that

(Continued on Page 66)

Studio snags DDB exec

Universal moving?

West Coast News

By WAYNE WALLEY

Universal Pictures last week hired DDB Needham Worldwide's Los Angeles general manager, and there is talk the $50 million account may follow him out the door.

Simon Kornblit, exec VP-general manager of the agency, becomes Universal's exec VP-marketing, overseeing all activities of the motion-picture marketing group.

Although Mr. Kornblit's shift could strengthen ties between Universal and DDB Needham, high-level executive changes at Hollywood studios often signal a review.

Mr. Kornblit, a 33-year veteran of DDB, said he has no plans to put the account up for review.

DDB Needham/West President Alan O. Pando said Bruce Miller, management supervisor on CIGNA Healthplan, will take over as management supervisor on Universal. No decision has been made on the general manager slot.

Mr. Pando said Mr. Kornblit's move will solidify the shop's relationship with the studio, based on Mr. Kornblit's long ties to both the agency and Mr. Pando.

Still, the move could open the door for other agencies to at least solicit the account.

D'Arcy Masius Benton & Bowles, Los Angeles, wants an entertainment industry account. And Managing Director Jim Helin has a previous working relationship with Mr. Kornblit at DDB. Also, Neil Lemlein, senior VP-director of DMB&B's entertainment group, worked for Mr. Kornblit at DDB. Then Mr. Lemlein subsequently moved to Universal, becoming Mr. Kornblit's client.

Other agencies likely to show interest in Universal are Ogilvy & Mather, which recently lost Columbia Pictures to McCann-Erickson, and Y&R Entertainment, which recently lost $90 million in billings from Walt Disney Co. to Western International Media.

DDB Needham has survived other management upheavals at Universal during its eight years as the studio's agency of record. Those upheavals include the September 1986 change when Thomas Pollock replaced Frank Price as chairman of the MCA Motion Picture Group (AA, Sept. 22, 1986).

Later that year, Edward Roginski replaced Marvin Antonowsky as marketing president.

Sources said Mr. Roginski initiated preliminary discussions with some agencies earlier this year and was considering a review until he became seriously ill.

Some sources speculated Universal convinced Mr. Kornblit to take the job because it wanted to change agencies without losing him.

Other personnel changes at DDB Needham could be significant; a string of senior-level people has left in recent months. The most visible departure was Robert Kuperman, the former exec VP-creative director who moved to Chiat/Day. #

Jennifer Pendleton in Los Angeles contributed to this story.

HBJ buyout boss eyes more

Edgell may add to 110 titles

By PATRICK McGEEHAN

An anticipated resurgence in U.S. heavy industry is prompting Robert Edgell, the leader of last week's $334.1 million management buyout of HBJ Publications, to consider launching new publications to serve that category.

"I think manufacturing is going to come back," Mr. Edgell said last week. But he did not elaborate on any specific plans the company might have for such a launch.

While guiding HBJ Publications from a small division of Harcourt Brace Jovanovich in 1970 to the nation's largest publisher of trade magazines with 110 titles, Mr. Edgell steered clear of publications related to what he calls "metal-bending" industries.

"I flunked drafting in high school, and I've never been interested in machinery," Mr. Edgell said, "so we assiduously avoided getting into those. I think it proved to be right."

Also, the steady decline of heavy manufacturing in the so-called Rust Belt states cut into ad revenues of other business publishers, while HBJ concentrated on service industries, such as healthcare, communications and travel and lodging.

The 65-year-old Mr. Edgell, who has headed the business publishing unit of Orlando, Fla.-based HBJ since 1970, said he had no plans to make other changes in the company, which will be called Edgell Communications Inc. He added he does not intend to sell any of the titles.

R. Edgell

"If I built it over 30-some years, I must like it," he said.

Nor will ECI follow in the footsteps of fellow trade publisher Cahners Publishing Co. and launch or acquire any consumer magazines, Mr. Edgell said.

Among the publications ECI acquired are *Beverage Industry, Hotel & Motel Management* and *Modern Medicine*. Along with the 110 titles, Mr. Edgell also acquired 23 trade shows owned by HBJ Publications and HBJ Beckley-Cardy, a school supplies company.

Mr. Edgell also said the new company probably would be looking to make more acquisitions in the first quarter of 1988.

New York investment banker Kidder, Peabody & Co., which provided a loan to help finance the deal, will be the majority owner of ECI. Labovitz Corp., an investment company in Duluth, Minn., and Wicks Communications, New York, also provided financing for what Mr. Edgell called the biggest transaction in trade press history.

The deal "looks pretty good" for the buyers, said J. Kendrick Noble, a media analyst with PaineWebber, New York.

He added that the pairing of the publishing and school supplies divisions is "rather an unusual combination," but the two should serve to balance each other because their businesses have different cycles.

The sale is expected to be completed by yearend.

ECI, which Mr. Edgell said will retain its 1,900 employees will be based in Cleveland.#

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MPA honors Grune

NEW YORK—The Magazine Publishers of America has named George V. Grune, chairman-ceo of The Reader's Digest Association, "1987 Publisher of the Year" and bestowed upon him the magazine industry's highest honor, the Henry Johnson Fisher Award.

G. Grune

"It's like the time Duke played Pitt—1950 if you care—and I returned a punt 41 yards for the game-winning touchdown," said the delighted publisher. "Wow!"

Paul McPherson, exec VP of McGraw-Hill Publications and MPA chairman, said, "George is a perfect choice for the award."

Mr. Grune joined *Reader's Digest* in 1960. He held positions as New York ad sales director, marketing director of the U.S. edition, VP-director of international advertising, VP-director of Pacific operations and deputy director of international operations.

In 1976 he was named VP-director of the condensed books, general books and recorded music division. A year later he was elected to the board. He was named publisher in January 1984 and a few months later chairman-ceo.

At a formal dinner Jan. 26, Mr. Grune will receive a representation of the award, a crystal Steuben urn.#

CORRECTIONS & CLARIFICATIONS

- Del Monte USA's holiday promotion to hispanics (AA, Oct. 26, P. 8) is handled by Solem/Loeb & Associates and BCT Communications, both San Francisco.
- Ogilvy & Mather, New York, is the ad agency for Beecham Products' new N'ice throat spray (AA, Oct. 19, P. 70).
- U.S. advertising-related employment at Leo Burnett Co., Chicago, was 1,854 on Oct. 1, up 4.9% from Jan. 1. The larger Oct. 1 job-count number originally supplied by Burnett (AA, Nov. 16, P. 3) reflected budgeted positions, some of which were unfilled.#

November 23, 1987 **Special Issue**

Advertising Age

Crain's International Newspaper of Marketing

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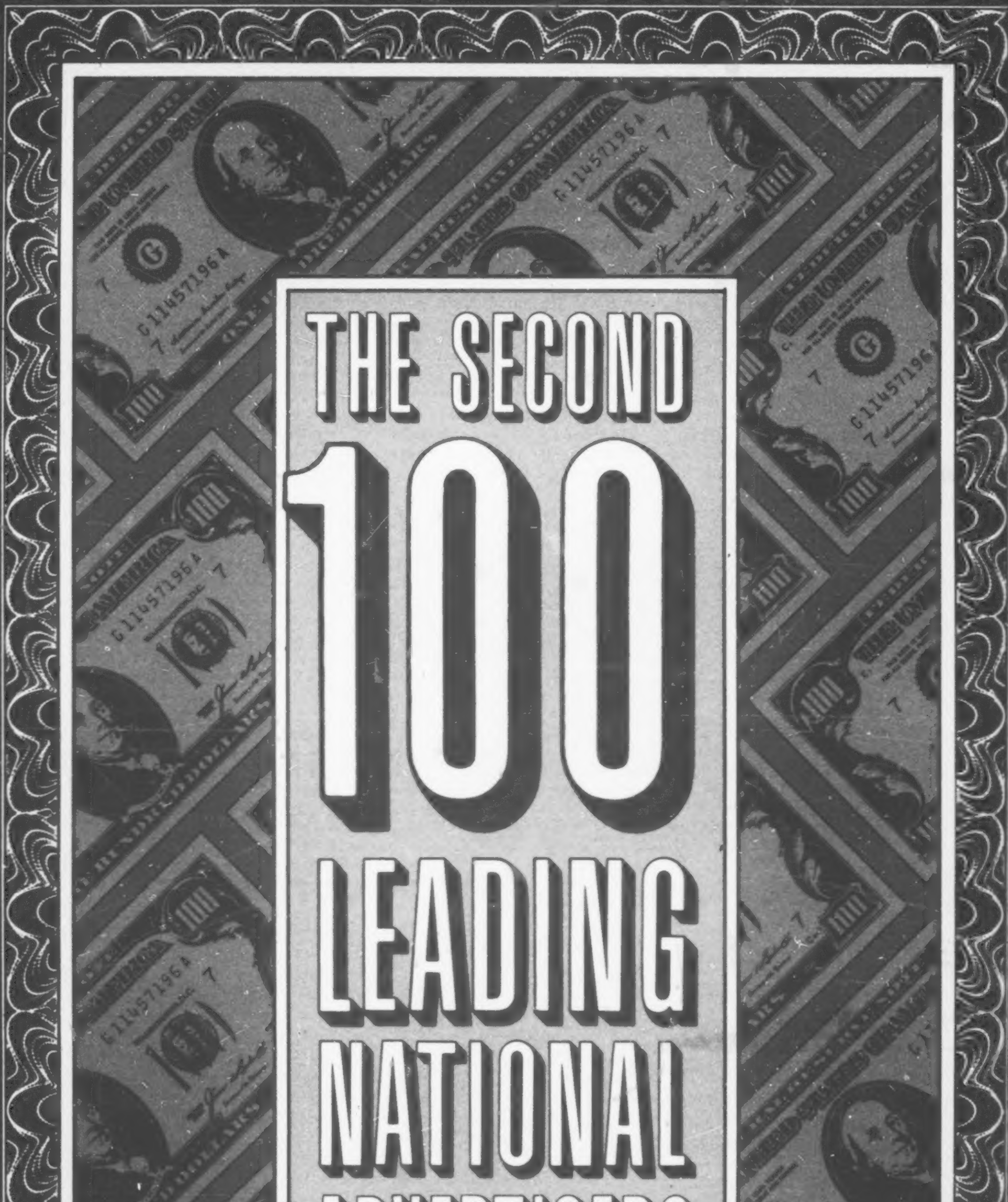

THE SECOND 100 LEADING NATIONAL ADVERTISERS

1987 EDITION

Special Issue

'86 ad spending soars

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By R. CRAIG ENDICOTT

The Second 100 offer innovation: from wristwatch paging systems, digital VCRs, a $4,995 car that runs, a radiator guarantee, Captain Power and the Soldiers of Fortune, to a life-extending AIDS drug.

The nation's Second 100 leading national advertisers revved up their ad spending to $5.51 billion in 1986, 19.9% over the previous year, far above their First 100 competitors, who recorded only marginal spending increases last year.

Companies that qualified for AD AGE's latest Second 100 list demonstrated the tendency among advertisers to increase their ad spending in non-media areas more than in the traditional media categories. Media's percentage of total ad spending by the Second 100 dropped from 65.5% of the total in 1985 to 61% in 1986 as non-media forms of advertising grew 35.7% in dollars to $2.15 billion.

But total media dollars also increased—to $3.36 billion, up 11.7% for the same companies in 1985—as the Second 100 advertisers increased their share of ad dollars spent by all advertisers on network TV, magazines and national newspapers. By comparison, AA's Top 100 advertisers experienced a decline in shares in these media categories.

The elite 100, covered in AA's Sept. 24, 1987 report, recorded a parsimonious 3.4% year-to-year increase in ad spending. And even though their composite spending total of $27.17 billion far outdistanced the Second 100, the composite year-to-year dollar growth of $914 million of the Second 100 surpassed the $894 million increase of the Top 100.

Volatility characterized the composition of the Second 100 chart in this third annual report. There were 39 new entries to the list. Only nine were dropouts from the 100 leaders, having fallen short of the Top 100 ad spending cutoff of $82.7 million. Twelve of the new listings came from among retailer categories, both food and general merchandise, and food marketers.

Borden Inc., New York, surged to the top of the Second 100 chart with total spending of $82 million in 1986, up 43% from the prior year. The Borden total also was 16.1% greater than the chart's 1985 leader, Levi Strauss & Associates, at $70.6 million that year. In fact, 12 advertisers topped this previous high last year.

Borden's spending patterns illustrate the trend by marketers to invest in non-media forms of advertising. Borden spent 73% of its total advertising on what it termed "promotions"—give-aways, samples, cents-off, point-of-sale, etc. Such emphasis on unmeasured advertising is more the rule than the exception today, particularly among financial institutions and food, pharmaceutical and toiletries and cosmetics marketers.

Network TV was the medium that attracted the largest dollar volume among the Second 100. The 10.7% growth brought the group to $1.08 billion. The Top 100 showed 3% growth in network TV to $6.36 billion.

However, the Second 100 network totals moved the group to 12.5% of the $8.6 billion spent by all advertisers in the medium in 1986, from 11.7% in 1985, while the Top 100 dropped as a percentage of total network TV spending to 74% from 74.3% in 1985. Mennen Co., at $33.4 million, was the biggest Second 100 network TV spender. Procter & Gamble, the nation's leading advertiser, invested $456.3 million in network TV last year.

The Second 100 increased its magazine spending by 7.3% to $546 million and built up the group's total percentage of the $5.1 billion spent by all advertisers in the medium in 1986, from 10.3% to 10.7%. At the same time, the 100 leaders increased their spending in magazines 2.7% to $2.34 billion, leaving them with a 45.8% share of total magazine spending, down from 46.3% in 1985. The Second 100's leading magazine spender was Capital Cities/ABC with $30.6 million, or 55.3% of its total media expenditures.

Newspaper advertising for the Second 100 grew 15.8% to $233 million, boosting the group's percentage of the national medium's $3.66 billion total, from 5.5% to 6.4%. The Top 100 spent $950 million in the medium, down 2% in 1986, and cutting their percentage of all newspaper spending to 25.9% from 26.7%. The leading Second 100 newspaper spender was Trans World Airlines with $29.3 million, or 60% of its total media outlay.

In spot TV spending, both the Second 100 and the Top 100 saw share declines in 1986. Despite a 9.1% spending increase in spot TV to $1.01 billion in 1986, the Second 100's share of the $7.79 billion total slipped from 13.2% to 13%; the Top 100 total of $3.26 billion, up 5.4% in dollars, dropped from 43.8% to 41.8% of the total. Imasco Ltd. (Hardee's and Peoples Drug Stores) was the Second 100 leading spot TV spender with $32.8 million, or 95% of its total measured advertising.

Composite totals for the Second 100 disguise the fact that two-thirds of the advertisers propped up the rest, as ad spending levels for 34 on this Second 100 list actually declined last year.

Economic conditions probably contributed to some of the decline, because ad budget cuts are a way to hold down expenses. Fifteen of the 34 experienced a decline in earnings from 1985 to 1986. Three other marketers had lower profits in 1985 over 1984 and may have seen 1986 a catch-up year.

Six of the 15 recording both a decline in advertising and earnings were based abroad. While reasons for their decline in advertising vary among companies, the drop in earnings was often traced to the conversion of a weak dollar into a stronger local currency.

Among 24 foreign marketers on the list, nine suffered sales declines and five others reported a sales growth of 5% or less, returns traced largely to the currency differential. Little wonder the Japanese, who face voluntary import quotas, are building U.S. plants to keep manufacturing costs and sales in the same currency. Among the Second 100, Isuzu, Subaru and Mitsubishi are building such facilities, and the new upstart, Korea-based Hyundai, is contemplating such a move for its autos.

Buyouts, potential or otherwise, affected Safeway Stores, Kenner Parker Toys, Dayton Hudson Corp., Lucky Stores, Levi Strauss & Associates, Hiram Walker-Gooderham & Worts, Zayre Corp. and American Stores.

Affinity marketing proved popular among the Second 100 as Citicorp and MasterCard offered new bank cardholders either mileage credits or free tickets on airlines; General Motors offered roundtrip tickets on TWA for buyers of the Buick Riviera; VF Corp. (Lee's and Maverick jeans) began pushing American-made Pepsi Apparel America casual clothing.

Next year's advertising and marketing programs for at least seven of the Second 100 will be dominated by the 1988 Winter and Summer Olympics for which they are sponsors, and Capital Cities/ABC sees the sports extravaganza as rejuvenating its ABC network ad sales.

With agency mergers and corporate restructuring activity at a peak, there were wholesale changes in agencies representing the Second 100 companies. If there is an advertising agency with a smile on its face it must surely be AC&R/DHB & BESS. It is now the agency for five Second 100 leaders after being awarded both Hattori-Seiko Co. and Zayre Corp. in the past year.

Second 100 leading national advertisers

Rank	Company	Ad spending
101	Borden Inc.	$81,962.1
102	Matsushita Electric Industrial Co.	79,808.8
103	North American Philips	79,376.9
104	Trans World Airlines	78,782.1
105	Daimler-Benz AG	77,423.0
106	Levi Strauss & Associates	76,754.8
107	Wal-Mart Stores	75,529.4
108	F.W. Woolworth Co.	74,083.2
109	Metropolitan Life Insurance Co.	72,964.3
110	Blue Cross & Blue Shield Assn.	71,518.9
111	Castle & Cooke Inc.	71,318.3
112	Polaroid Corp.	71,248.7
113	Prudential Insurance Co. of America	70,618.0
114	Jerrico Inc.	69,478.1
115	United Biscuits Holdings PLC	69,304.9
116	George A. Hormel & Co.	69,068.1
117	Carter-Wallace Inc.	69,046.1
118	Ameritech	68,954.6
119	Gulf + Western Industries	68,635.4
120	Southwestern Bell Corp.	67,608.5
121	Cotter & Co.	67,269.7
122	Canon Inc.	67,084.9
123	Dayton Hudson Corp.	66,951.3
124	Alberto-Culver Co.	66,724.5
125	MCI Communications Corp.	66,646.3
126	Estee Lauder Inc.	66,630.7
127	American Stores	66,244.4
128	Wellcome PLC	64,899.5
129	First Brands Corp.	64,830.5
130	Capital Cities/ABC	63,117.1
131	Seven-Up Co.	62,821.9
132	A.H. Robins Co.	62,742.3
133	VF Corp.	62,208.8
134	Mennen Co.	61,802.0
135	Whirlpool Corp.	$61,796.0
136	BMW AG	61,545.3
137	Hattori-Seiko Co. Ltd.	60,912.3
138	Cadbury Schweppes PLC	60,271.9
139	Mattel Inc.	59,872.2
140	Southland Corp.	59,657.0
141	Avon Products	59,513.9
142	Ciba-Geigy Ltd.	59,488.3
143	Lucky Stores	58,731.6
144	Fuji Heavy Industries	58,718.1
145	Hallmark Cards	58,366.5
146	Imasco Ltd.	57,633.0
147	Apple Computer	57,596.0
148	SmithKline/Beckman Corp.	56,699.7
149	Royal Crown Cola Cos.	55,565.5
150	Minolta Camera Co. Ltd.	55,505.4
151	Kimberly-Clark Corp.	55,298.3
152	Coleco Industries	54,830.5
153	NWA Inc.	52,882.4
154	Isuzu Ltd.	52,556.9
155	Winn Dixie Stores	52,528.8
156	MasterCard International	52,393.0
157	Zayre Corp.	52,352.6
158	Hyundai Motor Co.	52,330.7
159	Reckitt & Colman PLC	51,923.5
160	Black & Decker Corp.	51,814.7
161	Squibb Corp.	50,884.0
162	Franklin Mint	50,529.6
163	Sandoz Ltd.	50,403.1
164	Safeway Stores	50,111.7
165	NEC Corp.	50,090.3
166	US West	50,032.2
167	Wickes Cos.	49,694.3
168	3M Co.	48,883.2
169	Domino's Pizza	$48,488.5
170	Triangle Publications	48,425.6
171	Tyson Foods	48,264.7
172	Ocean Spray Cranberries	47,328.7
173	Fruit of the Loom	46,409.8
174	Chevron Corp.	45,412.9
175	Tambrands Inc.	44,771.8
176	Van Munching	44,750.3
177	Melville Corp.	43,835.8
178	Tri-Star Pictures	43,476.4
179	Bally Manufacturing Corp.	43,467.6
180	Reynolds Metal Co.	43,416.0
181	News Corp. Ltd.	43,154.1
182	Amoco Corp.	42,914.0
183	Dow Jones & Co.	42,565.7
184	Holiday Corp.	41,532.3
185	Volvo AB	41,358.8
186	Federal Express Corp.	40,258.4
187	Hearst Corp.	39,034.1
188	De Beers Consolidated Mines Ltd.	36,385.6
189	Kenner Parker Toys	36,334.6
190	BankAmerica Corp.	36,040.2
191	Faberge Incorporated	35,952.0
192	Visa International	35,444.7
193	Mitsubishi Motors Corp.	34,514.0
194	Citicorp	33,731.0
195	Turner Broadcasting System	33,351.4
196	State Farm Mutual Auto Ins. Co.	32,543.8
197	Hiram Walker-Gooderham & Worts	32,518.9
198	Canandaigua Wine Co.	31,898.5
199	Thompson Medical Co.	31,635.3
200	Bertelsmann AG	29,217.9

Note: Dollars are in thousands

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S-46 US West
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S-48 Visa International
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S-48 Wal-Mart Stores
S-49 Wellcome PLC
S-49 Whirlpool Corp.
S-49 Wickes Cos.
S-50 Winn-Dixie Stores
S-50 F.W. Woolworth Co.
S-50 Zayre Corp.

Advertising as percent of sales

Primary business	Rank	Advertiser	U.S. ad spending 1986	U.S. ad spending 1985	U.S. sales 1986	U.S. sales 1985	Adv. % U.S. sales 1986	Adv. % U.S. sales 1985
AIRLINES	153	NWA Inc.	$52,882	$45,970	$3,589,174	$2,655,491	1.5	1.7
	104	Trans World Airlines	78,782	66,900	2,063,867	2,115,317	3.8	3.2
AUTOMOTIVE	136	BMW AG	61,545	49,875	N/A	N/A	N/A	N/A
	105	Daimler-Benz AG	77,423	64,643	N/A	N/A	N/A	N/A
	144	Fuji Heavy Industries	58,718	41,004	N/A	N/A	N/A	N/A
	158	Hyundai Motor Co.	52,331	N/A	N/A	N/A	N/A	N/A
	154	Isuzu Ltd.	52,557	26,618	N/A	N/A	N/A	N/A
	193	Mitsubishi Motors Corp.	34,514	33,597	N/A	N/A	N/A	N/A
	185	Volvo AB	41,359	49,213	3,018,500	3,199,600	1.4	1.5
CREDIT CARDS & FINANCIAL	190	BankAmerica Corp.	36,040	26,117	N/A	N/A	N/A	N/A
	194	Citicorp	33,731	61,156	N/A	N/A	N/A	N/A
	156	MasterCard International	52,393	32,233	N/A	N/A	N/A	N/A
	109	Metropolitan Life Insurance Co.	72,964	56,902	19,467,000	18,835,000	0.4	0.3
	113	Prudential Insurance Co. of America	70,618	57,891	N/A	N/A	N/A	N/A
	196	State Farm Mutual Automobile Ins. Co.	32,544	26,059	11,664,000	9,863,000	0.3	0.3
	192	Visa International	35,445	41,668	N/A	N/A	N/A	N/A
COMPUTERS ELECTRONICS & APPLIANCES	147	Apple Computer	57,596	83,859	2,660,000	1,901,000	2.2	4.4
	160	Black & Decker Corp.	51,815	67,642	1,038,866	1,102,201	5.0	6.1
	102	Matsushita Electric Industrial Co.	79,809	86,055	N/A	N/A	N/A	N/A
	165	NEC Corp.	50,090	32,487	N/A	N/A	N/A	N/A
	103	North American Philips	79,377	67,814	4,325,600	4,216,900	1.8	1.6
	135	Whirlpool Corp.	61,796	62,079	N/A	N/A	N/A	N/A
ENTERTAINMENT	179	Bally Manufacturing Corp.	43,468	40,257	1,600,000	N/A	2.7	N/A
	119	Gulf +Western Industries	68,635	58,497	3,574,700	3,096,900	1.9	1.9
	178	Tri-Star Pictures	43,476	25,448	210,234	231,736	20.7	11.0
FOOD	101	Borden Inc.	81,962	57,324	4,044,190	3,883,861	2.0	1.5
	111	Castle & Cooke Inc.	71,318	56,481	1,265,000	1,276,000	5.6	4.4
	116	George A. Hormel & Co.	69,068	70,702	1,960,237	1,502,235	3.5	4.7
	172	Ocean Spray Cranberries	47,329	29,311	635,758	541,690	7.4	5.4
	159	Reckitt & Colman PLC	51,924	36,431	N/A	N/A	N/A	N/A
	171	Tyson Foods	48,265	20,288	1,503,719	1,135,712	3.2	1.8
	115	United Biscuits Holdings PLC	69,305	62,427	1,147,000	1,077,300	6.0	5.8
JEWELRY	188	De Beers Consolidated Mines Ltd.	36,386	35,597	N/A	N/A	N/A	N/A
	137	Hattori-Seiko Co. Ltd.	60,912	61,162	N/A	N/A	N/A	N/A
MEDIA	200	Bertelsmann AG	29,218	31,590	N/A	N/A	N/A	N/A
	130	Capital Cities/ABC	63,117	72,183	4,124,400	N/A	1.5	N/A
	183	Dow Jones & Co.	42,566	24,735	N/A	N/A	N/A	N/A
	187	Hearst Corp.	39,034	37,301	N/A	N/A	N/A	N/A
	181	News Corp. Ltd.	43,154	41,476	N/A	N/A	N/A	N/A
	170	Triangle Publications	48,426	48,730	N/A	N/A	N/A	N/A
	195	Turner Broadcasting System	33,351	34,252	556,917	351,891	6.0	9.7
MISCELLANEOUS	110	Blue Cross Blue Shield Assn.	71,519	60,607	N/A	N/A	N/A	N/A
	186	Federal Express Corp.	40,258	50,301	3,178,308	2,573,229	1.3	2.0
	129	First Brands Corp.	64,831	61,977	837,244	N/A	7.7	N/A
	162	Franklin Mint	50,530	46,450	N/A	350,000	N/A	13.3
	145	Hallmark Cards	58,367	41,901	N/A	N/A	N/A	N/A
	184	Holiday Corp.	41,532	29,927	1,647,700	1,804,400	2.5	1.7
	168	3M Co.	48,883	38,469	N/A	N/A	N/A	N/A
PAPER & FOIL	151	Kimberly-Clark Corp.	55,298	69,541	3,112,700	3,042,200	1.8	2.3
	180	Reynolds Metal Co.	43,416	36,258	3,300,900	3,214,100	1.3	1.1
	175	Tambrands Inc.	44,772	44,004	333,612	312,783	13.4	14.1
PETROLEUM	182	Amoco Corp.	42,914	30,462	16,243,000	23,131,000	0.3	0.1
	174	Chevron Corp.	45,413	45,714	19,886,000	30,253,000	0.2	0.2
PHARMACEUTICALS	117	Carter-Wallace Inc.	69,046	65,796	354,694	323,962	19.5	20.3
	142	Ciba-Geigy Ltd.	59,488	51,842	2,434,000	2,363,000	2.4	2.2
	132	A.H. Robins Co.	62,742	45,332	616,400	566,200	10.2	8.0
	163	Sandoz Ltd.	50,403	55,272	1,327,000	1,240,000	3.8	4.5
	148	SmithKline/Beckman Corp.	56,700	51,718	2,595,900	2,341,500	2.2	2.2
	161	Squibb Corp.	50,884	48,870	1,016,900	812,100	5.0	6.0
	199	Thompson Medical Co.	31,635	40,236	117,000	133,000	27.0	30.3
	128	Wellcome PLC	64,900	51,430	624,400	655,500	10.4	7.8
PHOTOGRAPHY	122	Canon Inc.	67,085	81,201	1,720,000	1,695,441	3.9	4.8
	150	Minolta Camera Co. Ltd.	55,505	56,734	N/A	N/A	N/A	N/A
	112	Polaroid Corp.	71,249	69,555	964,300	779,300	7.4	8.9
RETAIL: FOOD	127	American Stores	66,244	68,168	14,021,484	13,889,528	0.5	0.5
	169	Domino's Pizza	48,489	27,324	1,444,000	1,084,000	3.4	2.5
	146	Imasco Ltd.	57,633	62,390	N/A	N/A	N/A	N/A
	114	Jerrico Inc.	69,478	63,183	N/A	N/A	N/A	N/A
	143	Lucky Stores	58,732	49,775	6,441,000	6,225,000	0.9	0.8
	164	Safeway Stores	50,112	47,318	20,311,480	19,650,542	0.2	0.2
	140	Southland Corp.	59,657	53,929	8,619,681	8,622,397	0.7	0.6
	155	Winn-Dixie Stores	52,529	44,861	8,803,899	8,225,244	0.6	0.5
RETAIL: NON-FOOD	121	Cotter & Co.	67,270	71,670	1,734,398	1,702,167	3.9	4.2
	123	Dayton Hudson Corp.	66,951	67,648	9,259,100	8,255,300	0.7	0.8
	173	Fruit of the Loom	46,410	35,940	692,900	N/A	6.7	N/A
	106	Levi Strauss & Associates	76,755	71,343	N/A	N/A	N/A	N/A
	177	Melville Corp.	43,836	35,570	5,262,364	4,774,860	0.8	0.7
	133	VF Corp.	62,209	59,553	1,544,574	1,481,182	4.0	4.0
	107	Wal-Mart Stores	75,529	40,324	11,909,800	8,451,489	0.6	0.5
	167	Wickes Cos.	49,694	49,741	4,230,956	2,537,347	1.2	2.0
	108	F.W. Woolworth Co.	74,083	64,543	3,876,000	3,650,000	1.9	1.8
	157	Zayre Corp.	52,353	33,880	5,350,000	4,030,000	1.0	0.8
SOFT DRINKS	138	Cadbury Schweppes PLC	60,272	71,597	609,100	525,300	9.9	13.6
	149	Royal Crown Cola Cos.	55,565	62,271	397,100	378,400	14.0	16.5
	131	Seven-Up Co.	62,822	32,714	270,000	290,000	23.3	11.2
TELEPHONE	118	Ameritech	68,955	64,991	9,362,100	9,021,100	0.7	0.7
	125	MCI Communications Corp.	66,646	61,363	3,592,000	2,542,000	1.9	2.4
	120	Southwestern Bell Corp.	67,609	70,000	7,902,400	7,925,000	0.9	0.9
	166	US West	50,032	52,346	8,308,000	7,813,000	0.6	0.7
TOILETRIES & COSMETICS	124	Alberto-Culver Co.	66,725	56,863	341,128	280,359	19.6	20.3
	141	Avon Products	59,514	53,402	1,855,400	1,582,200	3.2	3.4
	191	Faberge Incorporated	35,952	35,864	422,800	482,900	8.5	7.4
	126	Estee Lauder Inc.	66,631	62,965	890,000	750,000	7.5	8.4
	134	Mennen Co.	61,802	50,851	300,000	225,000	20.6	22.6
TOYS	152	Coleco Industries	54,830	72,082	471,087	715,576	11.6	10.1
	189	Kenner Parker Toys	36,335	49,499	355,915	234,869	10.2	21.1
	139	Mattel Inc.	59,872	85,077	623,364	765,010	9.6	11.1
WINE, BEER & LIQUOR	198	Canandaigua Wine Co.	31,899	15,936	N/A	N/A	N/A	N/A
	197	Hiram Walker-Gooderham & Worts	32,519	41,226	N/A	1,174,000	N/A	3.5
	176	Van Munching	44,750	93,292	N/A	N/A	N/A	N/A

Source: Sales and earnings figures are from public documents and reflect the latest fiscal year. Advertising expenditures are for calendar years only and are Advertising Age estimates.
Notes: Dollars are in thousands. See *Where Ad Age got its data*, at right.

Where AA got its data

The national advertisers in this 3rd annual ADVERTISING AGE's Second 100 Leading National Advertisers report are selected on the basis of measured ad spending only.

Unmeasured ad estimates then are applied to the leading 200 advertisers to determine rankings. AD AGE published its directory of the 100 leading national advertisers Sept. 24, 1987. Ad expenditures are for U.S. only and reflect calendar years 1986 and 1985.

BAR/LNA reports supplies the bulk of measured media information. Magazine and newspaper supplements are supplied to Leading National Advertisers by Publishers Information Bureau. Outdoor is supplied to LNA by Outdoor Advertising Assn. of America and Institute of Outdoor Advertisers. Network TV, spot TV, network radio and cable TV networks are supplied by Broadcast Advertisers Reports. BAR/LNA's seven-media service also supplies brand and category spending by media. Seven-media totals quoted in corporate profiles throughout this issue include only media listed in this paragraph.

For the first time, Broadcast Advertisers Reports is monitoring ad expenditures on syndicated TV separately from network TV and spot TV buys. These ads are bought nationally with the show, much like network TV buys. According to BAR, total TV syndication ad spending was $558.6 million in 1986. This spending is not included in measured media in this issue.

Other monitored media include newspapers from Media Records, business publications from Rome Reports, farm publications from AGRICOM and spot radio from Radio Expenditures Reports.

PIB monitors 138 consumer magazines and the three publications it defines as newspaper supplements: *New York Times Sunday Magazine*, *Parade*, and *USA* Weekend. BAR monitors ABC, NBC and CBS TV networks; 345 TV stations in 75 top markets with continuous monitoring in the 16 top markets; CBN, CNN, ESPN, MTV, USA and WTBS cable TV networks continuously, and 17 radio networks including seven ABC networks, two CBS networks, three NBC networks, two United Stations networks and the Mutual, Satellite Music and Transtar radio networks.

O.A.A.A. and I.O.A. measure gross sales from more than 200 national poster and paint advertising plants in markets of over 100,000 population. Rome Reports monitors 567 business and trade publications. Media Records tracks 210 daily and Sunday newspapers.

Some measured media expenditures are restated to reflect corporate structure as of Dec. 31, 1986. Companies acquired prior to that date are included in the new parent's ad spending for full calendar 1986 and 1985 totals. Units spun off before the end of calendar 1986 are subtracted unless otherwise noted.

Measured-media services vary in the way they track ad spending. Spot radio totals may not include all subsidiaries because RER does not always report full parent company spending. Also, Rome Reports tracks ad spending by division, rather than parent total. Every effort has been made to give full parent company ad expenditures wherever possible.

Unmeasured advertising figures are estimates and include direct mail, promotion, co-op and couponing to name a few. AD AGE beat reporters and corporate sources assist in providing this total.

Sales and earnings figures are taken from public documents. Where private companies will not divulge this information, an estimate or an "N/A" is used. Conversion rates are stated in the profiles.

In the boxes accompanying each profile, sales credited to U.K.-based companies is their turnover and net income their trading profit attributable to ordinary shareholders. For credit card companies, sales are their total annual volume. These numbers are picked up on the ad-to-sales chart on Page S-4.

—*Kevin Brown*

Ad spending soars 19.9%

Alberto-Culver Co.

RANK **124**

Melrose Park, Ill.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	435	363	19.8
Net income	13	9	49.5
U.S.	**1986**	**1985**	**% chg**
Sales	341	280	21.7
Operating profits	34	28	23.5
Advertising	67	57	17.3
Division sales	**1986**	**1985**	**% chg**
Mass market	214	202	6.2
Institutional	84	84	1.1
Other products	141	81	74.7

Alberto-Culver Co., riding the crest of a more aggressive marketing posture, continues to use nimble line extensions to increase its presence in the highly competitive haircare and grocery business.

Alberto and its conservative CEO, Leonard Lavin, continue to proceed with new entries cautiously—using line extension as a means of bolstering new product output with a reduced risk factor.

Throughout 1986 and into 1987 the firm successfully built on its best-known brand names, specifically Alberto and VO5, to build volume.

In February Alberto-Culver went to market with a full line of Alberto-brand hair sculpting items, which included a European sculpting spray, fixing gel and gelee.

Its forays into those line extensions have been fruitful. Alberto Mousse, for instance, remains the top seller in its category, with an estimated 13% of dollar volume. The mousse styling foam maintained its dominance even though measured ad spending fell about 45% to $3.3 million during 1986.

"We have a lot of room to build on our brand names with new products," says P. Douglas McAuley, Alberto-Culver's corporate vp for consumer products. "You will continue to see a string of new introductions."

One of those intros just broke this fall with the launch of Bold Hold, a three-item hairstyling line, supported by a $5 million campaign in print and TV by BBDO Worldwide.

In its household/grocery products group, Alberto-Culver added two new items to the Mrs. Dash salt-free seasoning line: Extra spicy and lemon-and-herb varieties. Measured ad spending for the brand in 1986 jumped to nearly $3.6 million, from just $1.6 million in 1985, according to BAR/LNA.

Static Guard anti-static aerosol spray lent its name to a powdered carpet and room deodorizer. The new product did well in introductory phases, but sales began to drop off shortly after the product achieved broader circulation. The company says sales are rebounding with the help of a lower price tag and a better mix of promotions and advertising.

Alberto-Culver did not totally shy away from building new brands. Last year the firm went to market with a premium shampoo and conditioner line called Natural Silk, considered a moderate success. In mid-1987 the company announced the national introduction of Molly McButter low-calorie, low-cholesterol butter substitute. McButter walked directly into a legal dispute with McDonald's Corp., which claims trademark rights to generic food products with the prefix "Mc."

Perhaps Alberto's biggest disappointment of the year was its unsuccessful bid for haircare competitor Lamaur Inc., a Minneapolis-based company that markets Perma Soft and Textra. Lamaur ultimately accepted a substantially higher $173.8 million bid from Dow Chemical Co.

In 1986 Alberto undertook a major realignment of its ad agencies. In reaction to the merger between Bozell & Jacobs and Kenyon & Eckhardt, it shifted about $20 million in billings from B&J, Chicago, to Grey Chicago. And late in the year the company shifted many of its household products—with billings estimated at $10 million—to BBDO Chicago.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	11	232
Magazines	3,773	3,503
Newsp. supps.	0	28
Bus. pubs	119	41
Network TV	16,974	13,604
Spot TV	3,258	3,452
Spot radio	248	218
Outdoor	17	2
Network cable	1,256	783
Total measured	25,655	21,863
Unmeasured	41,070	35,000
Total	66,725	56,863

ALBERTO-CULVER CO.
2525 Armitage Ave.
Melrose Park, Ill. 60160
(312) 450-3000

Corporate Personnel

P. Douglas McAuley, corp vp, U.S. consumer prods

Marketing Personnel

Ralph Sutherland, vp, domestic toiletries
David Trocker, group prod mgr, domestic toiletries
Thomas J. Guinan, vp, household/grocery prods
Robert London, mktg dir-household/grocery prods
Henry Witteman, vp, adv svcs

Advertising Agencies

Grey Advertising, Chicago—Alberto VO5 hot oil treatment, Alberto VO5 conditioning hair dressing, Alberto VO5 hair spray, Alberto European styling mousse and Gelee styling aids, Alberto VO5 shampoo, Consort hair spray, Consort men's mousse, Tresemme women's hair care prods—Steve Gross, exec vp-acct super.

BBDO Chicago—Baker's Joy, FDS feminine deodorant spray, Molly McButter, Static Guard, SugarTwin—Robert Pingrey, sr vp-mgmt super.

American Stores

RANK **127**

Salt Lake City

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	14,021	13,890	1.0
Net income	145	154	(6.4)
U.S.	**1987**	**1986**	**% chg**
Sales	N/A	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	66	68	(2.8)

American Stores Co. in the past year decentralized its retail operations to allow greater control at the local level and implemented a poison pill plan involving its stock to ward off unfriendly takeover attempts.

The Second 100 leading national advertisers in 1986 spent $5.5 billion in total U.S. advertising, up 19.9% from 1985. This compares with a 3.4% growth to $27.2 billion for the nation's top 100 advertisers as defined by Ad Age. Of the Second 100 total, $3.36 billion was spent in 11 measured media, up 11.7%.

Decentralization brought about the creation of three regional companies. The largest, American Superstores, had sales of $6.5 billion in fiscal 1987 ended Jan. 31, 1987. Jonathan L. Scott became vice chairman-ceo of the group, which operates 558 retail food units in 13 eastern and midwestern states under the Acme Markets, Jewel Food Stores and Star Markets names. Mr. Scott is former vice-chairman-ceo of Albertson's Inc.

Alpha Beta Stores, changed from Skaggs Cos. this summer, had sales of $4.6 billion in the fiscal year. The group operates 399 retail food stores under the Alpha Beta and Skaggs Alpha Beta banners. Of the total number of stores, which are located in 14 western states, 157 are combination food and drug stores.

America's third and final group is Osco Drug, which had sales of $2.9 billion. Three separate drug chains—Sav-on Drug, Skaggs Drugs and Osco Drug—were combined to form the group, which has 666 units in 30 states coast-to-coast. Units will now bear the Sav-on/Osco name.

A shareholder rights distribution plan in which stock could be redeemed by the company at a set price was passed as a poison pill to repel corporate raiders who Chairman L.S. Skaggs says often use "abusive and unfair tactics." The Skaggs family controls more than 20% of the stock.

The company's advertising division also underwent decentralization, which put about $30 million in broadcast ad accounts up for review in August 1986. In November, Skaggs Alpha Beta division awarded its $6 million account to Bloom Agency, Dallas. The following month, incumbent Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles, was renewed for Alpha Beta division's $14 million broadcast account. In December, Grey Advertising, Chicago, garnered the $7 million Jewel Food Stores account. This added to the $6 million Osco Drug chain account the agency was awarded in November.

Total measured ad spending for American Stores in 1986 was $32.2 million, a 1% decrease from 1985. The company reports $160.4 million in advertising expenses in fiscal 1987, up 8% over 1986. Much of this is in local newspaper advertising, a medium not monitored in this issue.

In 1986, $7.2 million of measured advertising went to Alpha Beta Supermarkets, down 9.7%; $6.1 million went to Jewel Food Stores, a 3.3% decrease; Star Markets dropped 30.8% to $1.3 million; Acme Food Stores went to $4.4 million, down 18.2%; and the newly-formed Sav-on/Osco drug stores received $1.2 million.

Capital spending following the year of decentralization and expansion was $195 million. Expansion will continue through this year, with capital spending expected to reach $400 million by fiscal year end. The company plans to open 16 super drug stores, 13 combination food and drug stores and five food stores. Also by the end of 1987, American Stores plans to have remodeled more than 120 food stores and 17 drug stores. Seven super drug stores are scheduled to close.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Network TV	0	17
Spot TV	26,333	27,254
Spot radio	5,719	5,586
Outdoor	180	311
Total measured	32,232	33,168
Unmeasured	34,012	35,000
Total	66,244	68,168

AMERICAN STORES CO.
P.O. Box 27447
Salt Lake City, Utah 84127
(801) 539-0112

Corporate Personnel

L.S. Skaggs, chmn & president

AMERICAN SUPERSTORES

Marketing Personnel

Alan Stewart, president

ACME MARKETS
Philadelphia, Pa.

Marketing Personnel

Robert Neslund, president
Neill Crowley, sr vp-mktg

Advertising Agency

J. Walter Thompson, New York—Paul Krause, acct super.

JEWEL FOOD STORES
Melrose Park, Ill.

Marketing Personnel

Joseph Bugos, president
William Bolton, vp-grocery & bakery mktg
Robert Lutz, adv mgr

Advertising Agency

Grey Advertising, Chicago—Bob Cappelli, exec vp; Brad Beechen, mgmt super; Valerie Sanders, sr acct exec; Ann Morton, acct exec.

STAR MARKETS
Cambridge, Mass.

Marketing Personnel

Henry Nasella, president
William Paul, vp-sales & mktg
Judy Manning, adv mgr

Advertising Agency

Rossin, Greenberg, Seronick & Hill, Boston—Jim Rowean, vp-acct svcs; Karen Claunch, acct exec.

OSCO DRUG
Oakbrook, Ill.

Marketing Personnel

Richard George, president
Ron Grove, vp-mktg
Robert Braden, vp-adv

Advertising Agency

Grey Advertising, Chicago—Ed Holzer, chmn-ceo; Cathy Bergsman, acct exec.

ALPHA BETA STORES

Marketing Personnel

Dennis Eck, president

ALPHA BETA COS.
La Habra, Calif.

Marketing Personnel

Donald Kohler, president
William Wade, sr vp-mktg
Terry Burnside, dir-mktg, No. Calif.
Don Bates, vp-merch

Advertising Agency

Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles—Dick Hamblin, president; Cindy Stalling, vp.

SKAGGS ALPHA BETA
Salt Lake City, Utah

Marketing Personnel

Al Kara, president, So. region
Ed Agnew, president, No. region
Warren Ivie, vp-adv

Advertising Agency

Bloom Agency, Dallas—Paul MacMahon, chmn-mgmt rep; Sherry Babcock, sr vp-mgmt super; Betty Tapella, vp-acct super; Michelle Pitcher, acct exec.

Ameritech

RANK **118**

Chicago

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	9,362	9,021	3.8
Net income	1,138	1,077	5.6
U.S. advertising	69	65	6.1
Division sales	**1986**	**1985**	**% chg**
Interstate access	1,881	1,792	5.0
Intrastate access	606	628	(3.5)
Toll service	1,098	1,064	3.2
Directory & other	1,249	1,142	9.4

Ameritech, the official telecommunications sponsor of the 1987 Pan American Games, used the event to send a signal to its business customers: It can handle any job, no matter how challenging.

As part of its sponsorship of the summer event, the Chicago-based Bell operating company handled all communications services for the event's organizing committee. Promoting its involvement in the Pan Am Games remained the thrust of Ameritech's advertising and marketing efforts during 1987.

An explosion of TV, radio and print

Guide to corporate boxes

Planetary Paper Products PLC

RANK **150**

London

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	10,000	7,000	43.0
Earnings	1,000	700	43.0
U.S.	**1986**	**1985**	**% chg**
Sales	10,000	7,000	43.0
Operating profits	1,000	700	43.0
Advertising	100	70	43.0
Division sales	**1986**	**1985**	**% chg**
Heavy stock	5,000	3,500	43.0
Feminine hygiene	1,000	700	43.0
Picnic supplies	1,000	700	43.0
Newsprint	1,000	700	43.0
Office supplies	1,000	700	43.0
Other	1,000	700	43.0

Fictitious Planetary Paper Products PLC is ranked 150th among Leading National Advertisers picked by Ad Age in this issue and based on total U.S. ad spending in 1986, which is reported in this box under Worldwide or U.S. bold headings.

Planetary Paper Products PLC is based in London. The pound to dollar exchange rate is in the profile.

PPP reports on a calendar basis like most of the second 100. However, should a company report on a fiscal basis, the years heading column would read 1987 and 1986, if the fiscal closing occurs before this issue was published.

The advertising figure is a composite of PPP's media spending, both measured and unmeasured, contained in the tabular breakout at the end of the text in each profile. See "Where Ad Age got its data" on Page S-4 for an explanation of the tabular breakout.

Division sales are the business segments as defined by PPP and their sales for comparable years. However, should PPP have too many divisions to fit into the box, the editors combined those segments into "other." In this case, PPP segments for its cigarette rolling papers and gift wrap division—both providing minor contributions to its strong household and industrial paper products divisions—were merged into "other."

ads broke this June, two months prior to the start of the games held in Indianapolis. The ads used a patriotic theme, punctuated with dramatic shots of athletes. They pointed to Ameritech as a key behind-the-scenes player, indicating that Ameritech is prepared to meet all needs of customers.

Ameritech provides phone service to 11 million customers in Illinois, Indiana, Michigan, Ohio and Wisconsin. The market has been flat in 1987, with $865.9 million in earnings for the first three quarters of 1987, up 0.6% from the same period in 1986, and revenues of $7.09 billion, up 1.7%.

Ameritech Mobile Communications may be heading for a tougher ride in Chicago, its biggest market. In September, Southwestern Bell became the most powerful cellular telephone company when it secured federal approval of its $1.4 billion buyout of Metromedia Co.'s Cellular One mobile phone service.

Cellular One is Ameritech's sole competitor in the Chicago cellular market and stands to be a tougher competitor than Metromedia, which operated the system on a lame-duck basis for 15 months while it received regulatory approval for the sale.

The fluidity of the phone service industry was illustrated by Ameritech this year when it introduced a time and distance rate plan in Chicago. The move means that local calls are billed using the same criteria as long distance calls.

While analysts say the rate change in Chicago—Ameritech's largest market—caused initial confusion and a slight drop in revenues, service charges have since rebounded strongly.

Illinois Bell, Ameritech's biggest-spending telephone company, dialed up lower ad spending in 1986. Its omnipresent "Just Call" and "Call First" campaigns racked up measured spending of $2.6 million in 1986, versus $3.4 million in 1985.

Spending by Ameritech Publishing, though, more than picked up the slack. In an effort to push its "official" Yellow Pages directory in the wake of competition from upstarts, Ameritech Publishing spent $6.1 million on a promotional campaign. That's almost double what the unit spent last year promoting the Yellow Pages.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	7,532	10,829
Magazines	4,346	3,198
Bus. pubs.	412	368
Spot TV	13,672	11,000
Spot radio	3,620	3,259
Outdoor	1,179	337
Total measured	30,759	28,991
Unmeasured	38,196	36,000
Total	68,955	64,991

AMERITECH
30 S. Wacker Drive
Chicago, Ill. 60606
(312) 750-5000
Marketing Personnel

Gary G. Drook, vp-mktg
John A. Koten, sr vp-corp comm

Advertising Agency

J. Walter Thompson, Chicago—corp adv—John Furr, sr vp-dir acct mgmt; Charles Larson, vp-acct mgr; Janice Kidwell, vp-acct super.

ILLINOIS BELL TELEPHONE CO.
Chicago
Marketing Personnel

Allen J. Cizner, vp-mktg
Raymond G. Lewis, dir-adv

Advertising Agency

N W Ayer, Chicago—Tim Crosh, mgmt super; Sarah Flax, acct super.

INDIANA BELL TELEPHONE CO.
Marketing Personnel

Herbert D. Crane, vp-mktg
James H. Irwin, dist mgr-adv

Advertising Agency

Handley & Miller, Indianapolis—Larry Landis, acct super.

MICHIGAN BELL TELEPHONE CO.
Marketing Personnel

Kenneth B. Lange, vp-mktg
Dennis A. White, div mgr-adv

Advertising Agency

Ross Roy Inc., Detroit—Richard Simmons, sr vp-group mgr; George Petroff, vp-acct super.

OHIO BELL TELEPHONE CO.
Marketing Personnel

Robert Hudzik, vp-mktg
John P. Butler, div mgr-adv & planning

Advertising Agency

Lowe-Marschalk, Cleveland—John Willse, sr vp-mgmt svcs dir; Leslie Valdizzi, vp-mgmt super.

WISCONSIN BELL TELEPHONE CO.
Milwaukee, Wis.
Marketing Personnel

Glen Arnold, vp-mktg & sales operations
Carla M. Butenhoff, district mgr-adv

Advertising Agency

Cramer Krasselt, Milwaukee—Bill Faude, sr acct exec; Karen Elsesser, acct exec.

AMERITECH MOBILE COMMUNICATIONS
Chicago
Marketing Personnel

Phillip D. Knell, vp-sales & mktg
Katherine R. Boudas, vp-comm
Ronald Jankowski, mgr-comm svcs

Advertising Agency

Ogilvy & Mather, Chicago—Curt Ippensen, sr vp-mgmt rep; Bob Gustafson, vp-acct super.

AMERITECH PUBLISHING
Troy, Mich
Marketing Personnel

Charles Drouillard, vp-mktg & sales
Sam J. Iaquinta, district mgr-adv & branding

Advertising Agency

Ross Roy Inc., Detroit—James Quigley, sr vp-mgmt super; Susan Parent, acct super.

APPLIED DATA RESEARCH
Princeton, N.J.
Marketing Personnel

Stephen J. Gerrard, vp-prod mktg
Robert G. Gordon, dir-comm

Advertising Agency

Ephron, Raboy, Tsao Advertising, New York—Dick King, acct exec.

RANK **182**

Amoco Corp.

Chicago

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	20,231	28,873	(29.9)
Net income	747	1,953	(61.8)
U.S.	**1986**	**1985**	**% chg**
Sales	16,243	23,131	(29.8)
Operating profits	484	1,168	(58.6)
Advertising	43	30	40.9
Division sales	**1986**	**1985**	**% chg**
Exploration	6,285	10,191	(38.3)
Refining	14,771	21,926	(32.6)
Chemicals	3,059	3,082	(0.7)
Other	140	339	(58.7)

Amoco Corp., the nation's fifth-largest operator of gasoline stations, in 1986 became the first major U.S. gas supplier to discontinue leaded gasolines from its product lineup.

And most of its marketing efforts during the past 18 months have centered around the introduction of two new products—its first new gasolines in about a decade.

During the second quarter of 1986 the firm unveiled Amoco Ultimate Premium Lead Free, a high-octane product that supplanted its leaded high-test. At year end, the $20 billion oil giant added Amoco Silver, a mid-grade gasoline that rounded out its pump offerings.

Along with its regular unleaded, the Amoco array of retail products was promoted in ads as the "Lead-Free Three."

The expansion of pump options and the conversion to an all lead-free assortment led Amoco to increase its measured advertising expenditures for gasoline during 1986 by 65% to $14.5 million. By February of this year, Amoco broke a separate campaign to back up its launch of Amoco Silver. Actor Clayton Moore, better known as TV and screen's Lone Ranger, surfaced as the celebrity spokesman. Four radio and two black-and-white TV ads feature Mr. Moore hailing, "Heigh-ho, Silver, away."

Amoco in 1986 captured an estimated 7.4% of the nation's gas station business on a volume basis, placing it No. 5 among gas retailers but less than two percentage points behind the country's No. 1 gas purveyor, Shell, which boasts an 8.7% share. Chevron is No. 2 at 8.4%, Texaco No. 3 at 8%, Exxon No. 4 at 7.5%, according to *National Petroleum News*.

But Amoco contends that in its 29-state marketing area, where it operates a total of 12,000 gas stations, it boasts a 13.3% share. That marketing area, though, shrunk in 1986 as Amoco withdrew sales operations from Massachusetts, Rhode Island, Louisiana, Texas and parts of Connecticut because of "low profitability and low volume."

Advertising for motor oil, Amoco's other major consumer product, stalled in 1986. Spending for the line of natural and synthetic motor lubes totaled $1 million, about the same as in 1985.

Marketing efforts, however, seem to be gearing up in 1987 as Amoco cements its endorsement pact with the Newman/Haas Racing team and its star member, Mario Andretti. The race car superstar appears in TV ads for Amoco Ultimate Synthetic Oil and outfits his auto with the Amoco torch and oval logo.

Amoco moved to build its presence in Canada with a $3.87 billion bid for Canada's financially troubled Dome Petroleum Ltd.

The buyout, which would be the largest takeover ever in Canada, has been stalled by wrangling with government regulators and Dome lenders. The acquisition would make Amoco Canada's second-largest oil company.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,740	1,433
Magazines	3,027	2,494
Newsp. supps	0	253
Bus. pubs	1,864	1,684
Spot TV	13,917	9,024
Spot radio	6,980	4,725
Outdoor	1,181	1,249
Network cable	106	0
Total measured	28,814	20,862
Unmeasured	14,100	9,600
Total	42,914	30,462

AMOCO CORP.
200 E. Randolph Dr.
Chicago, Ill, 60601
(312) 856-6111
AMOCO OIL CO.
Marketing Personnel

Robert J. Rauscher, vp-mktg
Robert D. McKeehan, genl mgr-mktg
John C. Bergman, mktg vp, East
R.D. McMullen, mktg vp, West
J.A. Stitzell, dir-adv

Advertising Agency

D'Arcy Masius Benton & Bowles, Chicago—Amoco Silver, Amoco Ultimate, Amoco Lead Free, Amoco Motor Oils, Certicare—John Breen, mgmt super; Rick Grant, acct group super; Bob Brinkley, acct super; John Colasanti, sr acct exec; Nancy Lyons, acct exec.

RANK **147**

Apple Computer

Cupertino, Calif.

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	2,660	1,901	40.0
Net income	217	154	41.0
U.S. advertising	58	84	(31.3)

Buoyed by 17% industry growth and an onslaught of new products, Apple Computer's sales climbed 40% in fiscal 1987. But analysts projected that the company's unit share of the U.S. personal-computer market would fall to 10% by the close of 1987, down from 13% in 1986.

Apple still was expected to maintain its second-place status behind leader IBM Corp. and ahead of Tandy Corp.

Total ad spending fell dramatically in 1986 for the second year in a row. From a high of $134 million in 1984, spending dropped to $57.4 million in 1986. Agency sources estimated that IBM outspent Apple by a ratio of 5-to-1.

The new products Apple introduced in 1986 and 1987 helped strengthen its leading position in the educational market and furthered its inroads into the corporate segment.

In the fiscal year ended Sept. 26, 1986, growing acceptance of higher-end Macintosh computers in the corporate market gave the company a lift. Overall, sales were off 0.9% from 1985 as Mac gains were offset by reduced sales of lower-end Apple IIs.

However, net income shot up 151%, and gross margin improved from 42% of sales in 1985 to 53% in 1986. Cost-cutting maneuvers of President-CEO John Sculley were a boon to profits.

In 1987, the Apple II line has come back strong, led by the October 1986 introduction of the Apple IIGS, featuring enhanced speed and snazzy color graphics. Initial orders of the IIGS were larger than anticipated, causing shipping delays that took a bite out of potential Christmas sales.

Nearly double the price of the Apple IIc, the company's lowest-priced model, the IIGS became the best-selling member of the line in February, helping to fight aggressive competition launched by IBM and Tandy in the kindergarten-through-high school arena.

Introduction of the Macintosh SE and the Macintosh II, which features color graphics and sound for the first time, helped bolster the corporate market's growing acceptance of Apple. In a strategic departure, both the new models offered access to programs used by IBM systems, such as Lotus 1-2-3.

The new Macs also enhanced the company's position in the rapidly growing desktop-publishing market.

Early in 1987, Apple finally made good on a promise to offer "desktop communication," or the sharing of documents and data with other systems. Five new products enabling "connectivity" were introduced.

Ad spending on network TV continued to decline in 1986, following a trend begun the previous year toward more radio and direct mail. Network got only $10.3 million in 1986, down 60%. Apple was off-screen for a year, returning dramatically on NBC's World Series coverage in October 1986 with the first of 11 commercials developed by BBDO Worldwide at a cost of $6 million.

TV spots changed radically, gaining an emotional soft-sell touch under BBDO, which wrested the account from Chiat/Day, Los Angeles, in May 1985.

In a precedent-setting campaign for the computer industry, Apple mailed nearly a million pop-up brochures in April 1987 promoting the Apple IIGS. The expense of the pop-ups, which cost 30% to 40% more than standard mailshots to produce, drove the cost of the mailing to nearly $1 million.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	8,070	8,139
Magazines	6,680	11,916
Newsp. supps	101	246
Bus. pubs	373	1,557
Network TV	10,313	25,863
Spot TV	3,202	356
Network radio	292	254
Spot radio	7,457	5,170
Outdoor	37	69
Network cable	468	289
Total measured	36,991	53,859
Unmeasured	20,605	30,000
Total	57,596	83,859

APPLE COMPUTER
20525 Mariani Ave.
Cupertino, Calif. 95014
(408) 996-1010
Marketing Personnel

Charles Boesenberg, sr vp, group exec-U.S. sales & mktg
Charles Berger, vp-mktg devel
Bruce S. Mowery, dir-mktg comm
Sharon Lack, mgr-adv
George Everhart, dir-business mktg
Lloyd Mahaffey, dir-educational mktg

Advertising Agencies

BBDO Worldwide, New York & Los Angeles—Robert Spofford, sr vp-group mgmt super, Paris; Martha Pease, vp-mgmt super, Los Angeles; Michael Baldwin, Debra Nieman, acct supers.

RANK **141**

Avon Products

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	2,883	2,470	16.7
Net income	159	(60)	364.9
U.S.	**1986**	**1985**	**% chg**
Sales	1,855	1,582	17.3
Operating profits	206	155	32.7
Advertising	60	53	11.4
Division sales	**1986**	**1985**	**% chg**
Cosmetics	1,924	1,728	11.3
Fashion jewelry	310	276	12.4
Health care	432	261	65.4
Direct response	216	205	5.4
Other	1	N/A	N/A

Avon Products continues to build its presence in the retail beauty business—which it entered in 1986 through partnership with Liz Claiborne to market Claiborne fragrance and the introduction of Deneuve fragrance to retail stores—by adding Giorgio and Parfums Stern in 1987.

But the company did not forsake its direct selling operations. Its introduction of Breathless this fall may be its biggest-ever perfume launch, and it is planning a major launch of an extensive makeup line, Avon Color, in 1988.

The company, which in 1986 reported a 17% growth in worldwide sales and $159 million in net income over a loss the previous year, continued to show strength during the first nine months of 1987 with worldwide sales of $2.3 billion, up 14%. Net earnings fell to $86.6 million, down 2% from the corresponding period in 1986, but operating profit rose 12% to $212.5 million.

The company increased measured ad spending 11% in 1986 to $28.3 million. Part of the increase came with the rollout of Deneuve fragrance, backed by $2.3 million, and Fifth Avenue fragrance, backed by $2.7 million. Spending on Avon's multiproduct advertising also rose markedly, BAR/LNA reports.

According to a company spokesman, measured spending should reach $30 million by the end of 1987, partly because of Breathless and Giorgio advertising. For the January to June 1987 period reported by BAR/LNA, Giorgio spending was $1.3 million.

In October Avon announced that it would consolidate its color lines under one name--Avon Color—to streamline operations. The launch of Avon Color in January 1988 through N W Ayer will bring another $5 million-plus in ad spending through TV spots and print ads during the first quarter alone. According to the company, color cosmetics should glean most of the advertising budget in 1988. Avon Color will only be sold through the company's sales reps.

In September Avon announced it would acquire Parfums Stern, New York, for $160 million. The company markets Oscar de la Renta, Perry Ellis and Valentino fragrances. Stern has an in-house agency, and, according to Leon Seaman, VP-advertising, ad spending and plans for Stern are undecided.

Avon also bought Giorgio Inc., Beverly Hills, in May 1987 for $165 million. Giorgio is the single best-selling fragrance in U.S. department stores, with annual revenue of $100 million-plus. While most believe the U.S. market for Giorgio has leveled off, Avon hopes it will be successful overseas. The fragrance will not be sold by catalog. Avon also plans to introduce a suncare line under the Giorgio name.

In July 1987 Avon offered Eli Lilly & Co. $550 million for its Elizabeth Arden subsidiary, a company that would have fit its retail strategy, but the bid was surpassed by Faberge Inc., which paid $700 million for Arden.

In keeping with its strategy to concentrate more on its beauty products, Avon sold Great American Magazines, a direct-mail subscription subsidiary, to its management for $10 million-plus in January 1987. It also announced the planned $151.2-million management buyout of its direct response division, which markets catalog fashions, including Avon Fashions, Brights Creek children's wear and James River Traders casual wear. Completion is expected this month.

The beauty products division, which includes color cosmetics, fragrance, jewelry and gift/decorative items, had worldwide sales in 1986 of $2.23 billion, an 11% increase over 1985. Operating profit was $281.8 million, a 20% increase over the year previous. Its domestic sales increased 8% to $1.2 billion, with operating profit increasing 36% to $129.6 million.

The number of sales representatives has remained at 375,000, and the direct selling divisions began training and marketing programs to back representatives and provide prospects. Avon planned a workplace program for 1987, as workplace selling accounted for 20% of the division's sales in 1986.

Avon continues to use Ayer's campaign developed last year, "Look how good you look now," and it has been adapted to Spanish language in a series of TV spots which aired on Spanish-language TV this October.

In 1986, Avon began selling in retail stores Deneuve fragrance, part of its Parfums Phenix division formed to market the perfume named for actress Catherine Deneuve. It previously was available only by telephone or mail order. According to BAR/LNA, in 1986 Avon spent $2.4 million advertising Deneuve, mostly in magazines.

In January, Avon assigned the Parfums Phenix division to Boulet Dru Dupuy Petit Conseil, Paris. The agency handles all U.S. and international print, radio and TV advertising for Deneuve fragrance. Della Femina, Travisano & Partners, New York, handles U.S. media buying.

In June 1986 Avon embarked on a

joint venture with Liz Claiborne's fragrances. The venture is a shared partnership in which Claiborne handles the marketing and advertising while Avon handles development, design and manufacturing.

Avon in November 1986 assigned its minority direct-selling beauty business advertising to UniWorld Group, a category that represents billings of $3 million.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	182	45
Magazines	7,712	6,529
Newsp. supps.	246	105
Bus. pubs.	131	0
Network TV	19,265	18,680
Spot TV	9	38
Network radio	713	0
Spot radio	50	0
Outdoor	0	5
Total measured	28,309	25,402
Unmeasured	31,205	28,000
Total	59,514	53,402

AVON PRODUCTS
9 West 57th St.
New York, N.Y. 10019
(212) 546-6015

Marketing Personnel

Philip C. Crosland, group vp-mktg
Kenneth Wolfe, vp-gifts
Mary Lou Quinlan, director-adv
Kathy Dwyer, group dir-skincare
Donna Krueger, group dir-fragrance
Carol Murray, group dir-makeup
Madeline Accardi, group dir-jewelry

Advertising Agencies

N W Ayer, New York-corp adv-Rich LeFurgy, mgt super; Victoria Squires, acct super.

UniWorld Group, New York-black/hispanic advertising-Miriam Muley, acct super; Glenda Alavarez, acct exec.

RANK **179**

Bally Manufacturing

Chicago

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,600	N/A	N/A
Net income	23	N/A	N/A
U.S. advertising	43	40	8.0

Bally Manufacturing Corp., which began in 1931 with the introduction of Ballyhoo, the first penny-a-play mechanical amusement game, concentrated for years on game-based entertainment. That focus was highly profitable in the late '70s and early '80s, when Bally's video arcades prospered from the videogame craze.

When the craze began to wane, the company broadened its scope by acquiring theme parks. The first acquisition was Six Flags, bought from Penn Central Corp. for $147.4 million in January 1982. Bally followed that up in May 1984, buying the Great America theme park in Gurnee, Ill., from Marriott Corp. for $113.2 million.

The Six Flags unit generated a good cash flow for Bally. In 1986, its pretax operating profits rose 32% to $48.6 million, and revenues rose 4% to $369.4 million. But the parks required large investments, especially for costly new rides. Advertising for the parks—each of which used a separate agency—was budgeted at $17.7 million for 1986. BAR/LNA figures show that $9.9 million of that was spent in measured media, mostly in spot TV.

Despite the cash flow advantages, Bally was carrying some $240 million in Six Flags debt on its balance sheet. So the company announced in April that it was selling the chain to Wesray Capital Corp., a Morristown, N.J.-based investment concern, for $600 million, which Bally Chairman/CEO Robert Mullane said would result in an aftertax profit of about $100 million for his company.

A company spokesman says Bally sold the unit to refocus its efforts on gaming. "Basically, we were the biggest leisure time company in the nation," he says. "We restructured a little bit, retargeted toward being a gaming company. Six Flags was just a little out of synch with that goal.

The Six Flags sale boosted Bally's lagging stock price, driven up even further later in the summer by rumors that the company was ripe for a takeover.

Other rumors circulated that Mr. Mullane was planning to take the company private. That speculation was fueled by Bally's hiring of Salomon Brothers to sell its health and tennis division. Bally in March had announced a plan to take the health division public, but the partial spinoff plan was scrapped before the stock offering was made. Some observers believe Bally hired Salomon because the investment banker was willing to help finance a leveraged buyout. Mr. Mullane has refused to comment on the rumors.

To underscore its focus on gaming, in March Bally paid $440 million for the Golden Nugget Casino Hotel in Atlantic City, N.J. Bally formally re-introduced its acquisition as Bally's Grand in October of this year. A spokesman says all of the Casino Group's advertising is done in-house. Measured media for the group in 1986 was $930,000.

Bally also boosted its emphasis on games, especially new pinball games. "We just keep bringing new ones out on the market all the time," a spokesman says. The latest pinball entry is called "Party Animal."

Also, Bally Midway Manufacturing Corp. joined Flixcorp, a Chicago-based company, in producing Mr. Flix, a videocassette vending machine. The computer-driven device introduced this September can rent or sell videotapes, either for cash or by credit card.

The Mr. Flix kiosks, which can hold up to 384 videotapes, are slated for delivery in the spring of 1988.

Bally Midway is part of the company's Amusement Games & Services Group, which also operates Aladdin's Castle entertainment centers. The group operates more than 300 arcades, making Bally the nation's largest operator in the category.

Bally's Gaming Equipment & Services Group, maker of the world's broadest line

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of reel spinning and video slot machines, also includes Bally Scientific Games, Inc., based in Atlanta. Bally Scientific is the largest designer, producer and marketer of lottery games in this country, and has done business with 24 of the 25 states that currently have lotteries. Bally has handled the startup of every state lottery in the past 11 years, the spokesman says.

The company's Health and Fitness Group includes Bally Health and Tennis Corp., the largest organization of its kind, comprised of more than 300 health clubs with more than 1.5 million members.

The health clubs boast Bally's highest consumer visibility, thanks to a series of TV commercials via J. Walter Thompson, Los Angeles. Bally spent $11.3 million on its various health clubs in 1986, up from $4.5 million in 1985, according to BAR/LNA, which credits virtually all the spending to spot TV.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	70	77
Magazines	1,804	362
Newsp. supps.	92	2
Bus. pubs.	479	70
Spot TV	21,701	21,779
Outdoor	364	808
Network cable	8	159
Total measured . . .	24,468	23,257
Unmeasured	19,000	17,000
Total	43,468	40,257

BALLY MANUFACTURING CORP.
8700 W. Bryn Mawr Ave.
Chicago, IL 60631
(312) 399-1300
Corporate Personnel
Robert E. Mullane, chmn & president-ceo
Advertising Agency
BBDO Worldwide, Chicago—Robert Pingrey, mgmt super.
HEALTH AND FITNESS GROUP
Marketing Personnel
Arthur Quinby, vp-mktg
Advertising Agency
J. Walter Thompson USA, Los Angeles—Mike Marsak, vp-client services; Jeanine Perkel, vp-mgmt super; Paula Dinari, vp-acct super.
AMUSEMENT GAMES & SERVICES GROUP
Marketing Personnel
Steven Blattspieler, vp-mktg
GAMES EQUIPMENT & SERVICES GROUP
Marketing Personnel
Robert Harpling, vp-mktg & sales
CASINO DIVISION
Marketing Personnel
Charles Tannenbaum, sr vp-mtkg
Advertising Agency
(In-house).

RANK

BankAmerica Corp. 190

San Francisco

($ in millions)

Worldwide	1986	1985	% chg
Sales	N/A	N/A	N/A
Net income	(518)	(337)	53.7
U.S. advertising	36	26	38.0

Although BankAmerica Corp. continued to show red ink on its 1986 bottom line, the bank holding company boosted its advertising 38%.

Paced by spot TV spending that expanded from $4.6 million in 1985 to $11 million in 1986, overall advertising grew to $36 million. Of the total, unmeasured spending, mostly from direct mail campaigns, was $10 million in 1986.

Despite the year-end loss, a major corporate restructuring plan netted the company a profit in the fourth quarter, and it projects operating profitability for 1987. The restructuring—designed to increase its share of retail and commercial banking on the West Coast and to advance on the world market for financial services—resulted in the sale of significant assets in 1986.

The company sold Banca d'America, the BankAmerica Los Angeles headquarters, and real estate holdings in Tokyo for a total pretax gain of $371 million. It also divested various overseas retail operations. In 1987, BankAmerica dumped Charles Schwab Corp., a discount brokerage, for a pretax gain of $123 million. Other divestitutes are planned.

Behind the strategic planning is a new top management team headed by A.W. Clausen, who was named chairman-ceo. Thomas A. Cooper became president, and Frank N. Newman, vice chairman-cfo.

On the West Coast, where Bank of America is by far the largest bank (one of three California households has some relation with the bank), it rolled out a new campaign in September 1987 created by Grey Advertising with the theme line "Doing the job for more of California than any other bank." Prior to this campaign the firm ran for 18 months the "We want the job" spots created by Allen & Dorward (now part of Mojo MDA).

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	2,050	4,233
Newsp. supps.	274	144
Bus. pubs.	55	197
Network TV	1,113	897
Spot TV	11,502	4,617
Network radio	729	1,316
Spot radio	5,752	4,511
Outdoor	1,128	403
Network cable	3,238	2,500
Total measured . . .	25,840	18,817
Unmeasured	10,200	7,300
Total	36,040	26,117

BANKAMERICA CORP.
555 California St.
San Francisco, Calif. 94104
(415) 622-3456
Marketing Personnel
Jerry Baker, dir-adv & mktg
Michael Green, vp-sr adv dir
Richard Popko, vp-sr adv mgr
David Boyles, sr vp, consumers mkts
Ilze Grace, sr vp, individual financial mkts
Advertising Agency
Grey Advertising, San Francisco—Hank McWhinney, president, mgmt rep; John Greer, sr vp-mgmt super; Tom Banks, vp-mgmt super; Karen Sterling, vp-acct super; Debora Wilhelm, Nancy Risolfi, acct execs.

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Media spending by second 100 leaders

Rank 1986	1985	Advertiser	Headquarters	Total spending	'86-'85 % chg	Unmeasured spending	Total measured	Newspaper	Business publication	Spot radio	Farm publications
101	123	Borden Inc.	New York	$81,962	43.0	$59,486	$22,476	$2,352	$920	$2,115	0
102	92	Matsushita Electric Industrial Co.	Osaka, Japan	79,809	(7.3)	40,040	39,769	546	3,603	618	0
103	113	North American Philips Cpr.	New York	79,377	17.1	40,968	38,409	276	366	218	0
104	116	Trans World Airlines	New York	78,782	17.8	29,971	48,811	29,329	1,343	3,593	0
105	124	Daimler-Benz AG	Stuttgart, W. Germany	77,423	19.8	20,072	57,351	23,340	547	3,542	0
106	101	Levi Strauss & Associates	San Francisco	76,755	7.6	44,756	31,999	132	4	2,186	$161
107	—	Wal-Mart Stores	Bentonville, Ark.	75,529	87.3	45,000	30,529	0	0	0	0
108	125	F.W. Woolworth Co.	New York	74,083	14.8	45,912	28,171	0	0	2,610	0
109	—	Metropolitan Life Insurance Co.	New York	72,964	28.2	18,900	54,064	2,214	47	263	0
110	138	Blue Cross Blue Shield Association	Chicago	71,519	18.0	35,401	36,118	4,149	24	4,263	0
111	131	Castle & Cooke Inc.	Los Angeles	71,318	26.3	40,406	30,912	225	1,292	1,395	0
112	109	Polaroid Corp.	Cambridge, Mass.	71,249	2.4	40,974	30,274	1,765	1,566	187	0
113	143	Prudential Insurance Co. of America	Newark, N.J.	70,618	22.0	18,298	52,320	2,196	269	1,288	0
114	128	Jerrico Inc.	Lexington, Ky.	69,478	10.0	39,587	29,891	0	0	183	0
115	132	United Biscuits Holdings PLC	London	69,305	11.0	39,967	29,338	4	397	0	0
116	100	George A. Hormel & Co.	Austin, Minn.	69,068	(2.3)	25,351	43,717	960	779	11,684	0
117	119	Carter-Wallace Inc.	New York	69,046	4.9	43,025	26,021	7	152	100	0
118	122	Ameritech	Chicago	68,955	6.1	38,196	30,759	7,532	412	3,620	0
119	95	Gulf + Western Industries	New York	68,635	17.3	27,300	41,335	2,938	7	395	0
120	108	Southwestern Bell Corp.	St. Louis	67,609	(3.4)	26,078	41,531	7,259	211	10,317	0
121	99	Cotter & Co.	Chicago	67,270	(6.1)	23,465	43,805	0	220	1,265	0
122	97	Canon Inc.	Tokyo	67,085	(17.4)	16,861	50,224	1,753	2,775	1,524	0
123	103	Dayton Hudson Corp.	Minneapolis	66,951	(1.0)	30,937	36,014	0	0	4,128	0
124	145	Alberto-Culver Co.	Melrose Park, Ill.	66,725	17.3	41,070	25,655	11	119	248	0
125	136	MCI Communications Corp.	Washington	66,646	8.6	21,722	44,924	2,276	1,233	564	0
126	130	Estee Lauder Inc.	New York	66,631	5.8	16,845	49,785	3,658	0	607	0
127	114	American Stores	Salt Lake City, Utah	66,244	(2.8)	34,012	32,232	0	0	5,719	0
128	162	Wellcome PLC	London	64,900	26.2	34,655	30,245	0	670	0	0
129	—	First Brands Corp.	Danbury, Conn.	64,831	4.6	30,000	34,831	119	242	0	0
130	98	Capital Cities/ABC	New York	63,117	(12.6)	7,771	55,346	9,989	162	7,982	0
131	—	Seven-Up Co.	Dallas	62,822	92.0	7,441	55,381	1,942	676	2,146	0
132	174	A.H. Robins Co.	Richmond, Va.	62,742	38.4	13,841	48,902	19	916	1,809	349
133	—	VF Corp.	Wyomissing, Pa.	62,209	4.5	36,300	25,909	800	0	0	0
134	159	Mennen Co.	Morristown, N.J.	61,802	21.5	20,661	41,141	0	180	141	0
135	135	Whirlpool Corp.	Benton Harbor, Mich.	61,796	(0.5)	19,909	41,887	4,140	448	0	0
136	163	BMW AG	Munich	61,545	23.4	14,808	46,738	10,924	134	1,767	0
137	144	Hattori-Seiko Co. Ltd.	Tokyo	60,912	(0.4)	22,906	38,006	4,282	118	0	0
138	153	Cadbury Schweppes PLC	London	60,272	(15.8)	20,908	39,364	987	100	393	0
139	93	Mattel Inc.	Hawthorne, Calif.	59,872	(29.6)	14,075	45,797	480	392	642	0
140	150	Southland Corp.	Dallas	59,657	10.6	23,642	36,015	34	217	19,962	0
141	151	Avon Products	New York	59,514	11.4	31,205	28,309	182	131	50	0
142	154	Ciba-Geigy Ltd.	Basel, Switzerland	59,488	14.7	30,982	28,506	35	2,882	2,175	6,622
143	164	Lucky Stores	Dublin, Calif.	58,732	18.0	29,499	29,233	0	0	4,972	0
144	182	Fuji Heavy Industries	Tokyo	58,718	43.2	17,184	41,534	5,211	10	3,253	0
145	179	Hallmark Cards	Kansas City, Mo.	58,367	39.3	23,681	34,686	1,594	37	255	0
146	127	Imasco Ltd.	Montreal	57,633	(7.6)	23,094	34,539	0	0	10	0
147	94	Apple Computer	Cupertino, Calif.	57,596	(31.3)	20,605	36,991	8,070	373	7,457	0
148	157	SmithKline/Beckman Corp.	Philadelphia	56,700	9.6	29,601	27,099	14	486	2	275
149	133	Royal Crown Cola Cos.	Rolling Meadows, Ill.	55,565	(10.8)	28,632	26,934	1,538	45	943	0
150	146	Minolta Camera Co. Ltd	Osaka, Japan	55,505	(2.2)	29,350	26,155	245	801	0	0
151	110	Kimberly-Clark Corp.	Irving, Texas	55,298	(20.5)	11,238	44,061	447	182	37	0
152	142	Coleco Industries	West Hartford, Conn.	54,830	(23.9)	25,102	29,729	480	0	141	0
153	191	NWA Inc.	Eagan, Minn.	52,882	15.0	10,353	42,529	22,219	535	2,672	0
154	—	Isuzu Ltd.	Tokyo	52,557	97.5	12,391	40,166	7,339	573	475	0
155	—	Winn-Dixie Stores	Jacksonville, Fla.	52,529	17.1	29,200	23,329	0	0	834	0
156	185	MasterCard International	New York	52,393	33.5	14,957	37,436	0	983	2,685	0
157	—	Zayre Corp.	Framingham, Mass.	52,353	54.5	27,000	25,353	0	9	8,298	0
158	—	Hyundai Motor Co.	Seoul, S. Korea	52,331	N/A	15,000	37,331	10,396	190	0	0
159	—	Reckitt & Colman PLC	London	51,924	42.5	25,000	26,924	17	686	2,518	0
160	115	Black & Decker Corp.	Towson, Md.	51,815	(23.4)	17,618	34,196	294	153	0	0
161	167	Squibb Corp.	Princeton, N.J.	50,884	4.1	26,030	24,854	1,053	735	58	0
162	171	Franklin Mint	Franklin Center, Pa.	50,530	8.8	10,878	39,651	7,298	25	0	0
163	148	Sandoz Ltd.	Basel, Switzerland	50,403	(8.8)	22,798	27,605	121	708	195	1,519
164	169	Safeway Stores	Oakland, Calif.	50,112	5.9	26,476	23,636	0	0	1,445	0
165	—	NEC Corp.	Tokyo	50,090	54.2	25,000	25,090	2,883	8,912	53	0
166	152	US West	Englewood, Colo.	50,032	(4.4)	23,108	26,925	3,144	539	6,149	0
167	—	Wickes Cos.	Santa Monica, Calif.	49,694	(0.1)	15,000	34,694	0	300	445	0
168	—	3M Co.	St. Paul, Minn.	48,883	27.1	25,000	23,883	0	8,722	0	0
169	—	Domino's Pizza	Ann Arbor, Mich.	48,489	77.5	11,300	37,189	0	0	2,235	0
170	168	Triangle Publications	Radnor, Pa.	48,426	(0.6)	9,938	38,488	1,005	2,018	97	0
171	—	Tyson Foods	Springdale, Ark.	48,265	137.9	25,200	23,065	126	3,528	454	0
172	—	Ocean Spray Cranberries	Plymouth, Mass.	47,329	61.5	23,000	24,329	66	312	155	0
173	—	Fruit of the Loom	Chicago	46,410	29.1	20,000	26,410	353	67	0	0
174	170	Chevron Corp.	San Francisco	45,413	(0.7)	14,901	30,512	3,162	1,450	4,395	914
175	175	Tambrands Inc.	Lake Success, N.Y.	44,772	1.7	14,244	30,528	0	43	321	0
176	89	Van Munching	New York	44,750	(52.0)	17,631	27,119	0	161	18,670	0
177	—	Melville Corp.	Harrison, N.Y.	43,836	23.2	18,000	25,836	0	0	6,407	0
178	—	Tri-Star Pictures	New York	43,476	70.8	17,500	25,976	0	0	87	0
179	—	Bally Manufacturing Corp.	Chicago	43,468	8.0	19,000	24,468	70	429	0	0
180	188	Reynolds Metal Co.	Richmond, Va.	43,416	19.7	17,961	25,455	59	423	626	0
181	—	News Corp. Ltd.	Sydney	43,154	4.0	5,200	37,954	711	275	849	0
182	—	Amoco Corp.	Chicago	42,914	40.9	14,100	28,814	1,740	1,864	6,989	0
183	197	Dow Jones & Co.	New York	42,566	72.1	13,767	28,799	1,259	2,630	2,810	0
184	—	Holiday Corp.	Memphis, Tenn.	41,532	38.8	17,000	24,532	0	566	1,519	0
185	166	Volvo AB	Goteborg, Sweden	41,359	(16.0)	12,606	28,753	5,768	1,025	378	0
186	161	Federal Express Corp.	Memphis, Tenn.	40,258	(20.0)	13,606	26,652	332	301	160	0
187	187	Hearst Corp.	New York	39,034	4.6	9,418	29,616	4,492	3,848	0	0
188	189	De Beers Consolidated Mines Ltd.	London	36,386	2.2	6,133	30,253	0	0	0	0
189	—	Kenner Parker Toys	Beverly, Mass.	36,335	(26.6)	10,000	26,335	0	0	0	0
190	—	BankAmerica Corp.	San Francisco	36,040	38.0	10,200	25,840	0	55	5,752	0
191	118	Faberge Incorporated	New York	35,952	0.2	17,000	18,952	0	182	10	0
192	180	Visa International	San Francisco	35,445	(14.9)	10,123	25,322	0	786	4	0
193	194	Mitsubishi Motors Corp.	Tokyo	34,514	2.7	7,191	27,323	5,509	1,954	146	0
194	137	Citicorp	New York	33,731	44.8)	9,837	23,894	0	705	2,305	0
195	—	Turner Broadcasting System	Atlanta	33,351	(2.6)	4,100	29,251	1,455	1,148	0	0
196	—	State Farm Mutual Automobile Ins. Co.	Bloomington, Ill.	32,544	24.9	8,400	24,144	200	218	1,243	0
197	—	Hiram Walker-Gooderham & Worts	Toronto	32,519	(21.1)	8,200	24,319	1,846	31	0	0
198	—	Canandaigua Wine Co.	Canandaigua, N.Y.	31,899	100.2	8,100	23,799	27	106	2,203	0
199	183	Thompson Medical Co.	New York	31,635	(21.4)	5,504	26,132	6	205	14	0
200	200	Bertelsmann AG	Guetersloh, W. Germany	29,218	(7.5)	6,474	22,744	3,755	27	79	0

Sources: Newspaper from Media Records, business publications from Rome Reports, spot radio from Radio Expenditure Reports and farm publications from Agricultural Marketing Information Services (AGRICOM). See *Where Ad Age got its data*, Page S-4. Note: Dollars are in thousands.

Media spending by second 100 leaders

Rank 1986	1985	Advertiser	Headquarters	Total spending	Magazine	Newspaper supplement	Network TV	Spot TV	Network radio	Outdoor	Cable TV networks
101	123	Borden Inc.	New York	$81,962	$4,546	$238	$ 3,232	$8,795	0	$77	$ 202
102	92	Matsushita Electric Industrial Co.	Osaka, Japan	79,809	17,522	0	7,025	8,851	$571	238	796
103	113	North American Philips Cpr.	New York	79,377	6,044	416	18,570	10,733	678	1	1,107
104	116	Trans World Airlines	New York	78,782	2,027	179	61	11,857	0	422	0
105	124	Daimler-Benz AG	Stuttgart, W. Germany	77,423	977	102	25,183	3,424	0	84	153
106	101	Levi Strauss & Associates	San Francisco	76,755	5,173	253	17,106	1,274	1,256	72	4,381
107	—	Wal-Mart Stores	Bentonville, Ark.	75,529	85	0	0	30,445	0	0	0
108	125	F.W. Woolworth Co.	New York	74,083	4,690	4,254	370	14,079	0	44	2,124
109	—	Metropolitan Life Insurance Co.	New York	72,964	8,284	52	31,403	9,833	0	148	1,820
110	138	Blue Cross Blue Shield Association	Chicago	71,519	1,113	57	4,952	20,715	0	835	9
111	131	Castle & Cooke Inc.	Los Angeles	71,318	6,065	145	16,130	3,069	2,529	20	41
112	109	Polaroid Corp.	Cambridge, Mass.	71,249	5,730	350	18,439	306	1,735	191	5
113	143	Prudential Insurance Co. of America	Newark, N.J.	70,618	11,097	1,579	28,702	3,574	237	178	3,202
114	128	Jerrico Inc.	Lexington, Ky.	69,478	2	0	2,492	26,803	0	272	139
115	132	United Biscuits Holdings PLC	London	69,305	5,033	0	22,204	1,681	0	18	1
116	100	George A. Hormel & Co.	Austin, Minn.	69,068	8,554	942	5,442	7,350	7,515	319	173
117	119	Carter-Wallace Inc.	New York	69,046	3,382	0	20,139	1,616	0	0	626
118	122	Ameritech	Chicago	68,955	4,346	0	0	13,672	0	1,179	0
119	95	Gulf + Western Industries	New York	68,635	2,640	38	9,405	23,915	214	45	1,738
120	108	Southwestern Bell Corp.	St. Louis	67,609	2,760	0	0	20,887	0	98	0
121	99	Cotter & Co.	Chicago	67,270	6,055	56	12,331	11,562	10,663	64	1,588
122	97	Canon Inc.	Tokyo	67,085	16,117	102	18,269	7,188	0	431	2,065
123	103	Dayton Hudson Corp.	Minneapolis	66,951	163	0	0	31,526	0	197	0
124	145	Alberto-Culver Co.	Melrose Park, Ill.	66,725	3,773	0	16,974	3,258	0	17	1,256
125	136	MCI Communications Corp.	Washington	66,646	6,716	101	12,539	21,308	2	16	170
126	130	Estee Lauder Inc.	New York	66,631	19,121	3,028	0	23,369	0	3	0
127	114	American Stores	Salt Lake City, Utah	66,244	0	0	0	26,333	0	180	0
128	162	Wellcome PLC	London	64,900	2,435	142	26,454	198	0	0	348
129	—	First Brands Corp.	Danbury, Conn.	64,831	251	0	28,510	4,683	587	0	439
130	98	Capital Cities/ABC	New York	63,117	30,555	542	0	4,396	256	795	669
131	—	Seven-Up Co.	Dallas	62,822	80	0	30,643	15,331	0	3,513	1,050
132	174	A.H. Robins Co.	Richmond, Va.	62,742	3,054	54	16,187	26,053	0	0	461
133	—	VF Corp.	Wyomissing, Pa.	62,209	8,124	518	5,982	5,992	2,329	634	1,530
134	159	Mennen Co.	Morristown, N.J.	61,802	2,824	0	33,365	2,085	0	0	2,548
135	135	Whirlpool Corp.	Benton Harbor, Mich.	61,796	12,445	6	13,925	2,638	7,930	13	291
136	163	BMW AG	Munich	61,545	11,902	7	17,656	3,588	0	51	709
137	144	Hattori-Seiko Co. Ltd.	Tokyo	60,912	8,880	178	14,355	9,314	0	138	741
138	153	Cadbury Schweppes PLC	London	60,272	2,727	67	14,951	19,124	570	129	316
139	93	Mattel Inc.	Hawthorne, Calif.	59,872	2,874	282	24,498	14,999	0	178	1,453
140	150	Southland Corp.	Dallas	59,657	168	66	866	11,655	0	2,986	60
141	151	Avon Products	New York	59,514	7,712	246	19,265	9	713	0	0
142	154	Ciba-Geigy Ltd.	Basel, Switzerland	59,488	707	0	10,373	5,343	0	171	198
143	164	Lucky Stores	Dublin, Calif.	58,732	53	0	0	24,135	0	73	0
144	182	Fuji Heavy Industries	Tokyo	58,718	8,680	0	14,072	9,386	0	270	652
145	179	Hallmark Cards	Kansas City, Mo.	58,367	1,512	1,157	27,434	1,913	782	0	0
146	127	Imasco Ltd.	Montreal	57,633	23	0	0	32,761	59	1,687	0
147	94	Apple Computer	Cupertino, Calif.	57,596	6,680	101	10,313	3,202	292	37	468
148	157	SmithKline/Beckman Corp.	Philadelphia	56,700	2,115	479	20,621	1,359	1,289	0	458
149	133	Royal Crown Cola Cos.	Rolling Meadows, Ill.	55,565	66	0	7,169	16,471	299	367	37
150	146	Minolta Camera Co. Ltd.	Osaka, Japan	55,505	6,402	0	11,716	5,635	692	121	545
151	110	Kimberly-Clark Corp.	Irving, Texas	55,298	10,315	0	30,208	2,183	0	95	594
152	142	Coleco Industries	West Hartford, Conn.	54,830	3,015	295	3,764	21,963	0	0	71
153	191	NWA Inc.	Eagan, Minn.	52,882	8,536	144	938	4,712	587	1,555	631
154	—	Isuzu Ltd.	Tokyo	52,557	9,920	0	5,931	15,356	315	5	252
155	—	Winn-Dixie Stores	Jacksonville, Fla.	52,529	0	0	5,098	16,874	0	523	0
156	185	MasterCard International	New York	52,393	5,858	67	21,509	3,647	2,080	0	607
157	—	Zayre Corp.	Framingham, Mass.	52,353	37	0	0	17,000	0	9	0
158	—	Hyundai Motor Co.	Seoul, S. Korea	52,331	4,736	0	4,077	17,914	0	17	0
159	—	Reckitt & Colman PLC	London	51,924	1,785	0	16,741	4,563	0	5	609
160	115	Black & Decker Corp.	Towson, Md.	51,815	7,469	327	23,425	2,234	0	7	289
161	167	Squibb Corp.	Princeton, N.J.	50,884	5,457	606	11,620	3,697	1,629	0	0
162	171	Franklin Mint	Franklin Center, Pa.	50,536	18,674	9,505	3	2,568	0	0	1,578
163	148	Sandoz Ltd.	Basel, Switzerland	50,403	2,421	22	18,679	3,921	13	7	0
164	169	Safeway Stores	Oakland, Calif.	50,112	1,067	0	0	20,930	0	194	0
165	—	NEC Corp.	Tokyo	50,090	12,117	40	423	36	0	186	441
166	152	US West	Englewood, Colo.	50,032	2,475	0	555	13,613	17	427	6
167	—	Wickes Cos.	Santa Monica, Calif.	49,694	2,497	213	13,545	15,258	1,931	221	285
168	—	3M Co.	St. Paul, Minn.	48,883	9,071	0	2,623	3,266	0	9	193
169	—	Domino's Pizza	Ann Arbor, Mich.	48,489	143	0	19,496	14,308	0	643	364
170	168	Triangle Publications	Radnor, Pa.	48,426	0	20	3,429	24,954	6,017	0	947
171	—	Tyson Foods	Springdale, Ark.	48,265	1,581	0	16,690	668	16	0	1
172	—	Ocean Spray Cranberries	Plymouth, Mass.	47,329	2,803	0	7,257	13,456	0	0	280
173	—	Fruit of the Loom	Chicago	46,410	6,198	161	16,890	2,673	0	69	0
174	170	Chevron Corp.	San Francisco	45,413	3,414	120	2,026	14,920	5	28	79
175	175	Tambrands Inc.	Lake Success, N.Y.	44,772	11,784	0	16,108	410	1	0	1,860
176	89	Van Munching	New York	44,750	3,880	221	1,538	2,504	145	0	0
177	—	Melville Corp.	Harrison, N.Y.	43,836	2,163	1,127	0	16,121	0	17	0
178	—	Tri-Star Pictures	New York	43,476	96	0	14,810	10,194	0	0	790
179	—	Bally Manufacturing Corp.	Chicago	43,468	1,804	92	0	21,701	0	364	8
180	188	Reynolds Metal Co.	Richmond, Va.	43,416	2,549	0	1,442	20,216	0	0	139
181	—	News Corp. Ltd.	Sydney	43,154	3,930	169	5,688	25,125	103	110	996
182	—	Amoco Corp.	Chicago	42,914	3,027	0	0	13,917	0	1,181	106
183	197	Dow Jones & Co.	New York	42,566	1,801	29	6,109	3,370	6,708	104	3,978
184	—	Holiday Corp.	Memphis, Tenn.	41,532	5,704	42	6,553	5,478	0	4,555	115
185	166	Volvo AB	Goteborg, Sweden	41,359	11,624	395	3,987	4,937	0	1	637
186	161	Federal Express Corp.	Memphis, Tenn.	40,258	3,055	0	13,679	8,843	0	0	284
187	187	Hearst Corp.	New York	39,034	16,884	0	0	3,788	22	501	81
188	189	De Beers Consolidated Mines Ltd.	London	36,386	19,988	75	9,687	487	0	0	16
189	—	Kenner Parker Toys	Beverly, Mass.	36,335	126	0	15,574	10,412	0	0	223
190	—	BankAmerica Corp.	San Francisco	36,040	2,050	274	1,113	11,502	729	1,128	3,238
191	118	Faberge Incorporated	New York	35,952	10,685	111	5,023	1,920	224	17	780
192	180	Visa International	San Francisco	35,445	9,229	0	12,422	2,342	0	6	535
193	194	Mitsubishi Motors Corp.	Tokyo	34,514	6,260	0	3,383	9,677	0	124	270
194	137	Citicorp	New York	33,731	4,906	363	6,027	8,346	140	273	831
195	—	Turner Broadcasting System	Atlanta	33,351	8,932	39	5,407	6,752	867	276	4,378
196	—	State Farm Mutual Automobile Ins. Co.	Bloomington, Ill.	32,544	1,462	0	11,694	1,871	7,036	146	274
197	—	Hiram Walker-Gooderham & Worts	Toronto	32,519	17,208	235	0	0	0	5,000	0
198	—	Canandaigua Wine Co.	Canandaigua, N.Y.	31,899	292	0	13,536	3,665	301	40	3,629
199	183	Thompson Medical Co.	New York	31,635	1,864	0	15,809	5,652	764	0	1,819
200	200	Bertelsmann AG	Guetersloh, W. Germany	29,218	16,046	1,719	0	84	721	105	207

Sources: All media expenditures on this page from BAR/LNA reports. (see *Where Ad Age Got Its Data*, Page S-4)
Note: Dollars are in thousands.

RANK

Bertelsmann AG 200

Guertersloh, W. Germany

($ in millions)

Worldwide	1987	1986	% chg
Sales	5,100	4,200	21.4
Net income	105	183	(42.6)
U.S. advertising	29	32	(7.5)

Since Bertelsmann's $475-million takeover of Doubleday & Co. last September, the West German company has become the largest U.S. publisher of general-interest books and the fifth largest U.S. book publisher overall.

Consistent with Bertelsmann's international policy of decentralization, Doubleday's assets were divided into four autonomous operating groups: Bantam, Doubleday, Dell Publishing Group, which handles all trade-book publishing operations as well as Dell magazines; Doubleday Book and Music Club Group; Doubleday Bookstore Group; and Doubleday Manufacturing Group, the publishing arm of the operation.

Combining Bantam with Dell created the largest U.S. marketer of trade paperbacks. Before the merger, Bantam was tied with Ballantine Books for first place.

Each of the Doubleday groups has retained its individual publishing traditions under Bertelsmann, and each has its own editorial and marketing departments. The sales forces of Bantam and Dell were combined into one unit with more than 100 North American reps.

Since the restructuring, personnel shifts and changes have been widespread. Among the most notable additions is Nancy Evans, former editor-in-chief of Book-of-the-Month Club, who was appointed president and publisher of the Doubleday Publishing division. Under Ms. Evans, Doubleday's look has become markedly more elegant.

Overall, the publishing industry continued to improve. During 1986 hardcover sales were up 3% to $1 billion for adult hardcover and $290 million for juvenile. Paperback sales amounted to $779 million in 1986.

Rumors persist that Bertelsmann intends to revitalize Dial Press and Anchor Press, both of which folded under Doubleday in 1985. No specific plans have surfaced, however.

Bantam, Doubleday and Dell contributed $660 million to fiscal 1987 worldwide sales of Bertelsmann, which has other U.S. interests. It owns Gruner & Jahr, publishers of the magazines *YM* (formerly *Young Miss*), *Expecting* and *Parents*. Bertelsmann also bought RCA Records in 1986.

The U.S. activity is one reason the worldwide non-Germany sales of Bertelsmann rose 30.2% to $3.1 billion in fiscal 1987, and this included only half-year results of Doubleday and RCA Records. U.S. figures are based on an exchange rate of DM 1.8095=$1.

Bertelsmann's ad expenditures fell nearly 7.5% from 1985 to 1986. There was no network TV spending in 1986, compared with $525,000 in network spending during 1985. Magazine ad spending rose 4.3% to 16 million. At the same time, spending on business papers and network radio more than doubled.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	3,755	4,342
Magazines	16,046	15,377
Newsp. supps	1,719	2,795
Bus. pubs	27	11
Network TV	0	53
Spot TV	84	893
Network radio	721	334
Spot radio	79	17
Outdoor	105	216
Network cable	207	554
Total measured	22,744	24,590
Unmeasured	6,474	7,000
Total	29,218	31,590

BANTAM DOUBLEDAY DELL
PUBLISHING GROUP
666 Fifth Ave.
New York, N.Y. [illegible]0103
(212) 765-6500

Corporate Personnel

Albert Vitale, president

Marketing Personnel

Matthew Shear, dir-mktg
Jack Hoeft, president, sales & mktg

DOUBLEDAY BOOK & MUSIC CLUB

Marketing Personnel

Peter von Puttkamer, president
Tom Kraemer, dir mktg

DOUBLEDAY BOOK SHOPS

Marketing Personnel

Gary Del Vecchio, president
Sid Gross, merch mgr

GRUNER & JAHR

Marketing Personnel

John Beni, president
Vincent DePierro, adv dir

Advertising Agency

Franklin Spier, New York—Alex Nelson, president; Amanda Mitchell, acct super; Aaron McHugh, acct exec.

RANK

Black & Decker Corp. 160

Towson, Md.

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,791	1,732	3.4
Net income	6	(158)	104.0
U.S.	**1987**	**1986**	**% chg**
Sales	1,039	1,102	(5.7)
Operating profits	(6)	(111)	95.0
Advertising	52	68	(23.4)
Division sales	**1987**	**1986**	**% chg**
Power tools	740	672	10.1
Accessories	157	169	(7.1)
Outdoor prods.	144	125	15.2
Household prods.	656	668	(1.8)
Service	114	98	16.3

Black & Decker Corp., faced with an uneven retail economy in 1986-87, cut its tool-production capacity and power-tool advertising.

Sales for the company's fiscal 1986, which ended Sept. 28, advanced only 3.4%; earnings rose to $6.3 million following a loss of $158.4 million in 1985. After-tax earnings for the year were $27.5 million before B&D applied $21.2 million against long-term debt.

Revenues have grown 6% to $1.43 billion in the nine-month period ended June 28, 1987, compared with the same period in fiscal 1986. But net earnings for the nine months soared to $40.6 million—76% above the previous year.

During calendar 1986 overall advertising fell 23.4% to $51.8 million, largely because of a sharp falloff in power-tool advertising. This segment dropped from nearly $10 million in 1985 to less than $400,000 in advertising in 1986.

In addition, B&D revamped its product servicing system, picked a new ad agency for tools and made shifts in top management in 1986—all part of a major restructuring begun in 1984.

Nolan D. Archibald, brought over from the Beatrice Cos. in 1985 by B&D chief Laurence J. Farley to be B&D's president-chief operating officer, now holds the three top posts. He replaced Mr. Farley as ceo in March 1986 and as chairman earlier this year.

Another addition to the executive wing in September 1986 was William E. Stevens, executive VP. Formerly with Beatrice Cos. and Chromalloy American Corp., Mr. Stevens replaced Kenneth Kermes, executive VP-finance and corporate development.

New leadership also was added in 1986 to head the company's two main segments. Dennis G. Heiner, formerly with Beatrice Cos., became senior VP-president, Household Products group, and George M. Sherman, former president of rival Skil Division of Emerson Electric, became senior VP-president, Power Tools.

A Black & Decker source says the corporate restructuring plan is about completed and that only fine-tuning remains. The cost so far is $215 million.

The restructuring, which includes work force reductions and plant closures around the world, is part of a strategy that Mr. Archibald calls "cut and build." The "cut" is phase one, including the plant and staff cost reductions. But not all the savings go to gild the earnings column; some go into the "build" phase: sales promotion and more marketing power.

"The thought processes behind what Black & Decker is doing are sound," says David Liebowitz, investment analyst with American Securities, New York. "It remains to be seen if the implementation lives up to the theory."

In the housewares field, the company is faring well, says James Stevens, editor of Dana Chase's *Appliance* magazine. He notes B&D leads the hand-iron category with a 41% market share, compared to 28% for Sunbeam, 20% for Wear-Ever/Proctor-Silex. B&D is No. 1 in toaster ovens, with 58%, compared to Wear-Ever/Proctor-Silex's 19% and Toastmaster's 16%. It holds a 32% share in hand mixers, while Sunbeam has 28% and Hamilton Beach 14%.

In can openers, the breakdown is Rival 28%, B&D 24%, Sunbeam 9%. In the drip coffee-maker category, it's North American Systems 23%, Norelco 16%, B&D 15%. In toasters, Proctor-Silex has 41%, Toastmaster 32%, B&D 10%.

In a number of these market categories (irons, toasters, mixers, curling irons, can openers) market saturation leaves little room for growth. In response to market realities, B&D is de-emphasizing low-end products such as personal care items (including hair curlers, driers and scales) to give a strong new thrust to advertising higher-end products.

The company plans to use 15-second spots to tout the Dustbuster Power Brush and the Lite Years flashlight powered by a new Kodak-developed 10-year lithium battery.

B&D's most market-active products are its cordless (battery-powered) items, both housewares and power tools. Also hot in B&D's tool box are drill bits and saw blades—especially the carbide-toothed Piranha circular blades. Also prime for promotion are the Inline cordless screwdriver, cordless jigsaw, lawn tools, crosscut miter saw and the Air Station, a 120-volt inflater.

Special marketing treatment is at work for the new Master Series professional power tools, introduced in mid-1987 as the "best of the best." Promotion is by print and field demonstrations, such as sawdust parties where the pros see demonstrations, then use the tools.

Creating this big tool promotion is B&D's new agency for power tools, Leo Burnett, Chicago, which was picked for the $10 million account in August 1987. For the past two years, the power-tool agency suite has been dark. The company did little to promote its traditional product line except assign individual tool projects to Lewis, Gilman & Kynett, Philadelphia, and to its household products shop, McCann-Erickson, New York. Household products represents a $30-million account.

But B&D means to step up marketing, evidenced by the bevy of new products popping up in trade shows.

B&D plans to be more product-specific in its advertising, with greater outlays headed toward TV and print this fall. More TV power-tool promotion also is set for 1988.

While measured media totals were down for the year, spending for certain products rose. The market-leading Automatic Shut-Off iron, for example, received 85% higher backing, with a jump to $9.6 million in 1986, mostly in network TV. Ad backing for cordless appliances rose 7% to $3.9 million, most of it in network TV. Dustbuster hand-held cordless vacuum cleaner spending rose 3% to $6.4 million, mostly in network TV.

B&D places its total 1986 worldwide advertising costs at $168.4 million, off 2% from 1985, yet 42% above 1984 spending levels. These totals include not only ad spending worldwide but marketing expenses such as sales costs and tradeshow participation.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	294	121
Magazines	7,469	8,812
Newsp. supps	327	28
Bus. pubs	153	297
Network TV	23,425	26,135
Spot TV	2,234	8,760
Spot radio	0	110
Outdoor	7	7
Network cable	289	371
Total measured	34,196	44,642
Unmeasured	17,618	23,000
Total	51,815	67,642

BLACK & DECKER CORP.
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Corporate Personnel

Nolan D. Archibald, chmn & president-ceo
William E. Stevens, exec vp
George M. Sherman, sr vp, president-power tools group
Dennis G. Heiner, sr vp, president-household prods group

Marketing Personnel

Gary DiCamillo, vp-mktg, power tools group
Kenneth E. Homa, vp-mktg, household prods group
Lynda Chambers, mgr-adv, power tools group
Louise Retzer, mgr-adv & pr, household group

Advertising Agency

Leo Burnett USA, Chicago—power tools group—Peter Metz, acct dir; Ken Fill, acct super; Peter Barber, Karen Garny, Tony Weisman, acct execs.

McCann-Erickson, New York—household group—David Weiss, group dir; Joe Tilli, mgmt rep; Phil Shaw, acct super.

RANK

Blue Cross & Blue Shield Association 110

Chicago

($ in millions)

Worldwide	1986	1985	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
U.S. advertising	72	61	18.0

Blue Cross & Blue Shield Association, reacting to growing competition among healthcare insurers and providers, continued to strengthen its advertising efforts in 1986, targeting both individual consumers and corporate decision-makers and increasing its spending on TV by 53.9% over 1985.

With healthcare spending accounting for nearly 11% of the GNP in 1986, the healthcare industry was the third largest economic force in the U.S. That kind of marketplace impact reverberated through the corridors of insurance companies nationwide, including those of this Chicago-based association, which responded by promoting its products more vigorously than ever.

During 1986 Blue Cross & Blue Shield Assn. continued to utilize as its primary national advertising vehicle the "Carry the Caring Card" campaign first introduced in September 1984.

However, beginning this September, the organization started running a new series of TV spots built around the theme "Olympic Moments," a direct result of the Blue Cross & Blue Shield sponsorship of the 1988 Winter Olympics. The creative was done by HDM/Dawson, Johns & Black, Chicago. However, the association dumped that agency this fall for Hal Riney & Partners, Chic[illegible].

Total measur[illegible]ding for Blue Cross & Blue Shiel[illegible]umped dramatically every year since 1[illegible] when the federal government first set[illegible]ced reimbursement levels for Medica[illegible] patients, thereby sparking heavy competition.

In 1983, Blue Cross & Blue Shield Assocation's measured media spending was $10.3 million, a figure that grew to $27.7 million in 1986, according to BAR/LNA, which monitors seven media. The organization's 11-media total hit $36.1 million in 1986.

The association is a federation of 77 local, nonprofit community service organizations throughout the U.S. These autonomous organizations, called Blue Cross & Blue Shield Plans, contract with local hospitals, doctors and healthcare agencies to provide prepaid medical services to people who have subscribed to those plans, either through their employers or on an individual basis.

The nonprofit association is responsible for developing and disseminating, in cooperation with local plans, national advertising such as the "Carry the Caring Card" and the "Olympic Moments" ads. The former campaign was the first cooperative nationwide Blue Cross & Blue Shield ad venture; local plans also create and place their own advertising, primarily TV and radio spots.

In addition to traditional reimbursement-for-expenses insurance, local Blue Cross & Blue Shield Plans offer such healthcare options as HMOs and Preferred Provider Organizations. The association spent $21.9 million in measured media for Blue Cross & Blue Shield Plans in 1986, virtually all in spot TV (70%) and network TV (23%).

The association also spent a measured $4.6 million, mostly in spot TV, promoting only Blue Cross plans. HMOs and PPOs accounted for $705,000, all spot TV.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	4,149	4,792
Magazines	1,113	1,809
Newsp. supps	57	0
Bus. pubs	24	169
Network TV	4,952	4,530
Spot TV	20,715	12,185
Network radio	0	1,265
Spot radio	4,263	5,562
Outdoor	835	296
Network cable	9	0
Total measured	36,118	30,607
Unmeasured	35,401	30,000
Total	71,519	60,607

BLUE CROSS & BLUE SHIELD
ASSOCIATION
676 N. St. Clair St.
Chicago, IL 60611
(312) 440-6000

Marketing Personnel

Leonard E. Wood III, sr vp-mktg
Duane R. Carlson, vp-comm
Thomas Mura, sr consultant-comm

Advertising Agency

Hal Riney & Partners, Chicago—Steve Jackson, acct super.

RANK

136 BMW AG

Munich

($ in millions)

Worldwide	1986	1985	% chg
Sales	7,770	8,019	(3.1)
Net income	150	133	12.5
U.S. advertising	62	50	23.4

BMW of North America's car unit sales climbed significantly in 1986 as the American subsidiary of Bayerische Motoren Werke AG shifted some of its focus to the upscale luxury market.

BMW decided to tamper with its reputation as a maker of sporty sedans and challenged fellow German automaker Mercedes-Benz, which previously dominated the upper echelon of the market.

At the same time, BMW maintained stability in the lower end of the upscale market with its popular 3-series. That enabled the automaker to achieve a 7% share of the overall luxury car segment.

With the weakening of the American dollar against the West German mark, BMW was forced to increase its prices on all of its models an average of 11.2% in calendar year 1986, yet the automaker still drove up U.S. unit sales 10% over 1985—to 96,759. Dollar figures appearing in this profile were converted at the average annual exchange rate of 2.254DM=$1.

BMW's 3-series remained its biggest seller in 1986, with unit sales of 61,822, up 14.7% over 1985. Measured ad spending for the 3-series hit $6.3 million, up from only $1.4 million in 1985.

Sales of BMW's 5-series jumped to 25,016 in 1986, a 24% increase. The 5-series got $7.9 million in advertising in 1986, up 69.9%, according to BAR/LNA.

With limited units of BMW's 6-series available, total unit sales of these models dropped significantly to 2,979 units, a 22% decrease. Ad expenditures for this series also dropped in 1986 to $1.9 million, 50% lower than 1985's figures.

Sales of cars in the 7-series dropped to 6,942, compared to 9,938 in 1985, possibly because BMW buyers were anticipating major model changes due in 1987. Ad spending for the 7-series reached $7.1 million, up 1.4% from 1985.

Network TV ad spending by BMW was increased approximately 53% in 1986 to $17.6 million. Spot TV spending dropped 28% to $3.6 million. Newspaper ad spending rose 43.8% to $10.9 million.

BMW of North America is one of 13 foreign subsidiaries of BMW AG, Munich. In terms of unit sales it is the largest subsidiary, almost tripling the sales totals in any other country.

In 1986, BMW introduced the 535is, a sporty version of the 535i model, and the L7, an ultra-luxury version of the flagship 735i sedan. BMW advertising retained its theme line "The ultimate driving machine."

During 1987, BMW of North America introduced seven new models to the American luxury market, three of them priced near $50,000, another debuting at $70,000, the first time BMW had entered such exclusive territory.

New models included the 735i four-door luxury sedan and the new L6 two-door luxury coupe, aimed at taking the lead in the high-performance luxury class. The M6 two-door sports coupe and the M5 four-door sports sedan made by BMW Motorsport, GmbH, debuted in February. BMW also introduced the 325i, 325is and 325i convertible. BMW Motorsport's M3, a high-performance two-door sports sedan, was introduced in June.

BMW's Quality Continuation Plan was offered to dealers in 1986. This is a program that features a limited warranty providing the buyer of a used BMW with protection for a minimum of 12 months or 12,000 miles.

BMW also entered the racing circuit in 1986 and increased the number of regional polo events it sponsored in the North American Polo Series, as well as continuing its patronage of sailing, golf, tennis and selected cultural events.

BMW's 750iL, the automaker's $70,000 entry in the ultra-luxury, high performance market, will be introduced in the U.S. at the end of 1987. This new addition to BMW's 7-series, powered by a new 12-cylinder engine, has won praise from a majority of European automotive publications.

The decline of the dollar has caused BMW of North America to once again increase prices on six of its 1988 models.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	10,924	7,594
Magazines	11,302	10,001
Newsp. supps.	7	7
Bus. pubs.	134	183
Network TV	17,656	11,546
Spot TV	3,588	5,004
Spot radio	1,767	2,891
Outdoor	51	106
Network cable	709	544
Total measured	46,738	37,875
Unmeasured	14,808	12,000
Total	61,545	49,875

BMW OF NORTH AMERICA
Montvale, N.J. 07645
(201) 573-2000
Marketing Personnel

Hans Riedel, vp-mktg group
Carl Flesher, genl mgr-mktg strategies
George Hartley, mktg comm mgr
Steven Woolford, adv mgr

Advertising Agency

Ammirati & Puris, New York—automobiles, motorcycles—Ralph Ammirati, co-chmn-ceo; Martin Puris, co-chmn-ceo; Edward Vick, president-coo; Duncan Pollock, sr vp-group dir; Howard Lesman, vp-mgmt super; Jan Boyle, vp-acct super-natl adv; Robert Heissner, mgmt super-dealer adv; Alyson Henning, sr vp, co-dir promo group; Elliott White, Charlie MacLachlan, Henry Staats, Barry Wood, Harold Kobakof, acct execs.

Borden Inc.

RANK **101**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	5,002	4,716	6.1
Net income	223	194	15.2
U.S.	**1986**	**1985**	**% chg**
Sales	4,044	3,884	4.1
Operating profits	387	322	20.5
Advertising	82	57	43.0
Division sales	**1986**	**1985**	**% chg**
Chemical	1,443	1,353	6.7
Dairy	1,331	1,248	6.7
Grocery	1,192	1,134	5.1
Snacks	1,036	981	5.6

Growth was the watchword at Borden Inc. during 1986-87, a time when the producer of foods, consumer products and chemicals increased sales and profits, building its dominance in key markets.

Worldwide sales grew 6.1% and net income increased 15% in 1986; U.S. operating profits soared during the period to $390.2 million, up 20.2%. The company expects 1987 sales of $6.5 billion, a 30% jump over 1986 totals of $5 billion.

Fueling this growth has been a rash of acquisitions, the biggest being the $315 million buyout of Beatrice Dairy, a subsidiary of Chicago-based Beatrice Cos., and renamed Meadow Gold Dairies. According to Borden Chairman-CEO R.J. Ventres, the move built Borden's dairy exposure in the country to 50% of the population across 38 states, up from 35% across 24 states before the acquisition.

The nation's largest marketer of fresh milk, Borden's dairy division posted 1986 sales of just over $1.3 billion. Company officials expect the Meadow Gold line to add $1 billion in dairy sales in 1987.

Early this year, Borden's dairy operation rolled out a brand of calcium-fortified milk called Hi-Calcium; a 12-oz. glass of the lowfat drink contains 100% of the U.S. Recommended Daily Allowance of calcium.

Hungry for growth in other areas as well, Borden has spent $410 million on 16 acquisitions so far in 1987. These include Valley Bell, another dairy; makers of several lines of snacks; three pasta companies; makers of "niche groceries" including three seafood marketers and Soup and Stew Starter brands from Beatrice/Hunt-Wesson; a wallcovering maker and producers of foundry resins.

The pasta acquisitions are part of Borden's plan to dominate a key growth area within the food industry. It is the largest marketer of pasta, having entered the pasta business in 1979 with the purchase of Creamette Co. In a category dominated by regional brands, Borden is pushing Creamette, now its flagship brand, toward national distribution by purchasing regional lines and using them as vehicles for Creamette rollouts.

According to Bill McGuire, an analyst with Merrill Lynch Pierce Fenner & Smith, New York, Borden has increased its share of the pasta category to 32.5% this year, up from 24% last year. Borden plots its worldwide pasta sales at about $500 million.

In the snack category, Borden's strategy mirrors that used for pasta. Describing itself as "the national snack food company with a regional flavor," Borden is attempting national distribution for New York Deli potato chips and [illegible]rals corn snacks, rolling out the products region by region.

With the addition of Laura Scudder's and Snacktime lines in 1987, the company has store-door distribution in 46 states. According to Mr. Ventres, the two lines add about 40% to Borden's sales volume in the category, bringing the figure to about $700 million annually. Borden is the nation's second largest producer of snack foods, behind Frito-Lay.

Because of its regional approach to marketing, Borden's U.S. advertising is difficult to gauge. Measured advertising for 1986 was just under $22.5 million, with emphasis on spot TV. Figures released by Borden, however, indicate a much larger budget of about $285 million for "advertising and promotion worldwide." This figure increased by 6.5% from 1985.

By the company's own estimates, for every dollar placed in advertising worldwide, Borden spends $4 on promotion. That's about $230 million for "promotion" and $55 million for "advertising." According to company officials, "promotion" denotes give-away items, samples and a number of promotional expenses not usually measured as advertising.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	2,352	1,627
Magazines	4,546	5
Newsp. supps.	238	0
Bus. pubs.	920	882
Network TV	3,232	7,307
Spot TV	8,795	60
Spot radio	2,115	3,442
Outdoor	77	0
Network cable	202	0
Total measured	22,476	13,324
Unmeasured	59,486	44,000
Total	81,962	57,324

BORDEN INC.
277 Park Ave.
New York, N.Y. 10172
(212) 573-4000
Corporate Personnel

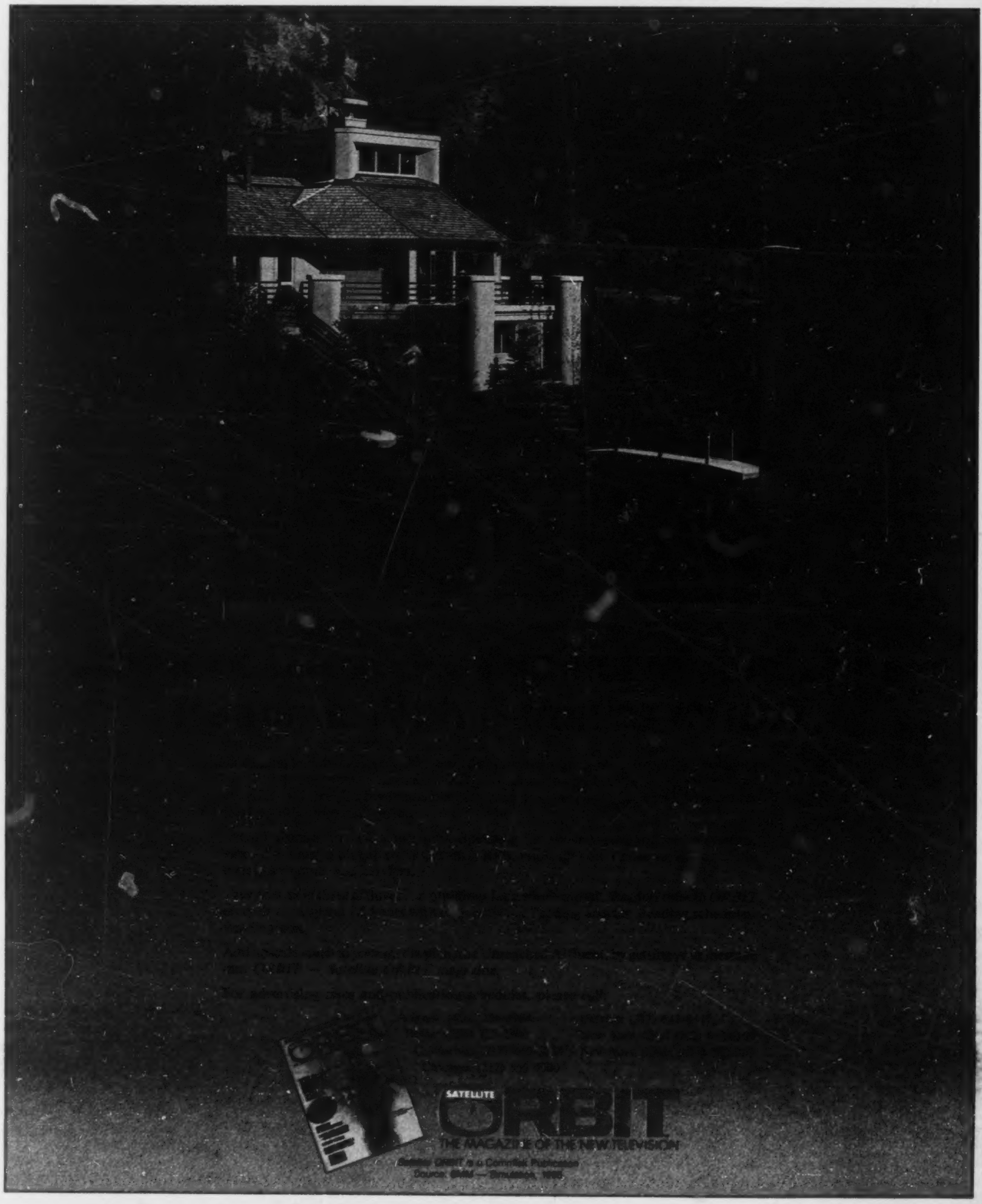
R.J. Ventres, chmn & ceo

CHEMICAL DIVISION
DOMESTIC & INTL
Marketing Personnel

A.S. D'Amato, exec vp, president
Joseph M. Saggese, sr vp, resin & chemicals/adhesives, Polyco & Graphics/Canada
John S. Bellecci, group vp, basic chemicals & PVC operations
Benedict Letizia, group vp, intl
H.A. Peed, group vp, industrial resins/Acme Resin

GROCERY & SPECIALTY
PRODUCTS DIVISION
Marketing Personnel

Jon G. Hettinger, exec vp, president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Lee N. Arst, group vp, confection & main meals
Jerry C. Clowdus, group vp, specialty prods
John F. Dix, group vp, desserts & beverages
L. John Westerberg, group vp, pasta
Dale Schulz, vp-sales & mktg, pasta
Marti Yeager, adv mgr, pasta

DAIRY DIVISION
Marketing Personnel

H. Wayne Mosley, exec vp, president
Richard W. Fowlkes, sr group vp, Borden Dairy
Bill Baar, vp-sales & mktg, Borden Dairy
Jay I. Johnson, sr group vp, president, Meadow Gold Dairies
Kenneth W. Beaman, group vp, Borden south east
Robert E. Dawson, group vp, Borden south west
Robert M. Maloney, group vp, Borden northern

SNACKS & INTL CONSUMER PRODUCTS DIVISION
Marketing Personnel

George J. Waydo, exec vp, president
Dan O'Riordan, sr group vp, intl
Peter M. Duggan, group vp-snacks
Chris Abernathy, vp-mktg, snacks

Advertising Agencies

Grant Jacoby, Chicago—Jays snacks—John Willie, sr vp, brand group mgr; Barry Hedden, acct super; Carol Dunn, acct exec; Andrea Murphy, creative dir.

Grey Advertising, New York—Cracker Jack, Eagle Brand Sweetened Condensed Milk, Borden processed cheese prods, ReaLemon, grocery non-foods (Elmers prods, car-care prods, Krylon paint)—Stewart Hegleman, exec vp.

Harris & Love, Salt Lake City—Clover Club prods—Kerry Lehtinen, sr vp-acct super; Charlie Seldin, acct exec.

Jordan, McGrath, Case & Taylor, New York—Borden snacks, Wise snacks—Don Weir, sr vp-mgmt rep; Linda Schaler, vp-mgmt super; Shelley Wyker, acct super.

M&H Advertising, Minneapolis—Creamette, Ronco, Luxury, Globe, Anthony's pasta prods—Steve Martin, president.

Sive & Associates, Cincinnati—Kava coffee, Hama, Fisher processed cheese prods—Dave Siegel, Phil Mandel, acct supers; Tom Sagers, Linda Jackson, acct execs.

Tracy-Locke, Dallas—Borden dairy prods—Alan Burks, sr vp; Brian Maysemt, acct super; Mike Sweeney, acct exec.

Venet Advertising, New York—Coco Lopez Cream of Coconut—Chuck Levy, vp-mgmt super.

Cadbury Schweppes PLC

RANK **138**

London

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	2,701	2,750	(1.8)
Net income	95	16	476.2
U.S.	**1986**	**1985**	**% chg**
Sales	609	525	16.0
Operating profits	9	(8)	207.3
Advertising	60	72	(15.8)
Division sales	**1986**	**1985**	**% chg**
Confectionery	1,236	1,130	9.4
Drinks	1,193	982	21.6
Beverages & foods	272	554	(51.0)
Health & hygiene	N/A	85	N/A

After three years of declining sales and a general weakening of its mainstay candy business, London-based Cadbury Schweppes PLC entered the second half of 1987 with a new position as a leading worldwide soft drink company with revived worldwide sales.

The company's international sales in the first half of 1987 grew 18.5% over the same period in 1986, to $1.4 billion; North American division sales grew 17.9% to $609 million (as much as the North American division generated all of last year)—an indicator, the company says, of a return to profitable ways after the disappointing 1986. Last year's worldwide sales declined about 2%, despite a 16% increase in North American sales.

Figures for both 1986 and 1985 were converted from pound sterling to U.S. dollars at the rate of 1£=$1.4678.

The turnaround, the company says, is a direct result of a corporate restructuring and repositioning in 1986 that led to the development of three operating groups: Drinks (Schweppes, Canada Dry and Sunkist); confections (Cadbury chocolate, Peter Paul Mounds and Almond Joy and York Peppermint Patties), food and beverages (Mott's applesauce, Holland House cocktails and Rose's Lime Juice). Special emphasis has been placed on the development of the soft drink business.

As part of the group restructuring, the corporation also consolidated its U.S. advertising. The company switched several accounts to Wells, Rich, Greene, including Peter Paul Mounds and Almond Joy, previously with DFS Dorland, New York; Sunkist soft drinks, previously with Foote, Cone & Belding, Chicago; Canada Dry, previously with Young & Rubicam, and Cadbury chocolates, previously with Ammirati & Puris, New York. In April 1987, Mott's USA also consolidated its advertising account and replaced DFS Dorland and Ammirati & Puris with Ally Gargano/MCA. Ammirati & Puris retained Schweppes USA.

According to ADVERTISING AGE estimates, the company spent $60.2 million on U.S. advertising, including about $39 million in measured media and about $21 million in unmeasured media. The total was up 13% from 1985. However, company estimates put total measured media spending at $35.3 million, down 12.5% from 1985.

The new soft drink group was by far the most active part of the corporation last year with worldwide sales growing 21.6% in 1986. Acquisitions fueled the increases as the company acquired Canada Dry and Sunkist from RJR Nabisco for $230 million and Schweppes purchased a 30% stake in Dr Pepper.

The combined drink operations made the company No. 3 in U.S. soft drink sales with an estimated 8% share of the market, according to company and industry analyst estimates.

The acquisitions also resulted in greatly increased soft drink ad spending. Canada Dry spent $11.6 million in measured media in 1986, split almost evenly between spot and network TV. Sunkist spent $4.8 million, concentrated almost exclusively in spot TV. Schweppes spent about $4.8 million.

Meanwhile, the company's worldwide confectionery sales began to rebound in 1986. Sales rose 23.3%, boosted by the continued growth of its U.K. leader, the Wispa candy bar, and renewed U.S. sales, where key products—Peter Paul Almond Joy and Mounds and York Peppermint Patties—improved sales by 20%, about 12 points ahead of the market average, the company says.

U.S. marketing, however, was caught in the turmoil that followed the series of major agency mergers. Pressure from the company's top U.S. competitor, Mars Inc., forced one of Cadbury's U.S. agencies, DFS Dorland, to resign the Peter Paul accounts. In the U.K., Leo Burnett resigned Cadbury under similar pressure from Mars.

Cadbury spent $5.2 million in the top seven measured media in 1986, down from about $12 million in 1985. Last year, the budget was split almost evenly between spot and network TV, while in 1985, the company spent over $6.7 million in network TV, about $3 million in spot TV and about $1.1 million in magazine ads. In 1987, ad spending is on the rise, according to Brian Falk, VP-marketing, though he would not disclose the amount.

The agency resignations, however, were another boon for Wells, Rich, Greene which received not only the Peter Paul accounts, but also the Cadbury products that had previously been with Ammirati & Puris. Early this year, WRG inaugurated its work on the account with two spots themed "Lean back and enjoy!" for the Cadbury Caramello bar, a longtime Cadbury product being tested in Upstate New York and Minneapolis. WRG also recently completed four spots for York Peppermint Patties.

Though Mott's USA (previously Duffy/Mott and Rose/Holland House) is usually the company's low-profile division, it was one of the most active in new product introductions in 1986 and 1987. In 1986, Mott's took on its biggest competitor, Musselman's, with a single-serving (four oz.) container of applesauce, starting with a gradual rollout in about one-third of the major markets, according to VP-Marketing Frank DeLeo. Mott spent about $1.1 million on spot TV and free-standing inserts in those markets. Creative by Scali, McCabe, Sloves focused on the size and convenience of the packaging and targeted schoolchildren as the prime consumer.

Mott doubled market distribution and ad spending in early 1987, focusing again on spot TV and free-standing inserts. DFS Dorland replaced Scali and introduced the present "I Got The Mott's" campaign, which continues to focus on children as consumers but emphasizes product quality.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	987	298
Magazines	2,727	3,865
Newsp. supps.	67	593
Bus. pubs	100	9
Network TV	14,951	17,724
Spot TV	19,124	22,184
Network radio	570	499
Spot radio	393	993
Outdoor	129	80
Network cable	316	351
Total measured	39,364	46,597
Unmeasured	20,908	25,000
Total	60,272	71,597

CADBURY SCHWEPPES
1200 High Ridge Rd.
Stamford, Conn. 06905
(203) 329-0911

CADBURY BEVERAGES
Marketing Personnel

Steve Wilson, group president
Eddie Merck, president, Canada Dry
John Carson, president, Schweppes

Advertising Agencies

Ammirati & Puris, New York—Schweppes—John Hyes, sr vp-acct group dir; Nancy McNally, vp-acct super; Steve Rothman, acct exec.

Wells, Rich, Greene, New York—Canada Dry, Sunkist—John Costello, exec vp; Fred Refsin, sr vp-mgmt super; Cary Raffle, acct super, Sunkist; Steve Kaufman, acct exec, Sunkist; Karen Flanagan, acct exec, Canada Dry; Maureen Confidne, asst acct exec, Canada Dry.

CADBURY CONFECTIONS
Marketing Personnel

William Seval, president
Brian Falk, vp-mktg
Lisa Kranc, mktg dir
Tom Aaro, sr prod mgr, Mounds, Almond Joy
Mary Bennet, prod mgr, York
Neil Hart, mktg dir, Cadbury brands
Lisa Kremer, sr prod mgr, Caramello, seasonal brands
Rolf Linder, sr prod mgr, Cadbury molded bars
James Nyce, dir-rsch

Advertising Agency

Wells, Rich, Greene, New York—Canada Dry, Sunkist—John Costello, exec vp; Fred Refsin, sr vp-mgmt super; Cary Raffle, acct super, Sunkist; Steve Kaufman, acct exec, Sunkist; Karen Flanagan, acct exec, Canada Dry; Maureen Confidne, asst acct exec, Canada Dry. serberger, acct exec, Peter Paul Mounds, Almond Joy, seasonal prods; Mark Smith, asst acct exec.

MOTT USA
Marketing Personnel

Robert Zapletal, vp-sales & mktg
Frank DeLeo, vp-mktg
James Follett, mktg mgr
David Crist, dir-mktg

Advertising Agency

Ally Gargano/MCA Advertising, New York—all brands including Holland House, Rose's Lime Juice—Steve Brounstein, mgmt super; Dianna Gray, acct super.

Canandaigua Wine Co.

RANK **198**

Canandaigua, N.Y.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	195	152	28.0
Net income	11	10	11.6
U.S. advertising	32	16	100.2

Canandaigua Wine Co. finished 1986 with soaring sales and profits due largely to the phenomenal success of its Sun Country Wine Cooler. But its ascent proved bittersweet, as the escalating marketing battle in coolers is negatively affecting its bottom line in 1987.

Canandaigua also expanded its wine holdings in September 1986, when it purchased Widmer Wine Cellars, producer of premium varietal New York State table wines and champagnes. Two months later it added the wine business of Monarch Wine Co., the Brooklyn-based marketer of kosher wines and champagnes including the Manischewitz line.

The acquisitions make Canandaigua the third largest wine producer in the U.S. The company now owns six wineries in New York, California, Virginia and South Carolina. In addition, it markets J. Roget champagnes and Richard's Wild Irish Rose Wine.

Canandaigua was also busy with new product introductions. Its biggest introduction in 1987 was the national rollout of Sun Country Classic, a premium wine cooler. In 1986, new products included several new flavors of Sun Country; Cool Breeze, a flavored dessert wine; Esprit DeVie sparkling fruit juices; Widmer premium table wines and Blanc De Noirs Sparkling wine under the J. Roget label.

But though fiscal 1986 ended Aug. 31 was a banner year—sales increased 28% and net income rose 11.6%—fiscal 1987 has been disappointing. For the nine months ending May 31, 1987, Canandaigua's net income declined 87% to $742,545. The drop was attributed to poor sales and increased marketing expenses of Sun Country; the total includes a third quarter loss of $2.7 million. Revenues for the nine months, however, increased 11.5% to $131.2 million, mainly because of increased sales of Manischewitz and Richard's Wild Irish Rose.

The fortunes of Canandaigua have been tied to the $1.7 billion wine cooler category. In 1986, case sales of Sun Country spiraled to 10.3 million, up 75% over 1985, according to *Impact*, a New York-based industry trade publication. The line, backed by popular "celebrity bear" ads via Towne, Silverstein, Rotter, New York, accounted for a 14% share of the [illegible] 74 million case market.

But by mid-1987, industry sources say Sun Country's share had dropped to the fourth spot, where it is tied with Stroh's White Mountain with an 11% share. Seagram's Coolers and Gallo's Bartles & Jaymes are reportedly tied at the top spot, each with 25% market shares. Brown-Forman Corp.'s California Cooler is third, its share declining from 17.5% in 1986 to about 16% today.

Retail sources say Sun Country's decline is due to disappointing sales of the Classic brand paired with the increased marketing might of leaders Bartles & Jaymes and Seagram's.

Canandaigua's Sun Country Classic, a premium, slightly drier cooler designed to compete directly with premium Bartles & Jaymes and Seagram's premium Golden cooler, was backed by ads featuring ex-Beatle Ringo Starr. His fee was reported to be in six figures. The $15 million campaign failed to build sales. Canandaigua has since shelved the campaign and has turned to a new music video-like program themed "Join the party." Sun Country's famous "celebrity bear," which hid celebrities in a polar bear suit, makes a cameo appearance in these ads.

In 1986, Canandaigua devoted almost its entire measured ad budget to Sun Country, spending $19.5 million, according to BAR/LNA. In 1985, the brand had about $8 million in spending. In 1987, Sun Country was expected to spend about $40 million. But with sales off, that figure could be lower than projected.

Canandaigua built its marketing reputation on Richard's Wild Irish Rose, an inexpensive sweet brand with 6.1 million case sales according to *Impact*. It draws little media spending.

This year, Canandaigua broke new TV spots for the brand themed "Pick the winner, pick the rose."

J. Roget sparkling wines has grown 49% to 1.1 million case sales. J. Roget gets minimal advertising.

This year, Canandaigua was appointed exclusive importer for Keller-Geister German wines. It was previously represented by the Munsen Shaw Division of National Distillers. (National was sold earlier this year). The German agreement is the "spearhead" for Canandaigua's program to build an imported wine business in the U.S.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	27	33
Magazines	292	254
Bus. pubs	106	121
Network TV	13,536	6,964
Spot TV	3,665	1,428
Network radio	301	684
Spot radio	2,203	1,892
Outdoor	40	22
Network cable	3,629	538
Total measured	23,799	11,936
Unmeasured	8,100	4,000
Total	31,899	15,936

CANANDAIGUA WINE CO.
116 Buffalo St.
Canandaigua, N.Y. 14424
(716) 394-3630

Marketing Personnel

Marvin Sands, chmn-ceo
Richard Sands, president-coo
Bertram Silk, vp, wine operations
Robert I. Huntington, vp-strategic planning & corp devel
Joseph J. McDonald, vp-adv & corp accts
Howard R. Jacobson, dir-marketing

Advertising Agency

Towne, Silverstein, Rotter, New York—Steven Stetzer, acct super, all brands; Mark Ordover, acct exec, Sun Country; Nelida Willoughby, acct exec, Richards' Wild Irish Rose, Cool Breeze; Holly Sentell, acct exec, Manischewitz.

Canon Inc.

RANK **122**

Tokyo

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	5,523	5,936	(7.0)
Net income	67	230	(71.0)
U.S.	**1986**	**1985**	**% chg**
Sales	1,720	1,695	1.4
Operating profits	N/A	N/A	N/A
Advertising	67	81	(17.4)
Division sales	**1986**	**1985**	**% chg**
Bus. machines	4,094	4,236	(3.4)
Cameras	988	1,225	(19.3)
Optical, other	440	475	(7.4)

Canon Inc., whose main subsidiary is Lake Success, N.Y.-based Canon USA, is hoping for a recovery of the U.S. dollar. Currency instability during 1986 contributed heavily to a drop of 71% in net income at the parent company, which traditionally generates 70% of its sales in overseas markets.

Worldwide, Canon spent $232 million in advertising in 1986, down 25.4% from 1985. In the U.S., advertising dropped 17%, to $67 million in 1986 from 1985.

Although Canon remained No. 1 in worldwide market share for cameras last year, its camera sales dropped 19.4% for the year, largely because of the sharply higher prices on 35mm single lens reflex (SLR) cameras. Cameras accounted for 18% of Canon Inc.'s 1986 consolidated sales. Canon spent $15.8 million in U.S. measured spending in 1986 to support its cameras, video equipment and accessories, virtually no change from 1985, according to BAR/LNA.

To increase demand for SLRs in North America and Europe, where sales fell off in 1986, Canon introduced several new products, such as the high-technology T-90 SLR, an addition to the T-50 and T-70 SLR models, backed by advertising that featured spokesman-sportscaster John Madden.

In February 1987, Canon entered the automatic-focus single lens reflex market, dominated by rival Minolta Corp.'s Maxxum camera line, with its Electronic Optical System (EOS) 650 and EOS 620. Canon is expected to spend about $10 million in advertising support this year for the EOS line. DCA Advertising, New York, is handling the entire campaign, from creative to media. Those duties are usually split between Grey and DCA.

Canon continued to lead the 35mm point-and-shoot camera category—with between 30% and 35% market share—with its popular line of Sure Shot and Snappy compact cameras. In 1986, the company introduced the waterproof Aqua Snappy and Sure Shot Tele, backed by heavy print and point-of-purchase advertising.

Video systems marketing continued to grow, with emphasis on Canon's 8mm VM-E1 compact camcorder. And Canon launched the VM-E2 in North America and Japan earlier this year. The company also markets VHS home VCRs and a line of OES video camera lenses.

In June 1986, Canon introduced the first commercially available Still Video System, geared toward publishers of magazines and newspapers. The new camera records pictures on 2-inch video disks instead of on conventional silver halide film. The camera body alone costs $2,595; the transceiver, which transmits color pictures over telephone lines, costs $19,900; printer costs $6,950; the recorder for instant picture playback on TV sets or monitors runs $2,695. Despite the high price, the pictures produced by the SVS don't have the clarity of 35mm photographs.

Business products contributed 74% of consolidated sales in 1986. The company said sales in the business products group dropped 3.3%, due to a 10.3% decline in copier sales, hard hit by the changing value of the yen. Sales of electronic typewriters and handheld calculators, on which $3.3 million in measured advertising was spent in 1986, dropped as well. However, Canon laser-beam printers (LBPs) and facsimile machine sales, up 7.2% combined, nearly balanced the decline in other business product categories.

This fall the company introduced the Canon Cat, a business-oriented "work processor" that is a cross between a personal computer and an electronic typewriter. A $2 million print campaign, via Grey Advertising, began in September.

Canon retained its market lead in the personal copier category in 1986, with measured advertising spending of $20.6 million. Canon strengthened its hold this year with the introduction of the NP-2000, 3000 and 4000 dual-color copier models.

An estimated $8 million campaign for Personal Cartridge Copiers broke on TV in October 1986, featuring spokesman Jack Klugman and actress Beckie Price showing how the copier line appeals to different types of home office users.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,753	3,279
Magazines	16,117	23,295
Newsp. supps	102	56
Bus. pubs	2,775	3,143
Network TV	18,269	21,400
Spot TV	7,188	5,502
Network radio	0	1,042
Spot radio	1,524	684
Outdoor	431	426
Network cable	2,065	1,967
Total measured	50,224	60,792
Unmeasured	16,861	20,409
Total	67,085	81,201

CANON U.S.A.
1 Canon Plaza
Lake Success, N.Y. 11042
(516) 488-6700

Marketing Personnel

T. Hirasawa, asst dir-prod planning & mktg
E. Yoshinari, dir-adv, video
T. Kikuchi, mgr-adv & sales promo, copiers
H. Iwanami, adv-sales promo mgr, calculators
H. Hirai, dir corp pr

Advertising Agencies

DCA Advertising, New York—print/sales promo, tv for cameras, calculators, copiers, medical prods, micrographics, facsimile machines, tv lenses, semiconductor mfg equipment—Nick Nakahara, vp-mgmt super; Janet Virgil, acct exec; Bob Mitchell, asst acct exec; Satch Takayasu, acct coord.

Grey Advertising, New York—typewriters, personal computers, video equipment, tv ads for cameras—Harvey Goldhersz, group dir.

Capital Cities/ ABC

RANK **130**

New York

($ in millions)

Worldwide	1986	1985	% chg
Sales	4,124	N/A	N/A
Net income	448	N/A	N/A
U.S. advertising	63	72	(12.6)

Capital Cities/ABC predicts 1987 will be a turnaround year in earnings for its ABC Network. This prediction is based on a better-than-expected upfront selling season and anticipated spending increases heading into an Olympics and national elections year.

Company officials last month told analysts that fourth-quarter network revenues would increase 8% over a year ago and that 1987 network revenues overall are expected to increase about 2.5% over 1986.

In addition to the negative impact of the National Football League players strike, ABC suffered from low ratings that kept it in third place among networks in 1987.

ABC wasn't the only network to complain. Revenues increased only 3.5% for all three major networks as national package goods companies shifted from media to promotional spending and the networks came under increased competition from independent TV stations and cable outlets. But ABC fared the worst among the three networks; its revenues declined 4% from 1985, to $2.05 billion, and its operating loss of $70 million in 1986 compared with a pro forma profit of $105 million in 1985.

ABC Network accounted for 50% of total sales of Cap Cities/ABC. In addition, Cap Cities/ABC owned-and-operated stations delivered an estimated $322 million in operating profits in 1986. Seven of the eight owned-and-operated stations ranked first in their markets.

Net revenues for the broadcast division,

First in a series of discussions in the M/A/R/C Symposium.

A Candid Discussion About Database Marketing.

Q: **What is the difference between database marketing and traditional direct marketing?**

A: Database marketing is the next evolution of direct marketing. The primary difference is the ability to communicate more precisely with different market segments and incorporate the consumer response back into the database. Once the response information becomes part of the file it can be used for segmentation purposes in creating the next direct marketing program. The advances in the data processing industry over the last 10 years have made storing of large amounts of information about prospects and customers much more affordable. The real magic is in the analysis of the data and its application to a particular marketing problem.

Q: **I currently employ targeting tactics in my media buys. How will this be different in a database marketing environment?**

A: It'll give you the ability to communicate more precisely with identified market segments. Analysis of promotion responders can yield strategic marketing direction.

So, the collective intelligence of the database improves with use. By appending the database with additional information from previous promotions or database overlays, targeting can be refined to much higher levels. Each new promotion or database overlay added to your consumer database provides more marketing variables to segment market niches that have a higher propensity to respond to your offer.

Q: **What kind of marketing applications should be considered for database marketing?**

A: Categories which have a high degree of switching, are mature, or have well-defined niches are excellent candidates. Examples of programs which work well in a database strategy are competitive and continuity promotion programs, frequent traveler and shopper programs, sales lead generation and business-to-business direct marketing programs.

Q: **If you had to describe the biggest difference between M/A/R/C Database Marketing and others, what would it be?**

A: There is a big difference between just collecting information and knowing what to do with it. The most important difference is our ability to leverage over 25 years of marketing and consumer research experience to design, develop and implement marketing programs that best suit your needs. It becomes a matter of knowing what to ask, and then knowing what to do with the answers. Database marketing allows you to communicate with each customer on an individual basis and create a dialogue that will continually enrich your market intelligence. As an example, we very often uncover information that points to needed changes in the marketing mix. So, the results of the interpretation of the information can optimize strategic marketing programs. M/A/R/C can also identify cross-selling opportunities, either for existing products and services or for new introductions. And, you can use it as a tool to outmaneuver your competition's marketing strategy in as many or as few markets as you choose. With M/A/R/C Database Marketing, pre-emptive planning will become the norm because you will have quantified knowledge of the category consumer base.

Q: **Isn't database marketing going to make an already expensive advertising vehicle even more so?**

A: The true benefit of database marketing is that it optimizes each marketing program that you run. As mass media costs rise and response to these programs gets harder to quantify, the need for measurable marketing solutions increases. The ability to fine tune your targeting, so you only reach those prospects which have a high probability of responding, can dramatically reduce your costs while improving your volume. M/A/R/C can provide a turnkey test of database marketing with your brand or service for less than $100,000.

Q: **I know M/A/R/C has a great reputation in custom research, but I imagine you use a service bureau for database management. Don't you?**

A: No. Most direct marketing agencies do use a service bureau. M/A/R/C is unique. Information has long been our business and our state-of-the-art computer capabilities enable us to do everything in-house. We think it is the only way to offer clients a formula for success where one plus one equals four.

M/A/R/C has a long history of proactive client service. We have been dedicated for the past two decades to working with clients to understand and create the best product or service mix to sell in changing market conditions. This expertise and dedication to service are carried forward into our newest service, database marketing. When you think about it, an integrated system customized to meet your individual needs – a system that's capable of revolutionizing your marketing strategy – is a powerful concept.

Q: **OK. You've got my attention. How do I find out more about M/A/R/C Database Marketing?**

A: Call Ken Orton at 1-800-527-2680 or return the coupon.

☐ *Yes, I want to arrange an interview to find out how effective M/A/R/C Database Marketing can be for my company.*
☐ *I'm interested, but before we meet, call me at my office*

Name __________

Company __________ *Title* __________

Address __________

City, State, Zip __________

Telephone __________

M/A/R/C Inc.
Ken Orton, Vice President
P.O. Box 650083
Dallas, TX 75265-9990

The Artistry of Marketing. It Works.

dominated by the TV stations, reached $1.1 billion in 1986, up 13% over pro forma 1985. Operating earnings increased 42% to $412 million from a pro forma 1985 total of $290 million. Net revenues for the stations increased 11% over pro forma 1985, because of strong local ad revenue growth and significant cost savings instituted by the penurious new owner.

The ABC radio network, the industry's most profitable, also posted sizable gains in 1986. And the company's video division was profitable for the first time.

In addition to management shake-ups and employee layoffs as part of cost containment measures, major changes were made in the ad agency lineup.

In July 1986 McCaffrey & McCall lost the $25 million account for ABC Entertainment's tune-in and general promotion advertising to Grey Entertainment & Media, New York, which ABC already had been using for movie and miniseries ads. McCaffrey & McCall also lost ABC Sports to Lois Pitts Gershon Pon/GGK and ABC News to Bozell, Jacobs.

Cap Cities/ABC's total 1986 advertising spending, estimated at about $63 million, was down 12.6% from 1985. The company continued its move away from print advertising and toward radio, begun in 1985 when the company slashed print expenditures 40% and tripled radio buys. Radio buys again more than tripled in 1986, to $8 million.

The company almost halved its newspaper advertising budget to $10 million in 1986. Magazine advertising dropped 43% to $20 million.

Cap Cities/ABC consolidated national advertising sales representation of the company's TV stations in an expanded in-house entity renamed Capital Cities/ABC National Television Sales, dropping Blair Television, which had represented the Capital Cities stations before the merger.

The company reorganized its radio stations division, splitting the 10 markets into two groups in May 1987, a structure "which positions us for the competitive pressures we expect in the future," says James Arcara, radio division president.

The company's video enterprises had a breakthrough year in 1986, as net revenues increased by 42% over 1985. Cap Cities/ABC owns shares in three cable channels, ESPN, Arts & Entertainment (A&E) and Lifetime. ESPN, the largest of the three, is 80% owned by the company, and offers 24-hour sports programming.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	9,989	18,168
Magazines	30,555	34,860
Newsp. supps	542	407
Bus. pubs	162	216
Spot TV	4,396	4,563
Network radio	256	42
Spot radio	7,982	3,263
Outdoor	795	1,091
Network cable	669	686
Total measured	55,346	63,295
Unmeasured	7,771	8,888
Total	63,117	72,183

CAPITAL CITIES/ABC
1330 Avenue of the Americas
New York, N.Y. 10019
(212) 887-7777

Corporate Personnel

Thomas S. Murphy, chmn & ceo
Daniel B. Burke, president-coo
Joseph P. Dougherty, exec vp
John B. Fairchild, exec vp, chmn & ceo, Fairchild Publications
John B. Sias, exec vp, president, ABC Network Group
Ronald J. Doerfler, sr vp & cfo
Michael P. Mallardi, sr vp, president, Broadcast Group
Phillip J. Meek, sr vp, president, Publishing Group
Stephen A. Weiswasser, sr vp & genl counsel
Allan J. Edelson, vp, controller
Andrew E. Jackson, vp
Gerald Dickler, secretary
David J. Vondrak, vp, treas
David S. Loewith, vp, asst controller
Philip R. Farnsworth, asst secty
Allen S. Bones, asst treasurer

ABC TELEVISION GROUP
Corporate Personnel

John B. Sias, president
Mark H. Cohen, exec vp
Warren D. Schaub, sr vp
Brandon Stoddard, president, ABC Entertainment
Roone Arledge, group president, ABC News & Sports; president, ABC News
David W. Burke, exec vp
Richard C. Wald, sr vp, ABC News
David W. Burke, vp, ABC News
Dennis Swanson, president, ABC Sports
Dennis Lewin, sr vp, ABC Sports
Stephen J. Solomon, sr vp, ABC Sports
Mark Mandala, president, ABC Television Network Group
George H. Newi, sr vp, ABC Television Network Group
James E. Duffy, president, ABC Communications

BROADCAST GROUP
Corporate Personnel

Michael P. Mallardi, president
Lawrence J. Pollock, president, Television Stations—East
Robert C. Niles, vp, Television Stations East
Kenneth M. Johnson, president, Television Stations—West
James E. Masucci, vp, Television Stations West
Herbert A. Granath, president, Video Enterprises
J. William Grimes, president, ESPN
Julius Barnathan, president, Broadcast Operations & Engineering

PUBLISHING GROUP
Corporate Personnel

Phillip J. Meek, president
John B. Fairchild, chmn & ceo, Fairchild Publications
Robert G. Burton, president, ABC Publishing

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, New York—ABC News—Les Koll, vp-mgmt super.

Grey Entertainment & Media, New York—entertainment—Don Foley, exec vp.

Lois Pitts Gershon Pon/GGK, New York—ABC Sports—George Lois, chmn, creative dir.

Carter-Wallace Inc.

RANK **117**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	451	400	12.7
Net income	32	28	17.2
U.S.	**1986**	**1985**	**% chg**
Sales	355	324	9.5
Operating profits	70	65	8.4
Advertising	69	66	4.9
Division sales	**1986**	**1985**	**% chg**
Health care	209	177	18.1
Antiperspirants	117	123	(5.0)
Other products	125	100	25.2

Carter-Wallace Inc. is charging ahead with new products backed with advertising muscle. The expansion is led by its new acquisition, the Trojan condom brand.

The Trojan brand, which Carter-Wallace acquired in September 1985 from Youngs Drug Products Corp., Trenton, N.J., for $25 million, controls 60.3% of all prophylactic units sold, according to A.C. Nielsen data. Last year, the brand was supported with measured spending of only $1.1 million (a growth of 256% over 1985). Carter-Wallace was a major force in getting condom ads on TV and in general interest magazines, media that once considered the topic taboo.

The Carter Product Division also launched Arrid XX Musk Spray and Arrid Wide Oval Solid in 1986. And most recently, Carter-Wallace unleashed another contender in the $1.4 billion category, Arrid Glide On Deodorant. In 1987, during the full rollout, the new items were supported with $7 million in consumer advertising and $5 million in promotional backing, according to the company.

Glide On, a deodorant in gel form aimed at women, during tests received heavy support through newspaper ads, in-store displays and on-pack promotions, including 50¢ coupons. During the initial launch, more than 90 million cents-off coupons were distributed.

Spending on Arrid as a total brand, according to BAR/LNA, jumped 27% in 1986 over 1985. The heaviest push was $8.5 million behind Arrid Extra Dry Solid Deodorant. Arrid Extra Dry brands control 14.4% of all deodorant/antiperspirants, followed by Sure with 13.5%, Secret with 11.8%, Ban with 11.2%, Mennen with 9.2% and Dry Idea with 8%, according to figures based on drug and food store movement.

Advertising spending in the entire condom category surged 300% from the $500,000 mandated by restrictions in 1985, and it is estimated that spending in 1987 will surpass $4 million. By 1990, that figure may climb to $12 million. In the initial markets where condom ads were accepted, sales leaped 50%, according to research from Wayne, N.J.-based IMS Consumer Products Database. This portends even stronger volume for the market now measured at $200 million. The category could hit sales of more than $500 million by 1991, based on conservative 11% growth per year.

Behind Carter-Wallace's 60.3% share in unit sales is Schmid (Ramses, Sheik and Fourex) with 29.9%, National Sanitary Labs (Protex) 4.6%, Ansell (Lifestyles) 4.1%, and relative newcomer, Mentor, which has an 0.4% share in units. "Other" brands command 0.6%.

In 1988 Carter-Wallace will unveil Lady Trojan, a newly packaged offering aimed at women, who now buy 40% to 50% of all condoms, according to some sources. The goal is to get shelf space in the feminine hygiene section as well as in standard condom racks.

Other products under the Carter Products Division umbrella performed well last year. Nair depilatories remain the market leader. Measured spending behind Nair rose 28.5% to $2.1 million. The brand was extended to include a Nair Bikini Kit in 1986.

Carter's suncare products (Sea & Ski, Block Out) account for less than 10% of this market. In 1986, the company launched five new suncare products, most bearing higher SPF factors. Suncare items were supported by $1.3 million in spending, with $1.2 million of that behind Sea & Ski.

Pearl Drops, which racked up measured spending of $3 million, became the leading brand in unit sales in the tooth polish segment. Based on the success of Pearl Drops, a gel formula was introduced nationally last year.

Another new product area for Carter-Wallace in 1987 was its launch of a fish oil called Discovery. Fish oil became the "hot" diet supplement in 1986 with Warner-Lambert, Squibb, Thompson Medical and Carter-Wallace rushing entries into the market. Discovery shook up the market by price-cutting. During its launch, print ads touted a buy one-get one free promotion.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	7	0
Magazines	3,382	3,078
Newsp. supps	0	23
Bus. pubs	152	19
Network TV	20,139	18,075
Spot TV	1,616	2,643
Spot radio	100	309
Network cable	626	649
Total measured	26,021	24,796
Unmeasured	43,025	41,000
Total	69,046	65,796

CARTER-WALLACE INC.
767 Fifth Ave.
New York, N.Y. 10153
(212) 758-4500

Corporate Personnel

John D. Mack, president
David W. McLain, exec vp

Marketing Personnel

Richard D. Kline, vp-mktg, Arrid prods
Stephen H. Friedman, vp-mktg, personal prods
Frank E. Suddoth, vp-mktg, suntan prods
Mark B. Klein, vp-mktg, family prods
Paul Brickman, dir-new prods
Richard C. Deyo, dir-mktg admin
Dolores M. Schimenti, dir-rsch
Anna I. Zgorska, dir-media
Alan B. Sadovnick, dir-sales promo

Advertising Agencies

Avrett, Free & Ginsberg, New York—Pearl Drops & Pearl Drops Smoker's toothpolishes, Nair depilatories, Rigident denture adhesive—Don Bandman, exec vp; Marlene Wheeler, vp-acct super; Melissa Garlanda, Rod Brown, acct execs.

Backer Spielvogel Bates Advertising, New York—Arrid deodorants, antiperspirants, Sea & Ski, Block Out, Tropic Sun prods, Carter's Little Pills, Answer pregnancy tests, Trojan condoms, Mischief body spray—Mark Morris, exec vp; Renee Summer, sr vp-mgmt rep; Robert Desatnick, Melanie Schneider, vps-acct supers; Gaye Sussman, media dir; Sharon Mathews, assoc media dir; Howie Eisen, media super; Rich Anderson, media planner; Christie Jensen, acct exec; Noah Levine, assoc acct exec.

Poppe Tyson, New York—Triple X pedi-culicide—Fergus O'Daly, president; Diane Frattine, acct exec.

INTERNATIONAL
Corporate Personnel

Miguel Fernandez, president
Barrington Shears, vp
George A. Kappler, vp-ethicals & diagnostics
Edward G. Goldenbaum Jr., dir-diagnostics
Darlene M. Chermak, mgr-consumer prods

LAMBERT KAY
Marketing Personnel

Robert A. Cuthbert, president
Thomas Abrams, dir-mktg svcs
Thomas McShane, vp-mktg

Advertising Agency

(In-house)—Fresh 'N Clean pet grooming prods, Linatone food supplements, Theralin vitamins for pets, Avitron vitamins and Avimin minerals for birds, Victory insecticides, shampoos, Lassie line of grooming, health prods—Thomas Abrams, mktg mgr.

WALLACE LABS
Marketing Personnel

Herbert Sosman, president
Thomas G. Gerstmyer, vp-mktg
Thomas Halvorson, group prod mgr
Richard P. Krukowski, dir mktg, planning & devel

Advertising Agencies

Thomas G. Ferguson Associates, Parsippany, N.J.—Organidin, VoSol, VoSol, VoSol HC, Rondomycin, Ryna, Ryna C, Ryna CX, Rynatan, Rynatuss, Tussi-Organidan, Tussi-Organidin DM—John Zweig, sr vp-dir operations; John Szlasa, sr vp-mgmt super; Carole Rains, John Puleo, acct execs.

William Douglas McAdams, New York—Depen, Lufyliin, Lufyllin-GG, Lufyllin-EPG, Soma, Soma Compound, Soma Compound with Codeine, Micrainin, Aquatensen, Diutensen, Diutensen-R—Joseph Carobene, sr vp; Leon Rosenberg, acct super; Lorraine Pastore, asst acct exec.

WAMPOLE LABORATORIES
Cranbury, N.J.
Marketing Personnel

John Bridgen, president
John A. Kraeutler, vp-mktg

Advertising Agency

Simms & McIvor, Bound Brook, N.J.—diagnostic prods—Eugene McLoughlin, acct super; Nancy Masterson, acct exec.

Castle & Cooke Inc.

RANK **111**

Los Angeles

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	1,700	1,681	1.1
Net income	44	46	(4.3)
U.S.	**1986**	**1985**	**% chg**
Sales	1,265	1,276	(0.9)
Operating profits	N/A	N/A	N/A
Advertising	71	56	26.3
Division sales	**1986**	**1985**	**% chg**
Flexi-Van	62	153	(59.5)
Castle & Cooke	1,676	1,528	9.7

Castle & Cooke, the world's largest producer and marketer of fruits and vegetables, in 1986 concentrated its efforts on international marketing and the building of its Dole brand, both domestically and worldwide.

C&C also increased U.S. advertising 26.3% to $71.3 million in 1986 over 1985, with most of the increase supporting what became a separate subsidiary in March 1986—Dole Food Co. Dole gained its subsidiary status as part of a corporate restructuring that put new emphasis on international marketing, particularly Asia. Before the reorganization, Dole existed only as a C&C brand.

In another sign of its redirection, Dole re-evaluated its domestic marketing programs and decided to consolidate its $25 million-to-$30 million ad budget at one agency. In April 1986, the company hired William Esty Co., New York, to handle all Dole products, previously split between Allen & Dorward and JWT/West, both San Francisco.

During Esty's handling of the business, Dole signed singer Kenny Rogers, a personal friend of Castle & Cooke Chairman David Murdock, to be spokesman for the company's multi-product advertising campaign. But just as the campaign broke in February 1987 the business was abruptly shifted to Backer Spielvogel Bates, New York, at the personal direction of Mr. Murdock.

Dole, the No. 1 worldwide marketer of pineapples and No. 2 seller of bananas, put its heaviest 1986 ad spending behind its frozen novelties. The national rollout of Fruit & Cream Bars, an extension of its successful Fruit 'n Juice line introduced in 1984, received $8.6 million, almost exclusively in network TV.

Measured spending for Fruit 'n Juice Bars and Fruit Sorbet declined in 1986. Spending for Fruit 'n Juice Bars was down 36%, to $5.4 million. Fruit Sorbet's budget declined 15%, to $6 million. Both brands received heavy network TV support. The $1.6 million that Fruit Sorbet received in spot TV in 1985 was eliminated in 1986.

Ad spending in 1986 for Dole canned pineapple and Dole ready-to-serve and frozen juices remained steady. Measured spending for Dole ready-to-serve and frozen pineapple juices was flat at $2.6 million, while backing for canned pineapple increased a slight 9%, to $3.9 million.

C&C continued pushing the Dole brand through new Dole Breakfast Juices, which it rolled national in early 1987. The pineapple juice-based blends, in cartons and frozen concentrate, compete in the highly segmented juice market with Del Monte USA's Fruit Blends, which were introduced in early 1987 with a $16 million network TV campaign. Dole is testing a line extension it calls Pure 'n Light Breakfast Juices.

Though Mr. Murdock, who took control of C&C when it merged with his New York-based Flexi-Van Inc. in early 1985, is perceived by many as a seller of assets rather than a builder of brands, two acquisitions in 1987 indicate C&C's intention to build Dole for the long-term.

In September 1987 C&C purchased the agricultural properties of Tenneco West, a fresh fruit, nuts and vegetable marketer, and Apache Corp, producer of olives and figs.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	225	0
Magazines	6,065	6,332
Newsp. supps	145	109
Bus. pubs	1,292	0
Network TV	16,130	8,699
Spot TV	3,069	4,678
Network radio	2,529	2,274
Spot radio	1,395	2,383
Outdoor	20	6
Network cable	41	0
Total measured	30,912	24,481
Unmeasured	40,406	32,000
Total	71,318	56,481

CASTLE & COOKE
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Los Angeles, Calif. 90024
(213) 824-1500

Marketing Personnel

David Murdock, chmn
Robert Fisher, president, Dole Food Co.
Harold Reed, president, Dole Packaged Foods
David Delorenzo, president, fresh fruit
John Porter, vp-mktg & sales, processed foods
Leo Kreger, vp-mktg, processed foods
Robert Urbain, vp-genl mgr, frozen desserts

Advertising Agency

Backer Spielvogel Bates, New York—Dole packaged foods, Dole frozen desserts, Dole fresh foods, new prods—Sharon Mosse, exec vp; Ed Aroyan, Vicki Mendelson, acct supers; Lynn Hannon, Susan Rudolph, Ira Bahr, acct execs.

Chevron Corp.

RANK **174**

San Francisco

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	26,245	43,845	(40.1)
Net income	715	1,547	(53.8)
U.S.	**1986**	**1985**	**% chg**
Sales	19,886	30,253	(34.3)
Operating profits	247	1,404	(82.4)
Advertising	45	46	(0.7)
Division sales	**1986**	**1985**	**% chg**
Petroleum	23,666	41,003	(42.3)
Chemicals	1,998	2,246	(11.0)
Minerals	380	365	4.1

The collapse of crude oil prices and falling revenues for petroleum products called for draconian cost-cutting at Chevron Corp. in 1986. However, its marketing and advertising programs remained almost intact at a spending level of about $45 million.

Chevron management met the revenue shortfall with numerous cutbacks. Planned worldwide capital expenditures were sliced from $5 billion to about $3 billion, about the same level expected for 1987; the work force was cut by 12%; $850 million in assets were sold; the debt from the 1985 merger with Gulf was reduced by $1 billion.

At the end of 1986, the company's total assets were $34.6 billion, and it ranked as the fourth largest U.S. petroleum company, based on revenues, the nation's largest manufacturer of refined products and the largest marketer of jet fuel, diesel fuel, asphalt and natural gas liquids.

At Chevron USA, the company's petroleum products marketing arm, expansion of gasoline-convenience stores remained a priority. The company has started a $600 million consolidation program that will consolidate two or three low-volume stations in a market into a single high-volume outlet.

Most of the company's advertising dollars backed gasolines, both Chevron and Gulf brands, which pulled a combined $10 million in measured media. Chevron motor oil and lubricant products accounted for another $4 million. Since the acquisition of Gulf Oil by Chevron, the company has consolidated many Chevron/Gulf product lines, especially motor oils.

Measured media expenditures for 1986 find spot TV, at $14.9 million, up 25.5% from 1985, once again the dominant media force in Chevron's regional marketing strategy, according to BAR/LNA. Spot radio expenditures at $4.3 million were off 55.2% from 1985.

Chevron unleaded gasoline containing Techroline continues to be used by all four major U.S. auto makers in the EPA's 50,000-mile emission system durability tests, and Chevron's radio advertising still highlights this EPA usage. The patented Chevron gasoline additive is packaged as a concentrate and sold as Techron, and it is now being incorporated into Gulf gasoline grades. Average monthly sales of Techron grew nearly threefold compared with 1985.

Chevron's "Yes, the best" campaign introduced in 1986 for its Techroline gasoline brand rolled on into 1987 emphasizing product quality and its relation to overall auto performance. The campaign concentrates on spot TV. Gulf gasolines continue with the "Unlock the power" campaign for its Techroline grades. Both campaigns have the support of newspapers and radio in key markets.

Chevron in 1986 relied largely on a mix of spot TV and radio to market its products in more than 50 major markets. In 1987 the company has beefed up its spending in print in regional editions of national consumer magazines. In 1986, Chevron spent $3.2 million in newspapers and $3.4 million in magazines. The push for print is in line with the company's increased emphasis on the sale of premium grades. Premium users, it is believed, are not great TV viewers; they can be reached most effectively by specialty magazines.

Chevron Plus Unleaded, a mid-grade gasoline, was rolled out nationally in mid-1987 as sales for leaded gasolines dwindles to extinction. Launched in Southern Florida test markets in August and mid-Atlantic region in September, the unleaded brand is expected to be introduced on a market-by-market basis in 1987-88 with the support of spot TV.

Advertising by Chevron Chemical Co. —the company's best-performing division, representing 7% of corporate sales but 15% of net income—commanded nearly 25% of Chevron's total ad expenditures in 1986. The outlay, mostly for Ortho products, was split between herbicide and pesticide lines. Media usage for advertising ran 70/30 in favor of TV over consumer magazines.

Chevron Chemical used a series of split-30 spots to promote the Ortho line of indoor home pestkillers. Launched in 1987, the spots are scheduled to run in spot markets through 1988, supported by print on a regional basis.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	3,162	2,489
Magazines	3,414	2,468
Newsp. supps	120	84
Bus. pubs	1,450	1,431
Farm pubs	914	1,794
Network TV	2,026	1,439
Spot TV	14,920	11,111
Network radio	5	42
Spot radio	4,395	9,688
Outdoor	28	105
Network cable	79	65
Total measured	30,512	30,714
Unmeasured	14,901	15,000
Total	45,413	45,714

CHEVRON CORP.
225 Bush St.
San Francisco, Calif. 94104
(415) 894-7700
CHEVRON CHEMICAL CO.
San Francisco, Calif.
Marketing Personnel

Bob Dennison, vp-genl mgr, Ortho agricultural chemicals div
Jim Lieto, vp-genl mgr, Ortho consumer prods div
Tom Graham, adv mgr, Ortho consumer prods div (home, lawn & garden chemicals)
Phyllis McCabe, adv specialist, Ortho agricultural chemicals div (pesticides)
Kevin Eikenberry, mktg specialist, Ortho fertilizer div

Advertising Agencies

Livingston & Co., Seattle—Ra-pid-gro plant food, pr—Pat Doody, vp-acct super.

McCann-Erickson, San Francisco—all divs—Tom Dreese, sr vp-acct super, consumer & agricultural prods divs; Jeff Kaiser, vp-acct super, consumer prods.

CHEVRON U.S.A. INC.
San Francisco, Calif.
Marketing Personnel

L.L. Taigen, vp-mktg
D.C. Smith, genl mgr-mktg
Jim Gordon, mgr-adv & promo
Jim Fivarnik, media dir

Advertising Agencies

J. Walter Thompson USA, San Francisco—public affairs—Michael Goefft, acct dir; David Soblin, mgmt super.

Young & Rubicam, San Francisco—Chevron & Gulf brands—Gene Hart, acct mgr; Jack Hamilton, mgmt super; Les Allison, acct super, Chevron brands; Wayne Buder, acct super, Gulf brands.

RANK
142

Ciba-Geigy Ltd.

Basel, Switzerland

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	8,569	9,787	(12.4)
Net income	119	120	(1.1)
U.S.	**1986**	**1985**	**% chg**
Sales	2,434	2,363	3.0
Operating profits	N/A	N/A	N/A
Advertising	59	52	14.7
Division sales	**1986**	**1985**	**% chg**
Chemicals	1,268	1,329	(4.6)
Pharmaceuticals	2,755	3,006	(8.3)
Agricultural	2,030	2,733	(25.7)
Plastics	1,913	2,076	(7.8)
Ilford	262	294	(11.1)
Electronic equip.	343	349	(1.8)

In order to offset poor results generated by its agriculture division, the Ardsley, N.Y.-based division of Ciba-Geigy Ltd. is concentrating on developing new high-technology products, especially pharmaceuticals.

Dollar sales of Ciba in North America grew 3%, although that is a decline translated into Swiss francs. The 12.4% decline in the company's worldwide sales shown in the box is credited largely to the weak agricultural economy and to the appreciation of the Swiss franc. The average annual exchange for the franc has grown 20.8% against the dollar from early 1986. Figures for both 1986 and 1985 were converted at the same exchange rate of 1 Swiss franc=$0.5371.

Among the new pharmaceutical products the company launched last year were Estraderm, a transdermal treatment for menopausal problems; Ten-K, a treatment for potassium deficiency; Transderm-Nitro, a heart transdermal product, and Tegretol, a medication controlling involuntary movement.

Ciba-Geigy now holds 3.2% of the nation's pharmaceuticals market, the company reports, and is the second-largest pharmaceuticals company in the world behind Merck, Sharp & Dohme International Ltd. Because ethical drugs are rarely marketed to consumers, Ciba's advertising spending is in less consumer-oriented media.

The company made a substantial commitment to vision care with the acquisition from Alcon Laboratories of Alcon contact lens business in Europe and North America (Alcon retained its lens solution business). This supplements the business brought in by the 1985 purchase of American Optical Corp. Ciba increased its sales in this area by 70%, making it the fifth largest vision-care company in the world. During fiscal 1986, this group was spun-off of the pharmaceutical division to become the Ciba Vision Group. Many expect the company will expand into other related eyecare areas such as cosmetics. Measured spending behind eyecare in 1986 was marginal, down to $500,000 from the $2 million in 1985.

The bulk of consumer ad spending is behind Acutrim fiber supplement, although spending dropped 15.3% to $8.3 million in 1986. An Acutrim commercial that showed a woman devouring everything in sight drew criticism in 1986. The agency, Ally Gargano/MCA, lost the account early this year. Acutrim is generally regarded to be second in the market behind Fibre Trim from Schering-Plough.

A major new item unwrapped in 1986 was Sunkist vitamins. The brand was well-received by the trade, and drew an ad budget of $4.3 million.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	35	135
Magazines	707	1,993
Newsp. supps	0	206
Bus. pubs	2,882	1,242
Farm pubs	6,622	7,040
Network TV	10,373	6,846
Spot TV	5,343	71
Network radio	0	5,707
Spot radio	2,175	1,388
Outdoor	171	112
Network cable	198	104
Total measured	28,506	24,842
Unmeasured	30,982	27,000
Total	59,488	51,842

CIBA-GEIGY CORP.
Saw Mill River Rd.
Ardsley, N.Y. 10502
(914) 478-3131
PHARMACEUTICAL DIVISION
Marketing Personnel

William Sheldon, sr vp-mktg
Bill Hackett, exec dir-adv & sales promo

Advertising Agencies

(In-house) C&G Advertising Agency, Summitt, N.J.—Bill Hackett, president.

Foote, Cone & Belding Communications, Chicago—Joan Bia k, sr vp-group dir; Liz Slattery, vp-acct dir; Tom Hollerback, acct exec.

William Douglas McAdams Advertising, New York—Irving Schwab, acct super.

AGRICULTURAL DIVISION
Marketing Personnel

Leo Bontempo, president
Phil Koch, dir-comm
Larry Spickler, comm mgr

Advertising Agencies

Ketchum Advertising, San Francisco—insecticides, fungicides, herbicides—Jeff Manning, sr vp-group dir; Steve Pickford, vp-mgmt super; Russell Woods, super; Norman Rivera, acct exec.

Martin Williams, Minneapolis—herbicides, fungicides—Gerry Kleckner, vp-mgmt super; Tim Burke, acct super.

RANK
194

Citicorp

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	N/A	N/A	N/A
Net income	1,058	998	6.0
U.S. advertising	34	61	(44.8)

Citicorp, the nation's largest commercial bank with more than $144 billion in assets at the end of 1986, slashed its advertising expenditures last year and decentralized its in-house marketing department in an effort to get closer to its individual markets.

Although it posted major failures with products in its two major market segments —credit cards and consumer banking—analysts say Citicorp is holding its own against stiff competition.

The most striking disappointment for the bank holding company came with its decision to scrap its Choice credit card in August 1987 and transfer it to a Visa card still inscribed with the Choice logo. "There was not enough volume for the card to make it profitable," says Norman Jaffe, bank analyst for Fox-Pitt Kelton Inc., New York. Nonetheless, Citicorp is still the largest issuer of credit cards, with more than 9 million accounts. Bank of America is second with 7 million.

Mr. Jaffe says the bank is using the "affinity method" to gain penetration. For example, Citibank recently inked a deal with American Airlines whereby cardholders get free membership for the card and 5,000 free miles of air travel. Each dollar purchase also translates into an extra mile of travel on American Airlines.

Citicorp's other major push is toward more upscale cards such as preferred or "gold" cards and away from the vanilla type card. Citibank is pushing those cards with a direct mail campaign stressing service; included were more than 100 million bind-ins in various national magazines in 1986.

The company also launched a new spot TV campaign with parallel theme lines, "Not just Visa—Citibank Visa" and "Not just MasterCard—Citibank MasterCard." That campaign will run through 1988, and there is a chance Citibank will

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Discover New! Lite, Easy... Rosetto Ravioli.

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Made with thin, delicate pasta and lite, flavorful fillings, Rosetto's new lite and easy ravioli will fill you up without filling you out. Best of all, when you need to fix dinner in no time, it's ready in minutes. Just boil or microwave, then add your favorite sauce or try one of the quick sauce recipes right on the package.

So use the coupon below today and discover delicious flavor, convenience and good nutrition in Rosetto's new, lite and easy ravioli.

ROSETTO COUPON

50¢ off New! Lite Rosetto Ravioli

16 oz. bag. In your grocer's frozen food case

Expires January 31, 1987

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*Based on 20 col. in., black and one color
Source: 1987 Simmons Newspaper Ratings

AD SAT.

NOBODY COVERS NEW YORK'S CAPITAL LIKE
NEW YORK'S CAPITAL NEWSPAPERS
TIMES UNION
Mornings and Sunday
Knickerbocker News
Evenings
HEARST NEWSPAPERS

take it onto network when it completes an evaluation of the campaign's effectiveness.

The bank also plans to coattail on Visa's sponsorship of the Olympics with a special Citibank Visa Olympic card. The hook is a $10 donation to the Olympic Committee for each new account opened.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	4,906	10,538
Newsp. supps	363	391
Bus. pubs	705	1,022
Network TV	6,027	17,174
Spot TV	8,346	10,952
Network radio	140	0
Spot radio	2,305	2,778
Outdoor	273	50
Network cable	831	416
Total measured	23,894	43,321
Unmeasured	9,837	17,835
Total	33,731	61,156

CITICORP

399 Park Ave.
New York, N.Y. 10043
(212) 559-1000

Marketing Personnel

Philemon Hoadley, dir-adv
Elizabeth Heller Allen, dir-mktg, Citicorp Investment Bank
Julian Romeu, dir-adv, Citibank MasterCard & Visa
Karen Foley, dir-mktg, Diners Club
Michael Wien, dir-mktg, Citicorp Savings Illinois
Edward Caso, dir-mktg, Citicorp Savings Florida
Robert Previdi, dir-mktg, Citicorp, Citibank retail

Advertising Agencies

Foote, Cone & Belding Communications, Chicago—Diners Club card U.S., Carte Blanche card, Citicorp traveler's checks, new prods—Bill Melzer, sr vp-group acct dir; Dale Smith, vp-acct dir; Beryl Schnierow, acct exec.

Foote, Cone & Belding/Leber Katz Partners, New York—Citicorp Foreign Currency Center, Diners Club Intl, Citicorp Investment Product unit, Citicorp Choice—Jon Adams, sr exec vp, worldwide acct dir; Connie O'Brien, Katherine Chiles, vp-mng dirs; Linda Lustig, vp-acct dir; Bob Morgan, Greg Maddock, acct execs.

Lowe Marschalk, New York—Citibank Better Bank Card div—Dan O'Donnell, vp-acct super; Patricia Gallagher, acct exec.

N W Ayer, New York—Citicorp natl campaign, Citibank—Philippa Muir, mng super; Linda Stack, Jack Rayher, Anita Stewart, vps-acct supers.

N W Ayer, Chicago—Citicorp Savings of Illinois—John Wells, president; Jim Signorelli, vp-acct super; Sharon Earle, Jim Beall, Don Millsap, acct execs.

Smith-Greenland, New York—Citicorp Investment Bank—Bert Rosenberg, exec vp; Beth Granowitz, acct exec.

Coleco Industries

RANK **152**

West Hartford, Conn.

($ in millions)

Worldwide	1986	1985	% chg
Sales	501	776	(35.5)
Net income	(111)	83	(234.2)
U.S.	1986	1985	% chg
Sales	471	716	(34.2)
Operating profits	(68)	115	(159.0)
Advertising	55	72	(23.9)
Division sales	1986	1985	% chg
Toys	501	720	(30.4)
Cons. electr.	N/A	56	N/A

For the third-largest toy manufacturer, Coleco Industries has an unusually small product base. Known primarily for its Cabbage Patch line of adoptable dolls, the company in 1986 made a concerted effort through new product introductions and acquisitions to lessen its reliance on Cabbage Patch Kids.

The first moves in this direction were accomplished last year despite grim operating results. Coleco in 1986 introduced StarCom action figures, ALF plush characters, electronic play-and-learn toys, Sylvanian Families play figurines and Aurora road racing sets. In addition, the company finalized its acquisition of Selchow & Righter Co., maker of board games such as Scrabble and Trivial Pusuit.

Despite such product expansion, Coleco's financial returns remained tied to the decline of the Cabbage Patch dolls. In 1986, Coleco's sales fell 35% to $501 million; sales of its Cabbage Patch Kids plummeted 62% to $230 million. Cabbage Patch Kids now represent 46% of total sales, compared with 77% in 1985. Since their introduction in 1983, Cabbage Patch Kids have generated sales of $1.2 billion.

With the revenue drop, Coleco only modestly increased its worldwide advertising budget 5.8% last year to $67.9 million. Its domestic budget also increased 5.8% to $61.7 million.

The decline in the fortunes of the Cabbage Patch Kids has resulted in major management and agency changes. Al Kahn, executive VP-worldwide creative development, left the company during February's Toy Fair; he has been replaced by Charles Winterble. Longtime Coleco agency, Richard & Edward's, lost the business and closed shop in early 1987.

Richard & Edward's lost the account in chunks. The $10 million Cabbage Patch Kids account went to Bozell, Jacobs, Kenyon & Eckhardt, New York, in 1985. BJK&E at that time picked up an additional $10 million in business from Coleco for the Selchow & Righter (formerly at Tonka agency Jordan, McGrath, Case & Taylor, New York), Furskins (formerly at Richard & Edward's), Play & Learn Electronics (formerly at Richard & Edward's), ALF and UBI lines. The Rambo and Wrinkles lines went to Scott Lancaster Mills Atha, Los Angeles. That agency this year was assigned Coleco's Sylvanian Families, StarCom, Aurora, outdoor products and creativity activity toys accounts.

Last month, Coleco introduced Cabbage Patch Talking Kids, with the hope that this new line will invigorate doll sales.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	480	0
Magazines	3,015	5,194
Newsp. supps	295	20
Bus. pubs	0	39
Network TV	3,764	4,910
Spot TV	21,963	28,417
Spot radio	141	0
Outdoor	0	103
Network cable	71	399
Total measured	29,729	39,082
Unmeasured	25,102	33,000
Total	54,830	72,082

COLECO INDUSTRIES

999 Quaker Lane South
West Hartford, Conn. 06110
(203) 725-6000

Corporate Personnel

Arnold Greenberg, chmn-ceo
J. Brian Clarke, president-coo
Morton Handel, exec vp-corp devel
Charles Winterble, exec vp-worldwide creative devel
Barbara Wruck, vp-corp comm

Marketing Personnel

Donald Taylor, exec vp-mktg
Robert Jackman, sr vp-mktg
Alan Fine, sr vp-prod mktg
Sy Gershberg, dir-adv & media
Marilyn Greenwald, mgr-licensor accts

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, New York—Gary Andrews, sr vp-acct group dir; Tom Stacey, acct super, Selchow & Righter; Carl Titelman, acct super, Coleco; Bill Appelman, exec vp-exec creative dir; Bob Feinberg, exec vp-creative dir.

Scott Lancaster Mills Atha, Los Angeles—David Mills, acct super; Steve Scott, Peggy Lancaster, Steve Jarvis, creative dirs.

Cotter & Co.

RANK **121**

Chicago

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,734	1,702	1.9
Net income	71	67	6.8
U.S. advertising	67	72	(6.1)

At a time of great growth in hardlines marketing, Cotter & Co.—the cooperative that includes True Value Hardware Stores and V&S Variety Stores—continues to hold a clear edge in hardware market share, but it is under mounting pressure from many competitors.

What was once an orderly distinction between the neighborhood hardware store and the local building-supply dealer is now a vast assortment of hardware stores that sell lumber, lumberyards that sell hardware, plus a booming new middle ground of hardline supermarkets called home centers.

The National Retail Hardware Assn., Indianapolis, reports combined sales of these three types of do-it-yourself outlets in 1986 was $67.1 billion. The total breaks down into $11.8 billion for retail hardware stores, $30.2 billion for home centers, $25.1 billion for DIY lumberyards.

Cotter's 1986 sales rose just 1.9% as net income grew 6.8%. This compares to 1985 advances of 3% in sales and 15.5% in net income. For the first six months of 1987, Cotter's sales rose to $920.5 million, 4.2% above the same period in 1986. Net earnings were up 11.4%, to $42.9 million.

Cotter's estimated advertising drop of 6.1% in 1986 to $67.3 million "was a calculated decrease," says Edward Lanctot, Cotter's secretary, treasurer and merchandising manager, citing the planned 10.6% cuts in magazines. Television also was down—by 16% for network and 12% for spot, according to BAR/LNA. Mr. Lanctot suggests the monitored figures are high because Cotter often buys network on a regional rather than full national basis. "Our true network buying probably totaled $5 million."

Low-key though Cotter's overall 1986 performance may have been, it still left the Chicago-based hardware house well ahead of its rivals. In the retail hardware-store market, Cotter ranked No. 1 in sales, with a market share of 14.7%. Ace Hardware, Oak Brook, Ill., with 1986 sales of $1.06 billion, was No. 2 with a 9% share.

Cotter did not originate the concept of the member-owned wholesaler cooperative, but it has made it pay off in a big way. The cooperative now includes more than 8,200 True Value hardware stores, including about 940 combination True Values and V&S Variety Stores, plus an additional 1,100 V&S outlets. Fourteen warehouse distribution centers serve these stores, the newest operating in Woodland, Calif., and Hendersonville, N.C., with another being planned for Ocala, Fla., set to open in 1988.

Cotter's biggest sales come from California, with about 8% of the total, followed by Illinois with about 7%, Texas and New York with 6% each.

The company is putting increased emphasis on its own house brands. It manufactures paint, varnish, stains, lawn blowers and snowblowers, garden tillers and other lawn and garden supplies, space heaters and hot plates.

By merchandise category, hardware constituted 40.3% of Cotter's sales in 1986; home and garden maintenance supplies were 31.9%; variety goods 18.8%; appliances 9%. Some True Value stores also are adding new lines such as soft drinks and video rental. For 1986, Cotter's measured ad spending in 11 media was down 6.1% to $43.8 million.

Cotter's Tru-Test paint line, including paint, varnish and stain, received the biggest outlay in 1986 of any individual product line—$1.04 million—far more than in 1985. Cotter's biggest advertised line item is general promotion for True Value Stores, on which it spent $10.7 million in 1986, all in network radio.

Although Cotter announced its intention to energize V&S Variety Store promotion by hinging TV spending to V&S dealers' increased purchases from Cotter warehouses, it did no V&S advertising spending for 1986.

Direct mail continues as a major part of Cotter's promotion efforts. Local dealers circulate about 12 True Value and eight to 19 V&S catalogs annually. They are four-color rotogravure, varying from about 12 to 64 pages each.

Dealers build their own mailing lists, pick the fliers they want to use, then mail them in their local market area. Circulation totals 200 million a year.

These catalogs, like the rest of Cotter's advertising efforts, are the work of the company's in-house agency, Home Products Marketing. Chicago agency Christenson, Barclay & Shaw had been handling Cotter's print and Yellow Page advertising, but on Jan. 1, 1987, everything went in-house.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	6,055	6,752
Newsp. supps	56	0
Bus. pubs	220	59
Network TV	12,331	14,656
Spot TV	11,562	13,126
Network radio	10,663	9,049
Spot radio	1,265	1,491
Outdoor	64	46
Network cable	1,588	1,492
Total measured	43,805	46,670
Unmeasured	23,465	25,000
Total	67,270	71,670

COTTER & CO.

2740 N. Clybourn Ave.
Chicago, Ill. 60614
(312) 975-2700

Corporate Personnel

John M. Cotter, chmn
Daniel A. Cotter, president-ceo

Marketing Personnel

Edward E. Lanctot, secretary, treasurer, merch mgr
Gary Coppinger, retail adv mgr

Advertising Agency

(In-house) Home Products Marketing, Chicago—all prod lines.

Daimler-Benz AG

RANK **105**

Stuttgart, W.Germany

($ in millions)

Worldwide	1986	1985	% chg
Sales	23,249	29,055	(20.0)
Net income	746	784	(4.8)
U.S. advertising	77	65	19.8

Mercedes-Benz of North America, the U.S. sales and distribution subsidiary of Daimler-Benz A.G., saw a rise in sales in the last few months of 1986, then a dip in the first few months of 1987, attributable to the change in U.S. tax laws that took effect Jan. 1, 1987.

The U.S. marketing arm claims about 66% of the U.S. ultraluxury car market—automobiles with price tags topping $30,000—with 99,314 in unit sales in the U.S in 1986. Total worldwide Mercedes production in 1986 was 594,080 passenger cars, up 9.8%.

Financial figures in the accompanying box were converted from Deutschemarks to dollars at the average annual exchange rate of 1DM=$0.4436, which was applied to both 1986 and 1985 to factor out the DM's year-to-year appreciation of 33% against the dollar. The U.S. sales noted in the box are for Daimler-Benz of North America Holding, New York, and represent a consolidation of North American operations including Mercedes-Benz of North America in Montvale, Mercedes-Benz Credit, Norwalk, Conn., and Freightliner, Portland.

Mercedes' U.S. unit sales were up 14% last year, led by the S-class sedan and coupe models. Although the company expects Americans' demand for imported cars to be somewhat weakened by the currency revaluation of the Deutschemark versus the U.S. dollar, Daimler will step up its passenger car production to more than 600,000 cars in 1987. The Montvale operation produced U.S. sales of $4.18 billion, up 29.7%.

Mercedes switched media strategies in 1986, with a major swing in ad dollars to newspapers, spot radio and network TV. Spending on network TV rose 44%, while newspaper spending increased 29.6% and spot radio rose 90%. Network cable TV buying also rose slightly. Magazine spending dropped 86%; spot TV experienced a 28.2% decline.

In the first six months of 1987, Mercedes returned to magazine spending. BAR/LNA shows a measured $5.9 million spent in that medium. Some $11.4 million has gone into network TV, $3 million into spot TV. The company already has spent $20.8 million on advertising this year. A reported $14.8 million was used to back passenger cars, with the 190, 300 and 560 series automobiles each receiving about $1.8 million in ad dollars in that period.

In July 1987, Daimler named its Deputy Chief Executive Edzard Reuter, to the post of chairman, following the announcement of Werner Breitschwerdt that he would take early retirement.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	23,340	18,008
Magazines	977	7,064
Newsp. supps	102	36
Bus. pubs	547	501
Network TV	25,183	17,422
Spot TV	3,424	4,390
Spot radio	3,542	325
Outdoor	84	23
Network cable	153	115
Total measured	57,351	47,884
Unmeasured	20,072	16,759
Total	77,423	64,643

MERCEDES-BENZ OF NORTH AMERICA

One Mercedes Dr.
Montvale, N.J. 07645
(201) 573-0600

Corporate Personnel

Erich Krampe, president

Marketing Personnel

Hans Jordan, vp-mktg
Kevin Davidson, adv mgr

Advertising Agency

McCaffrey & McCall, New York—all models, Mercedes-Benz automobiles—William Metzger, vp-acct mgmt.

Dayton Hudson Corp.

RANK **123**

Minneapolis

($ in millions)

Worldwide	1986	1985	% chg
Sales	9,259	8,255	12.2
Net income	255	281	(9.1)
U.S. advertising	67	68	(1.0)
Division sales	1986	1985	% chg
Target	4,355	3,932	10.8
Mervyn's	2,862	2,527	13.3
Department stores	1,566	1,448	8.2
Lechmere	476	349	36.3

A hostile takeover bid and the first earnings decline in 16 years combine to make this a critical time for Dayton Hudson Corp.

While sales grew 12.2% for the fiscal year ended Jan. 31, net earnings from continuing operations dropped 9.1%. (Consolidated earnings increased from $283.6 million to $310 million because of a gain from the sale of its B. Dalton Bookseller division.)

In June 1987, the company was further rocked when the Haft-family controlled Dart Group Corp. of Landover, Md., announced its intentions of acquiring Dayton Hudson. Several offers were made and rejected until the Hafts dropped their attempt last month after suffering heavy stock losses related to Black Monday events in the financial markets.

Dayton Hudson is the nation's sixth largest nonfood retailer in sales, operating 475 stores in 34 states. Retail operations are divided into four business segments: Target, Mervyn's, Dayton Hudson Department Store Co. and Lechmere.

The corporation's growth continues to come from Target and Mervyn's, its large-scale discount and value-priced operations. These two companies have contributed 89% of the corporation's growth in revenues over the past five years. Last year they accounted for 78% of revenues and 72% of operating profits, although Target significantly outperformed Mervyn's for the year.

Dayton Hudson's measured media spending—substantially all of it in spot TV—also reflects the importance of Target and Mervyn's. Together, the two companies spent $27.9 million on spot TV in 1986 out of a total TV spending of $31.5 million, according to BAR/LNA. This accounts for 77% of the corporation's $36 million in measured spending.

Target, with its mix of upscale discounting and private label merchandising, is the cornerstone of Dayton Hudson. Now in the midst of a major expansion program, Target recently acquired 54 Gemco stores for $374 million from Lucky Stores, opening major new markets in California. Target revenues rose 11%, and operating profit climbed 12%. By the end of this year, Target will be operating 320 stores.

Since the acquisition of Mervyn's in 1978, its sales have grown annually by 26% and operating profit by 28%, making Mervyn's the strongest contributor to Dayton Hudson's corporate growth rate. In 1986, however, sales and profitability began a downward slide that by the second quarter of 1987 had become, in the words of one analyst, "dismal." Fighting back, Mervyn's underwent major restructuring in 1986. Texas offices were closed, and the company centralized operations in Hayward, Calif. Further headquarters restructuring, redefined product lines, a new store prototype and 27 new store openings were all part of Mervyn's aggressive comeback campaign that produced mixed results. Revenues increased 13% in 1986, but operating profit declined 35%. By the end of 1987, Mervyn's will be operating 199 stores in 13 states.

Dayton Hudson Department Store Co. had a modest sales growth of 8%, but operating profits that rose 36%. The nation's second largest department store division, DHDSC fueled its efforts with a purchase-with-purchase promotion, a strategy that enables customers to buy a gift item if they purchase a certain amount of merchandise.

With the sale of B. Dalton, Dayton Hudson now concentrates its specialty retailing business with Lechmere, a hardline product store focusing on consumer electronics, major appliances, housewares and leisure equipment. Current expansion plans call for Lechmere to be operating 23 stores in eight states by the end of 1987.

Analysts at Paine Webber Mitchell & Hutchins pinpoint Lechmere as Dayton Hudson's fastest-growing division, with annual sales growth of 50% estimated through 1990; that would boost total sales to $2.2 billion by the end of the decade.

Listed as a superspecialty store is Branden's, a home furnishings store being tested in Miami, Jacksonville and Atlanta. The corporation will not release any figures on Branden's, but noted it will open 11 new stores by the end of 1989, with an emphasis on greater Miami. Based on results, Dayton Hudson will decide whether to launch Branden's nationally.

The corporation also tested a TV shopping system that operated for 13 weeks this spring. No figures have been released on the venture, and corporate officials decline to comment on Dayton Hudson's future involvement, if any.

Among several major corporate personnel changes, President-chief operating officer Boake Sells left in September to become chairman-ceo of Revco D.S., the nation's second largest drugstore chain. Bruce Allbright, chairman-ceo of Target, was quickly moved into Mr. Sells' position. Robert Ulrich was promoted from president-chief operating officer of Target to replace Mr. Allbright.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	163	113
Spot TV	31,526	32,903
Spot radio	4,128	2,979
Outdoor	197	394
Total measured	36,014	36,389
Unmeasured	30,937	31,259
Total	66,951	67,648

DAYTON HUDSON CORP.
777 Nicollet Mall
Minneapolis, Minn. 55402
(612) 370-6948
DAYTON HUDSON DEPARTMENT STORE CO.
Minneapolis
Marketing Personnel
John Pellegrene, sr vp-mktg
Daniel Stroman, dir-adv accts
Jack Mugan, dir-adv svcs
Advertising Agency
Campbell-Mithun, Minneapolis—Jeri Schottler, acct super.
LECHMERE
Woburn, Mass.
Marketing Personnel
Warren Feldberg, exec vp-mktg
Howard Benidt, sr vp-sales promo & adv
Janet Tyrrell, dir adv
Phyllis Wasserman, dir sales promo
Advertising Agency
Saffer Advertising, Toronto—Greg Crombie, vp-group dir; Sue Rudy, sr acct dir.
MERVYN'S
Hayward, Calif.
Marketing Personnel
Chuck West, vp-sales promo
Pat Holt, dir-print adv
Ruth Hines, dir-media/broadcast/adv
Ruth Lindley, dir-adv operations/planning
Advertising Agency
(In-house).
TARGET STORES
Minneapolis
Marketing Personnel
Sonja Larsen, sr vp-adv, sales promo & merch
Paul Higham, vp-adv
Karen Singer, dir-sales promo
Advertising Agency
Ruhr/Paragon Advertising—broadcast creative—Chuck Ruhr, president; Rosemary Svenpladsen, acct super.
Media Buying
Haworth Group, Minneapolis—broadcast placement—Tom Siqveland, vp.
BRANDEN'S
Minneapolis
Marketing Personnel
Frank Vincent, dir-adv, sales promo

MCA expands toy interests

MCA Inc. continues to bet on the toy industry. MCA, which owns a large percentage of LJN Toys stock, earlier this year, made an equity investment of $20 million in Coleco, giving it an equivalent 9% of Coleco's common shares.

De Beers Consolidated Mines Ltd.

RANK **188**

London

($ in millions)

Worldwide	1986	1985	% chg
Sales	2,557	2,150	18.9
Net income	527	474	11.2
U.S. advertising	36	36	2.2

With U.S. diamond jewelry sales rising 10.2% to $9.7 billion in 1986 and worldwide retail sales growing 14% in 1986, DeBeers Consolidated Mines generated much of the activity and capitalized on the largess.

DeBeers marketing arm, London-based Central Selling Organization, markets more than 80% of the world's diamond production.

During the year, DeBeers increased its U.S. advertising spending by 2.2% to $36.4 million, some $30.3 million of that in measured media charted by BAR/LNA. Its unmeasured spending—point-of-sale and trade promotion including co-op programs—held at about $6 million in 1986, roughly the same as in 1985.

About 66% of the marketer's advertising budget continued to be channeled into print. In 1986, consumer magazine spending grew slightly to about $20 million from $19.4 million—the latter figure a $6 million-plus jump from 1984 levels. Network and spot TV spending also inched upward. DeBeers' network allocation hit $9.7 million, up about $100,000 from the preceding year, while spot TV rose even less.

DeBeers' total measured-media spending for diamonds advertising alone topped $27 million in 1986, up 12%. Another $468,000 in magazines backed a DeBeers gold promotion that was not done the previous year.

DeBeers' U.S. agency of 48 years, N W Ayer, says the theme line "A diamond is forever" remains after some 50 years, and the sub-theme "Diamonds are the gift of love" continued into 1986.

Breaking down DeBeers' print spending, Ayer officials say women's diamond jewelry in 1986 got 18% of that budget, while diamond engagement rings received 14% (down from 13% in 1985), diamonds for men 12% (even with 1985), an aspirational print drive 10%, diamond anniversary rings 7% (up from 5%) and "prestige jewelry" 5% (down 10% from 1985, when the category was labeled diamonds of one carat or more).

After aggressively boosting its co-operative ad program for jewelry retailers in 1985 to $5.5 million, the diamond giant last year cut the co-op phase back to $2.7 million; virtually all its co-op spending in both years was in magazines.

The marketer sold $2.56 billion in rough or uncut diamonds in 1986, up 18.9% over 1985. Financial data appearing in the accompanying box for both 1986 and 1985 were converted at the exchange rate of 1 Rand=$0.46. As global demand for its rough diamonds matched the output of its sources for the first time in many years, DeBeers says, it raised prices for rough diamonds twice in 1986, in May and November.

A total of 17.9 million pieces of diamond jewelry were sold in the U.S. during 1986, up from 17.5 million in 1985. The company says it is bullish on the sales outlook for synthetic diamonds coming from its Diamond Research Laboratory and for the sale of diamonds in 1987, particularly in the U.S. and Japan.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	19,988	19,366
Newsp. supps	75	161
Network TV	9,687	9,579
Spot TV	487	460
Network cable	16	32
Total measured	30,253	29,597
Unmeasured	6,133	6,000
Total	36,386	35,597

DEBEERS CONSOLIDATED MINES
c/o N W Ayer
1345 Avenue of the Americas
New York, N.Y. 10105
(212) 708-5000
Advertising Agency/
Marketing Personnel
N W Ayer, New York—George Eversman, exec vp-exec acct dir; Judy Laughren, sr vp-mgmt super; Nancy Robey, sr acct exec-diamond engagement rings/one carat or more, diamond engagement rings; Rachel Treitelman, sr acct exec-diamonds as gifts, men's diamonds; Marc Capra, vp-acct super; Joan Parker, sr vp-dir pr, diamond information center; Caroline Bodie, mgr, diamond information center; Earl Lynch, vp-dir, diamond promo svcs.

Domino's Pizza

RANK **169**

Ann Arbor, Mich.

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,444	1,084	33.2
Net income	7	149	(95.2)
U.S. advertising	48	27	77.5

Delivery-specialist Domino's Pizza continued its explosive growth in 1986 as sales grew 33.2%, but the cost of financing that growth in the face of growing competition took a big bite out of profits.

Thomas Monaghan, company founder, chairman and president, admitted he was "not entirely satisfied" with 1986 results. But as a privately held company, Domino's was more concerned with market share than immediate profits, he says.

Domino's officials also blamed declining profits on the cost of financing its new $150 million Frank Lloyd Wright-inspired headquarters complex, the rising costs of delivery fleet insurance and the cost of new store openings. Domino's opened 766 outlets during the year, about two-thirds by franchisees, the other one-third corporate stores at a cost of $100,000 each.

Domino's, which had 102 stores in its string at the end of 1976, finished 1986 with 3,605 stores. That included 100 international units—in Canada, Australia, the U.K., Japan, West Germany, Hong Kong and Puerto Rico.

Since its founding in 1960, Mr. Monaghan has built Domino's into the No. 2 pizza chain, behind PepsiCo's Wichita, Kan.-based Pizza Hut, by perfecting the delivery process and concentrating on a simple menu: two or three sizes of pizza, with a maximum of 10 toppings, and one type of soft drink (Coke in corporate stores and most franchised outlets).

By the mid-1980s, Domino's had turned home delivery into the fastest-growing sector of fast food, capitalizing on the growing number of two-income households with the financial ability to eat out but the desire to stay home.

Pizza Hut, which built its empire with sit-down restaurants, joined the delivery fray by opening 450 delivery units by mid-1987.

Domino's established a tough standard for Pizza Hut and other competitors by promising delivery within 30 minutes. The company said that it brought average delivery time below 24 minutes in 1986.

Domino's didn't move into network TV advertising until 1985, and the company more than doubled its network spending in 1986.

The company introduced an animated clay character, the Noid, in its advertising in September 1986. The Noid, a Wiley Coyote-type character, is used to personify consumer fears that delivered pizza often arrives cold, squashed or stuck to the cardboard box. The Noid ruins other delivered pizza but is humorously foiled in Domino's spots.

The Noid registered high recognition, and its popularity among teenagers and pre-teens led Domino's to name a licensing agent, California Merchandising Concepts, North Hollywood, in mid-1987. Lines of dolls, clothes and other merchandise were due out by the end of the year. The Noid was created by Domino's national agency, Group 243, and by Will Vinton Productions, Portland, Ore.

Domino's retained the Noid in its advertising in 1987, upping the ante in September by promising a money-back refund or replacement pizza to any dissatisfied customer, as well as $3 off the price if delivery takes more than 30 minutes.

The company also boosted its TV advertising to $19.7 million in the first six months of 1987, up 47% from the same period in 1986, according to TvB. That made Domino's the eighth-largest TV spender in the restaurant/fast-food category.

Increased competition in the pizza segment also led Domino's to look for new customers by hiring its first hispanic agency, San Antonio, Texas-based Sosa & Associates, in June 1987. In doing so, Domino's was again taking a marketing cue from fast-food leader McDonald's Corp., Oak Brook, Ill. McDonald's cornered the hispanic market for burgers by being the first to target the segment a decade ago.

Domino's also owns the Detroit Tigers baseball team, acquired in October 1983 as Mr. Monaghan fulfilled "the biggest worldly goal I ever had."

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	143	0
Network TV	19,496	9,298
Spot TV	14,308	8,286
Spot radio	2,235	1,909
Outdoor	643	829
Network cable	364	1
Total measured	37,189	20,324
Unmeasured	11,300	7,000
Total	48,489	27,324

DOMINO'S PIZZA
Prairie House, Domino's Farms
30 Frank Lloyd Wright Drive
Ann Arbor, Mich. 48105
(313) 668-4000
Marketing Personnel
Sam Fine, div vp-mktg
Mike Raymond, dir-natl mktg
Ron Hingst, natl dir-pr
Margaret Olson-Cox, natl dir-mkt rsch
Advertising Agencies
Group 243, Ann Arbor, Mich.—Janet Muhle-

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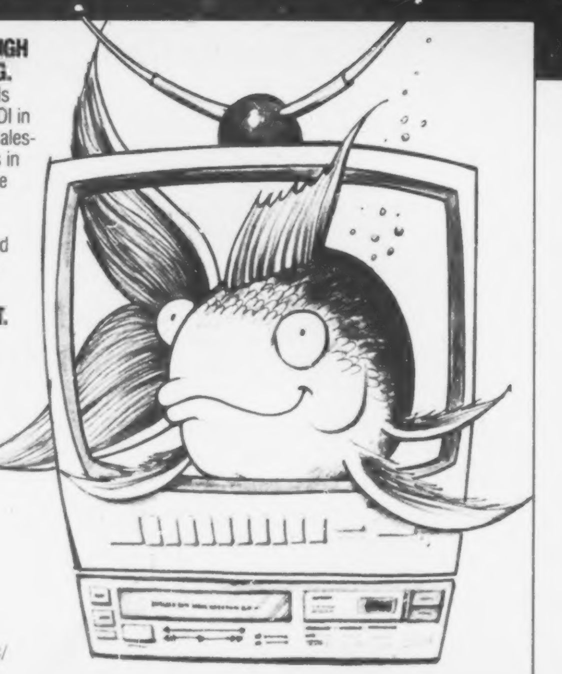
550 Frontage Road • Northfield, IL 60093



WHY BE A LITTLE FISH IN A BIG POND?

LAUREL-HATTIESBURG, MISSISSIPPI

TV, VCR AND TAPE SALES EARN HIGH RATINGS IN LAUREL/HATTIESBURG.
Laurel/Hattiesburg, Mississippi, outspends Buffalo, New York, the 35th-ranked HH ADI in the United States, for TV, VCR and Tape sales-per-household. By 1990, Total Retail Sales in Laurel/Hattiesburg are projected to increase 52%, outspending projected Total Retail Sales increases in Mississippi, the East South Central Region and the entire United States, proving that Laurel/Hattiesburg is truly a video marketer's mecca.

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We're the #1 station sign-on to sign-off. We have the facts, figures and programming, including the #1 news in the nation, to help your sales rate higher in the Southeast's picture-perfect market, too.

BE A BIG FISH

BEAM COMMUNICATIONS

WDAM-TV, NBC, Laurel/Hattiesburg, MS
KYEL-TV, NBC, Yuma, AZ/El Centro, CA
WPBN-TV/WTOM-TV, NBC, Traverse City/Cadillac/Cheboygan, MI
WCFT-TV, CBS, Tuscaloosa, AL

Source: 1986 Survey of Buying Power - February 1987, Nielson
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Represented by Katz Continental Television

WDAM-TV NBC
LAUREL-HATTIESBURG, MISSISSIPPI

man, president; Bruce Smith, genl mgr.

Sosa & Associates, San Antonio, Texas—hispanic mktg—Lionel Sosa, president; Al Aguilar, acct super.

Dow Jones & Co.

RANK **183**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	1,135	1,041	9.0
Net income	182	139	31.7
U.S. advertising	43	25	72.1

Division sales	**1986**	**1985**	**% chg**
Nat'l publications	757	709	6.8
Community newsp.	195	175	11.3
Info. services	126	102	23.1
Books	57	55	4.8

The current year has become only slightly better for Dow Jones & Co. flagship *Wall Street Journal*, but an extremely upbeat one for the newsweekly *Barron's*. *The Journal's* 1987 linage will finish "up in the neighborhood of 2%," according to Bernie Flanagan, Dow Jones' VP-marketing and a member of the management committee. *Barron's* linage, however, will grow approximtely 5-6% this year; the publication had an extremely strong third quarter in 1987.

The Journal's circulation is gaining slightly in 1987. For the six months ended Sept. 30, circulation went up 0.4% to 1,961,846, from the same period last year when it was 1,952,283. *Barron's'* circulation ending June 30 was 295,113 vs. 283,504 during the same period last year for a 4% gain.

Dow Jones had a strong 1986, with revenues increasing 9% and net income up 31.7%. The community newspaper group (Ottaway) had a record revenue year, while the information division saw revenues increase 23% and income increase 134.2%-a major reason for the company's strong performance last year. Ottaway also had a solid boost in profit of 19% to $41.9 million. The average circulation of the dailies during the fourth quarter 1986 was about 562,700.

But a soft national advertising year and increased competition led to a drop in profits in the national newspaper group. Profits declined 1.2%.

The big news at Dow Jones last year was *The Journal*. The publication had a rare poor year. Ad lineage dropped 1.7% in 1986 and was actually down 7.4% in the first half of the year. 1986 circulation surpassed the 2 million mark (2,039,300) but then fell to under 2 million again this year. But in a weak market the strong get stronger and that's what happened at *The Journal*. The newspaper increased its shard of market to 38%. The share of market has increased another 2 points this year.

Subscriptions received the largest ad outlay-$17.4 million, 50% of it on network and spot TV, 34% on network radio and 14% on cable. *Barron's* subscriptions drew $1.7 million in ad spending in virtually the same media. The company's only major ad expenditure was $2 million backing *National Business Employment Weekly*.

At least two key personnel moves affected the company this year and last: long-time columnist and former editor Vermont Royster retired from DJ's board in April; Mr. Royster served as *The Journal's* editor from 1958 to 1971. In addition, Donald Macdonald vice-chairman, retired Dec.31. Mr. Macdonald headed the company's sales and marketing operations, among other activities, during his career.

The Journal's year was affected by many factors, but a great unknown is the October stock market crash. The paper's future as far as certain ad categories is concerned is uncertain. The paper had a strong '86-'87 in financial, computer, corporate and bank advertising. But it fell off in areas of general advertising. Automotive in 1987 did not grow over 1986 levels.

Classified advertising has been another area of concern, according to Mr. Flanagan. Because of a drop-off in white collar hiring, the paper's linage has also declined. Classified represents about 28% of the newspaper's total linage.

"Who the hell knows (what will happen) in 1988," says Mr. Flanagan. "If the market holds and everything says the way it was before the crash, it would look good. [Ad budgets] looked good before the crash, so I hestitate to guess."

In addition, sub-regional editions are seen as new growth areas. The paper will be adding a northeast edition in January; Chicago/Milwaukee will be added in March; and Washington/Baltimore will come in June. "These would add about 15% (in linage) by the end of 1988," Mr. Flanagan says.

The Journal continues to add "special reports" on a variety of subjects, such as politics, and the paper signed an agreement with NBC News to produce the early morning 15-minute program "Before Hours."It began in March.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,259	87
Magazines	1,801	2,594
Newsp. supps.	29	87
Bus. pubs.	2,630	2,683
Network TV	6,109	5,213
Spot TV	3,370	656
Network radio	6,708	3,808
Spot radio	2,810	1,607
Outdoor	104	0
Network cable	3,978	0
Total measured	28,799	16,735
Unmeasured	13,767	8,000
Total	42,566	24,735

DOW JONES & CO.
World Financial Center
200 Liberty Street
New York, N.Y. 10281
(212) 416-2000
Marketing Headquarters
420 Lexington Ave.
New York, N.Y. 10170
(212) 808-6600

Marketing Personnel

Bernard Flanagan, vp-mktg
Paul Atkinson, adv dir, *Wall Street Journal*
John Coston, mktg svcs dir, Dow Jones

Advertising Agencies

Jim Johnston Advertising, New York—James J. Johnston, chmn; Patricia C. Johnston, exec vp.

Fallon McElligott, Minneapolis—Fred Senn, mgmt super, dir-acct svcs; Bob Van Horn, acct super; Angela Weatherly, acct exec; David Sigel, asst acct exec.

Faberge Incorporated

RANK **191**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	423	483	(12.4)
Net income	61	45	37.3
U.S. advertising	36	36	0.2

Division sales	**1986**	**1985**	**% chg**
Fragarences	271	236	14.9
Apparel	191	176	8.6
Licensing	12	11	5.3
Other	9	N/A	N/A

Faberge Incorporated in April 1987 became the new name of the McGregor Corp., formerly a subsidiary of Rapid-American Corp., New York. But the company's big news in 1986 came when privately held Faberge picked up the scent of Eli Lilly's Elizabeth Arden unit, winning that fragrance marketer for $700 million.

Ad spending at Faberge bloomed in 1986 and will continue to grow in 1987, according to Chairman Dan Manella. Including a full-year's worth of Arden advertising, 1986 spending totaled an estimated $36 million, with $19 million coming from measured media—virtually the same as in 1985 when merging figures for the two companies.

Pushing ad spending up in 1987 has been the introduction of five new products, handled by Bozell, Jacobs, Kenyon & Eckhardt, New York. The products, in varying phases of introduction, are the Jose Eber Beverly Hills haircare line and an unnamed women's fragrance and hair regimen. Still under consideration is a deodorant. The fifth product line, McGregor Cologne and Aftershave for Men, was assigned to Smith/Greenland, New York, for a $3 million campaign.

The spending increases predicted by Mr. Manella were in synch with most beauty marketers—including Chesebrough-Pond's Aziza, Maybelline Co., Beecham Cosmetics and Mennen Co.—who raised their ad budgets 20 to 60% in 1986. The market in general improved, prompting both Faberge and its competitors to accelerate new product launches that were postponed a year earlier.

In an unusual move for the cosmetics industry, Faberge is moving toward a regional marketing approach for its Organics line in 1987. Measured spending for the line in 1986 was only $2 million. The company says it will put $10 million in advertising behind its Aqua Net shampoo, up from a projected $7 to $8 million in 1986. In early 1986, the company signed Donna Mills, star of "Knots Landing," to endorse Aqua Net. The TV actress also was named "fashion and beauty director" for the company.

Elizabeth Arden, which billed $5 million under Eli Lilly & Co. ownership, had been handled in-house, but Mr. Manella says it's likely Faberge would look for a full-service agency for Arden. No decision had been reached at presstime.

Faberge, which first hinted in early 1986 it was hunting for a fragrance acquisition, was up against some heavy competition in the bidding for Arden, which had 1986 sales of $398 million and operating profits of $36.2 million. Analysts say Faberge paid 1.7 times 1987 estimated sales in beating out Avon's bid of $550 million and E.M. Warburg Pincus' $600 million. Arden's financial totals are not included in the accompanying box. Arden, which holds an estimated 4.9% of department store share, should bolster Faberge's presence in that market. Estee Lauder leads the department store market with 37%, followed by Cosmair and Revlon. Avon's share is dead on with Arden, analysts say. Arden's recent new product successes include Lip Fix and Fendi, a women's fragrance, and the company has a significant business in its Maine Chance salons.

In 1986, Faberge relaunched its Tigress fragrance with a $1.5 million effort via BJK&E. The company also is said to be readying a relaunch of its Aphrodisia, Kiki and Woodhue fragrances.

In 1986, Faberge's measured total in magazine spending increased to $16 million from $11.3 million in 1985. Spot TV plummeted from $9.5 million in 1985 to $1 million in 1986, mainly due to a drop in spending for Faberge Organics Shampoo and Brut cologne.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	10,685	7,244
Newsp. supps.	110	203
Bus. pubs.	182	136
Network TV	5,023	3,352
Spot TV	1,920	6,590
Network radio	224	158
Spot radio	102	524
Outdoor	17	0
Network cable	780	656
Total measured	18,952	18,864
Unmeasured	17,000	17,000
Total	35,952	35,864

FABERGE INCORPORATED
725 Fifth Ave., 17th Floor
New York, N.Y. 10022
(212) 735-9300

Corporate Personnel

Daniel Manella, chmn-ceo
Henry O. Dow, president, Faberge USA, toiletries div
Mark Goldston, exec vp-mktg, Faberge USA

McGREGOR APPAREL GROUP

Corporate Personnel

Alan Lite, president, Billy the Kid Clothes
Ross Castagne, president, Anvil Knitwear
John Siegel, president, Jody Tottique
Robert Apels, president, Wonderknit Scoreboard
Larry Glazer, president, Tailored Clothing
Bernard Geller, president, Knitwear Group
Robert Fink, president, Gilead Manufacturing

GLOBAL LICENSING INC.

Corporate Personnel

Suzan Rosenholtz, president

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, New York—McGregor Apparel (Billy the kid, Anvil Knitwear, Botany 500, Wonderknit Scoreboard, Tailored Clothing, Knitwear Group), Fragrances (Brut, Babe, Tigress, Aqua Net, Jose Eber)—Robert Verdugo, vp-acct super; Caley Shaffer, Randy Winter, acct execs.

Smith/Greenland, New York—McGregor Cologne and Aftershave—Bert Rosenberg, exec vp; Susan Zerim, acct super.

Federal Express Corp.

RANK **186**

Memphis, Tenn.

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	3,178	2,573	23.5
Net income	(66)	132	(149.7)
U.S. advertising	40	50	(20.0)

Federal Express Co. dropped 20% in advertising expenses in 1986 as the company continued to concentrate spending on improving domestic service and expanding its presence overseas.

As competition got tougher, with more express mail services able to deliver anywhere in the U.S., Federal is fighting back by continuing to improve its technology for more reliable and efficient service. Such improvements include expanding its aircraft fleet, increasing package flow at hubs, adding more business centers and drive-through kiosks and using a computer tracking system that locates a package's whereabouts at any time during transfer.

The company is also waiting for final approval from the U.S. Dept. of Transportation giving it exclusive rights to fly aircraft from the U.S. into Japan for package delivery. With this grant, Federal hopes to chip away at DHL—the leading international express mail company, with a 45% share of a market expected to reach $4.5 billion by the end of 1988.

The company has made progress internationally through acquisitions that have given it 100% delivery coverage in the British Isles, expansion throughout Canada and sizable operations in Belgium, France, West Germany, the Netherlands and Switzerland.

Federal suffered a net loss of $66 million for 1986 caused primarily by the discontinuation of its ZapMail facsimile transmission operations.

ZapMail, introduced in 1984, had drained the company of $317 million in operating losses by the time it was scrapped. Fallon McElligott, the agency for the ZapMail account, was preparing for a major ad effort estimated at $10 million just prior to the demise.

Fallon in the meantime had replaced Ally Gargano/MCA Advertising on the estimated $20 million account, ending a 13-year relationship in which Ally played a major role in establishing Federal as the No. 1 express mail service with award-winning commercials directed in the early 1980's by Joseph Sedelmaier.

Advertising for the company is expected to increase substantially for 1988 as Fallon works on a campaign that is expected to be geared against DHL internationally and UPS domestically.

Federal signed on as a major advertiser for the 1988 Winter and Summer Olympics. It will sponsor a "Celebration of Medal Winners" each night of the games.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	332	3,258
Magazines	3,055	4,251
Bus. pubs.	301	660
Network TV	13,679	16,605
Spot TV	8,843	6,432
Spot radio	160	1,916
Network cable	284	179
Total measured	26,652	33,301
Unmeasured	13,606	17,000
Total	40,258	50,301

FEDERAL EXPRESS CORP.
Memphis International Airport
2990 Airways Blvd.
Memphis, Tenn. 38131
(901) 369-3600

Marketing Personnel

Carole A. Presley, sr vp-mktg
Thomas R. Oliver, sr vp-sales & customer svc

Advertising Agencies

Fallon McElligott, Minneapolis—Joe Culligan, mgmt super; Eric Bloch, John Delany, acct supers; Ann Nerland, Mike Buchner, Shelly Sipple, acct execs; John Anderson, asst acct exec.

First Brands Corp.

RANK **129**

Danbury, Conn.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	837	N/A	N/A
Net income	N/A	N/A	N/A
U.S. advertising	65	62	4.6

Operating in its first year outside the aegis of Union Carbide, First Brands Corp.—marketer of Prestone, STP and Glad Bags—is experimenting with marketing innovations. These include offering a one-year radiator guarantee for customers using its Prestone antifreeze.

First Brands in calendar year 1986 spent an estimated $64.8 million on advertising, up 4.6% from 1985. Of the total, about $35 million was in measured media. The bulk of measured expenditures—some $28.5 million—was spent on network TV. Nearly $5 million went for spot TV.

In its marketing efforts for Prestone and STP, First Brands is appealing to sports fans, mostly male. Starting in July 1986 and scheduled to run through January 1988 is a campaign touting its radiator guarantee. Its Prestone line of antifreeze and coolant gobbled up $9.1 million in advertising in calendar 1986, an increase of 14%.

STP ads feature an actual pit stop at Indianapolis with the STP Indy car and STP's driver, Roberto Guerrero. STP drew $5.5 million in advertising in 1986, down 18% from 1985.

First Brands claims Prestone this year is holding onto its position as the largest-selling antifreeze. The company also cites a 51% share of the market for STP oil additives and 47% for gas treatment at discount department stores.

The company also introduced products this year to treat transmissions and to clean fuel injectors. And its Simoniz line launched a soft wax that requires less elbow grease than the traditional product.

The company's household product line of Glad bags enjoys a 30% share of the $1.4-billion plastic wrap and bag market at food outlets, First Brands says, and its share of the $400 million market at hardware, general merchandise, discount and drugstores is also "significant."

First Brands, which had been the consumer division of Union Carbide until July 1986, concedes that Carbide wanted to reduce the assets that could be attached by the victims of the Bhopal chemical leak. Union Carbide explained it wanted funds from the sale of its lucrative consumer products to fend off a hostile and expensive takeover bid by GAF Corp. Funds were used to buy back its own shares.

Carbide also sold its Eveready battery line to Ralston Purina Co.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	119	538
Magazines	251	843
Bus. pubs.	242	334
Network TV	28,510	20,832
Spot TV	4,683	9,284
Network radio	587	1,032
Network cable	439	1,116
Total measured	34,831	33,977
Unmeasured	30,000	28,000
Total	64,831	61,977

FIRST BRANDS CORP.
39 Old Ridgebury Rd.
Danbury, Conn. 06817
(203) 790-5556

AUTOMOTIVE DIVISION

Marketing Personnel

Robert Cassidy, exec vp
Rick Bowen, vp, dir-mktg
Dave Lundstedt, mktg mgr, Prestone
Paul Nigro, STP, Simoniz
Stuart E. Benedict, dir-adv & promo

GLAD PRODUCTS DIVISION

Marketing Personnel

George Vestal, exec vp
Dave Smith, vp, dir-mktg
Jim Moore, mktg mgr, food prods
Pat O'Brien, mktg mgr, Outdoor Disposer
Dennis Mullen, Indoor Disposer/Handle-Tie Bags

Advertising Agencies

Leo Burnett USA, Chicago—Plastic Wrap, Plastic Bags—Bill Haljun, acct dir; Lenny Novick, acct exec, Glad Lock; Rishad Tabaccawala, Glad indoor/outdoor; Janine Baretta, asst acct exec.

Young & Rubicam, New York—Prestone, STP, Simoniz—Bob Gleckler, mgmt super; Ed Concannon, vp-acct super, Prestone; Kathy Schneider, vp-acct super, STP, Simoniz; Yanna Morale, acct exec, STP, Simoniz; Peter Wenner, acct coord; Bob Cox, group creative dir.

Franklin Mint

RANK **162**

Franklin Center, Pa.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	500	N/A	N/A
Net income	N/A	N/A	N/A
U.S. advertising	51	46	8.8

Franklin Mint this year embarked on an aggressive advertising campaign, almost all of it direct response, and markedly boosted the sale of its collectibles.

Although this privately held company

does not release sales figures, sources close to the Mint estimate 1986 sales approached $500 million.

The Mint pours most of its advertising dollars into upscale magazines. If a pitch works in print, it may then be tried on TV, much of it cable.

John W. Wilkey, director of public relations, says his company has found the formula to make direct marketing work. He says revenue from direct marketing is growing at a rate 10 times that of retail. "The adage that direct response couldn't sell $10 products off the page doesn't work anymore," he says.

Franklin Mint remains a subsidiary of American Protection Industries, a security and luxury products company, based in Los Angeles. Stewart and Lynda Resnick are co-owners of API and chairman and exec VP, respectively, of the Mint.

The Mint is changing from offering simply "collectibles"—including coins and its $120 sterling-plated model of the Rolls-Royce Silver Ghost—to what are called "desirables." These are items, according to Mr. Wilkey, that can be enjoyed today as well as passed on "with pride" to future generations. Included are high-fashion jewelry, upscale home decor, tabletop accessories and porcelain collector dolls.

The company divides its operations into five distinct marketing divisions: female collectibles, male collectibles, functional home decor, jewelry and the Franklin Library.

The Mint reports 1986 advertising expenses of $105 million. The vast majority of it is handled in-house under Thomas Durovsik, a young refugee from the Pepsi-Cola Bottling Group of New York. He has brought some of the new-wave sizzle of Pepsi marketing to the Main Line confines of Franklin Mint. He's been quoted as saying the selling of the Mint's products, focusing solely on the product and not the corporate image, is the "purest form of marketing."

Of the ad cost total, the company spent $39.7 million in measured media. The bulk of the spending—$35.5 million—was in magazines, newspaper supplements and newspapers. The Mint spent $2.6 million on spot TV, another $1.6 million on cable and only a pittance on network TV.

The 1986 BAR/LNA figures, which monitor brand spending by media, show most of the effort—$15.6 million—devoted to selling the porcelain collection. Franklin Mint Collections received $12 million; books got $2.6 million, and nearly $2 million went for jewelry. Total spending in 1986, according to this index, was up 10% over the year before. Local newspaper advertising, particularly in newspaper supplements, is not included in the BAR/LNA figures.

The Mint is not only an advertiser, it's now providing an advertising vehicle for others. Franklin Mint's "Almanac," a bimonthly, 1 million circulation magazine for collectors, takes ads for products that don't compete with what the Mint itself is selling. The 52-page "Almanac" limits advertising space to 12 pages. A color page goes for $25,000.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	7,298	6,960
Magazines	18,674	16,349
Newsp. supps.	9,505	8,741
Bus. pubs	25	55
Network TV	3	13
Spot TV	2,568	2,821
Network cable	1,578	1,511
Total measured	39,651	36,450
Unmeasured	10,878	10,000
Total	50,530	46,450

THE FRANKLIN MINT
U.S. Route 1
Franklin Center, Pa. 19091
(215) 459-6000

Corporate Personnel

Stewart Resnick, chmn

Marketing Personnel

Lynda Resnick, exec vp-mktg
Martin Breisblatt, vp-mktg
Alan Beer, vp-media
Michael Burgess, vp-media mgmt

Advertising Agency

(In-house).

Griffin-Bacal, New York—Mary Sue Robinson, vp-mgmt super; Lenny Leokum, sr vp-creative dir; Maurice Mahler, Lois Sandberg, vps-assoc creative dirs.

Pills pull less ad weight

Carter's Little Pills—which gave birth to Carter-Wallace—continue to record higher sales says the company, but attract little advertising. In 1986, for example, only $150,000 was spent in measured advertising on the laxative, up from $90,100 in 1985, according to BAR/LNA.

Fruit of the Loom

Chicago

RANK 173

($ in millions)

Worldwide	1986	1985	% chg
Sales	693	N/A	N/A
Net income	12	N/A	N/A
U.S. advertising	46	36	29.1

Fruit of the Loom, the nation's largest producer of underwear, remains locked in a head-to-head marketing war with archrival Hanes Knitwear.

The No. 1 and No. 2 players in the $1 billion men's and boy's underwear business during 1986 and 1987 each waged offensives, which included the introductions of improved products, price cutting and comparative advertising. At one point in 1986, the battle of the briefs even landed in federal court, where each side argued the other was using unsubstantiated ad claims.

The competition between Fruit of the Loom and Hanes heated up in the wake of more aggressive marketing tactics by Hanes, a unit of Chicago-based Sara Lee Corp. The two traded shots in advertising, Hanes starting it off claiming its undershirts shrank 38% less than Fruit of the Loom's, following by a Fruit of the Loom claim that its underwear was preferred 2-to-1 over Hanes. Hanes increased its slice of the men's and boy's underwear business in 1986 to 20.3% from 18.3%. During the same period, Fruit of the Loom's share fell to 34.4% from 37.9%. During this time, Fruit of the Loom was in transition. William Farley gained control in a leveraged buyout in 1985 of Northwest Industries, Fruit of the Loom's former parent. Then in 1987 Fruit of the Loom became a publicly held company.

Market share is crucial to the basic underwear business because the market as a whole is relatively flat, growing roughly 2% per year.

Fruit of the Loom's combined measured advertising in 1986 for men's and boy's underwear hit $12.4 million, compared with about $11 million in 1985. A hefty increase is expected for this year. Fruit of the Loom also markets a more expensive underwear under the name BVD. Last year, total net sales of Fruit of the Loom increased 21% to $692.9 million.

Most of that growth has come from newer products, such as women's underwear and T-shirts specially designed for silk screening. Sales of women's and girl's underwear rose 43% to $31.2 million. Fruit of the Loom purchased two hosiery makers in 1986, and this year the firm began to market aggressively a family line of socks. It hopes to become a major player in this fragmented business.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	353	0
Magazines	6,198	3,711
Newsp. supps.	161	349
Bus. pubs	67	0
Network TV	16,890	13,307
Spot TV	2,673	2,477
Outdoor	69	96
Total measured	26,410	19,940
Unmeasured	20,000	16,000
Total	46,410	35,940

FRUIT OF THE LOOM
233 S. Wacker Dr.
6300 Sears Tower
Chicago, Ill. 60606

Corporate Personnel

William Farley, chmn
Jack Albertine, vice chmn

Advertising Agency

Grey Advertising, New York—Steven Dammers, sr vp.

FRUIT OF THE LOOM
Bowling Green, Ky.

Marketing Personnel

David Drescher, exec vp-mktg

Advertising Agencies

Grey Advertising, New York—Fruit of the Loom men's & boy's underwear, Fruit of the Loom Daywear for Women, Fruit of the Loom Hosiery—Steve Dammers, sr vp.

Keller Crescent Co., Evansville, Ind.—Fruit of the Loom Screen Stars, printable T-shirts, Fruit of the Loom Activewear—Dan Minton, acct super.

Warwick Advertising, New York—BVD men's and boy's underwear—Sean Driscoll, group sr vp.

Fuji Heavy Industries

Tokyo

RANK 144

($ in millions)

Worldwide	1986	1985	% chg
Sales	4,279	3,742	14.4
Net income	72	83	(13.3)
U.S.	**1986**	**1985**	**% chg**
Sales	1,939	1,502	29.1
Net income	94	77	21.9
Advertising	59	41	43.2
Division sales	**1986**	**1985**	**% chg**
Auto	3,639	3,119	16.7
Aircraft	213	202	5.4
Buses	172	161	6.8
Engines	150	146	2.7
Rolling Stock	105	115	(8.7)

Subaru of America, whose niche in the U.S. is the four-wheel-drive market, is seeking to strengthen its leadership position by offering cash incentives to both dealers and buyers for certain models in 1987. The company also is adding four-wheel drive technology in 1988 to its 1987 low-end intro, the Justy.

Subaru is the U.S. distributor for Fuji Heavy Industries, Tokyo, whose fiscal year results are reported in the accompanying box. While sales were up, profits dropped more than 13% in the year; returns were adversely affected by the appreciation of the yen. Figures for both fiscal years were converted at the rate of Y179.6=U.S.$1.

Subaru sold a record 183,242 vehicles in 1986, a 2.8% increase from the previous year's total of 178,175 units, according to Khalad Abdel-Majeed, international auto analyst at Drexel Burnham Lambert.

Subaru continued to spend heavily on network and spot TV, magazine and newspaper advertising. In 1986, these four media accounted for nearly 90% of Subaru's measured expenses. Total advertising expenditures rose 43%, to almost $59 million.

Subaru's share of the total U.S. car market remained the same in 1986, holding at 1.6%. Its share of the total import car market, however, dropped from 6.3% to 5.7%. This places Subaru behind other Japanese importers including Toyota (31.5%), Nissan (22%), Honda (12.4%) and Mazda (11.6%), according to *Automotive News 1987 Market Data Guide*.

The Pennsauken, N.J.-based company is quick to note that its share of sales in the snow belt and rural areas remains high. According to its figures, Subaru is the top-selling imported passenger car in Maine, Vermont, Alaska and West Virginia, and it has a 17.5% share of the Japanese import market in the New England states. The company also says its share of the total U.S. four-wheel-drive passenger car market is roughly 54%.

During the first nine months of this year, unit sales were slightly behind the 1986 pace. Through September 30, Subaru sold 130,572 vehicles, a 6.9% drop from the same period in 1986.

In an effort to boost sales, Subaru initiated several programs. In February, the company offered Subaru dealers cash incentives ranging from $500 to $1,200 per vehicle on the sale of selected models. And in April, Subaru offered direct cash rebates of up to $1,500 to buyers of certain models.

In January 1987, Subaru introduced the 1.2 liter, three-cylinder Justy, the company's entry into the crowded low-end market. Like the Hyundai Excel from South Korea and VW's Brazilian-made Fox, the Justy is priced at less than $6,000.

The 1987 Subaru sedan and wagon line featured changes in body structure, engine, transmission and drivetrain. New model/trim combinations also were added.

Two 1987½ models were introduced. The white-on-white, three-door coupe limited edition RX model featured full-time four-wheel drive and a turbo-powered engine. The XT received cosmetic and technical changes at mid-year, including a four-speed electronic automatic transmission and full-time four-wheel-drive systems.

Subaru will be able to increase the number of cars it can sell in the U.S when its $500 million manufacturing plant being built in Lafayette, Ind.—a joint venture with Isuzu Motors—begins operating in 1989. The facility initially will have the capacity to assemble 60,000 Isuzu trucks and 60,000 Subaru cars.

In 1986 the company established a U.S. design center adjacent to its technical facility in Garden Grove, Calif.

Subaru entered its second decade as the official car of the U.S. Ski Team.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	5,211	4,321
Magazines	8,680	5,505
Bus. pubs	10	44
Network TV	14,072	10,524
Spot TV	9,386	7,261
Spot radio	3,253	727
Outdoor	270	196
Network cable	652	426
Total measured	41,534	29,004
Unmeasured	17,184	12,000
Total	58,718	41,004

SUBARU OF AMERICA
7040 Central Highway
Pennsauken, N.J. 08109
(609) 488-8500

Corporate Personnel

Marvin Riesenbach, exec vp

Marketing Personnel

Doug Mahin, group vp-sales & mktg
Robert J. Whitehead, group vp, prod engineering
Dave L. Sippel, vp-mktg
Eugene Egan, vp-sales
Paul Utans, vp-govt affairs
Christopher Wackman, dir-adv svcs

Advertising Agency

Levine, Huntley, Schmidt & Beaver, New York—Michael Elkisch, vp-acct mgmt; Terry Bonaccolta, sr vp-group dir; Bernie Lanigan, Jerry Noonan, acct supers; Elaine Romano, acct exec; Cheri Stern, asst acct exec.

Diamond lustre clouds

Unlike the 26% dollar jump in 1984-85 in sales of diamonds for men, 1986 sales stayed even at 1.95 million units at $1.3 billion retail, says DeBeers.

Palm Beach Is A Media Buyer's Paradise.

Sand Dollars – The Palm Beach County MSA features the 9th largest per capita income in the nation.

Fabulous Shopping – From 1979 to 1986, annual retail sales have increased 125%, making Palm Beach County the fastest-growing retail market in the U.S.!

Gorgeous Growth – 200,000 new residents moved to the Palm Beaches over the last 6 years, putting today's adult population over 635,000.

1980 462,000
1990 757,000
2000 1,200,000

The Palm Beach Post has over 408,000 weekday readers, and 426,000 Sunday readers – more than all other area papers combined! If you would like to know more about the Palm Beach MSA, call our marketing department at 305-837-4218 for a free videocassette, "Palm Beach County: Map to the Future," customized research, or answers to any of your media/marketing questions.

Represented Nationally by
Sawyer-Ferguson-Walker Company, Inc.
Miami (305) 573-6768
Atlanta (404) 261-1362
New York (212) 661-6262

The Palm Beach Post

All data are from recognized national and regional sources.

Gulf + Western Industries

RANK **119**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	3,781	3,321	13.9
Net income	267	248	7.9

U.S.	**1986**	**1985**	**% chg**
Sales	3,575	3,097	15.4
Operating profits	265	238	11.3
Advertising	69	58	17.3

Division sales	**1986**	**1985**	**% chg**
Publishing & info	949	798	18.9
Entertainment	1,145	1,063	7.7
Financial services	1,687	1,460	15.6

Gulf + Western's transformation from a highly diversified company into one that focuses on three areas—entertainment, financial services and publishing/information services—proved successful in 1986, with all three areas posting record operating income.

The company's largest advertiser, Paramount Pictures Corp., had a particularly strong year. Its films accounted for 21% of the country's total box office gross, generating $600 million. It also accounted for 73%, or $30 million, of total measured advertising at Gulf + Western.

The company spends heavily on promoting its films. The No. 1 box office success of 1986 was "Top Gun," on which Paramount spent $4.12 million for advertising. Paramount released "Top Gun" on cassette in March 1987, spending $11 million—millions more than any previous promotional spending for a new videocassette. Some of the budget came from Pepsi, which has a Diet Pepsi commercial running before the movie.

Paramount also continued its price reduction strategy, offering "Top Gun" for $26.95.

The company's advertising spending for its 15 feature films in 1986 was about the same as the previous year's, with more money being spent on network TV. Paramount recently moved its marketing headquarters to Los Angeles from New York, eliminating 20 agencies from its roster but leaving at least 25 agencies to handle an estimated $20 million in local business, including media buying and promotions in their markets. Paramount executives deny any future changes would affect the studio's estimated $50 million national buying account handled by AC&R/DHB & BESS in Los Angeles.

Paramount's future in film looks bright thanks to arrangements with key talent such as Eddie Murphy and ownership rights in movie gold mines such as "Star Trek."

Gulf + Western joined the trend among producers to buy movie houses when it acquired three theater chains for $285 million in 1986.

On the television side, Paramount has failed to come up with any new super hits since 1983. The company appears to be backing away from advertising its TV programs in magazines—its prime ad vehicle in 1985—spending only half as much on such advertising in 1986 as the year before.

The Madison Square Garden Corp., part of this division, recently reorganized its operations as part of planned construction of a new sports and entertainment complex in New York.

In the publishing and information division, Gulf + Western is moving its best-seller mill, Simon & Schuster Inc., more into educational publications and information services. As a result, its ad spending is nil. In December 1986, Simon & Schuster acquired Infosearch for an undisclosed price. Infosearch provides document searches and filing services for law firms and financial institutions.

B&D buys growth

S. Duncan Black and Alonzo G. Decker Sr. founded Black & Decker in 1910 as the Black & Decker Manufacturing Co. The company has grown through acquisition, including: De Walt Inc. in 1964, Wisconsin Knife Works in 1971, McCulloch Corp. in 1973 (but divested in 1983), General Electric Co.'s small appliance operations in 1984, and American Emblem Tool Co. in 1987.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	2,938	2,250
Magazines	2,640	2,016
Newsp. supps.	38	36
Bus. pubs.	7	177
Network TV	9,405	2,610
Spot TV	23,915	17,020
Network radio	214	325
Spot radio	395	1,149
Outdoor	45	188
Network cable	1,738	2,143
Total measured	41,335	27,913
Unmeasured	27,300	30,584
Total	68,635	58,497

GULF + WESTERN
One Gulf + Western Plaza
New York, N.Y. 10023-7780
(212) 373-8000

Corporate Personnel

Jerry Sherman, vp-corp comm

ENTERTAINMENT GROUP
PARAMOUNT PICTURES CORP.

Corporate Personnel

Deborah Rosen, vp-corp comm

MOTION PICTURE GROUP

Marketing Personnel

Barry London, president, mktg & domestic distribution
Sidney Ganis, president, worldwide mktg
Mardi Marans, exec vp
Nancy Goliger, exec vp-creative mktg affairs
Thomas Campanella, sr vp-adv
Robert Dorfman, sr vp, publicity & adv
Diana Widom, sr vp-publicity & promo
Ron Hein, vp-admin
Cheryl Boone Isaacs, vp-publicity
Leslie Pound, vp-intl mktg
David S. Rosenbaum, vp-legal affairs
Margaret Young, vp-licensing

TELEVISION GROUP

Marketing Personnel

Mel Harris, president
Lucille Salhany, president, domestic tv & video programming
Steven Goldman, exec vp-sales & mktg
Meryl Cohen, vp-adv & promo
Robert Dahill, vp-adv program sales
Hollace Brown, vp-adv & sales promo, home video
Eric Doctorow, vp-sales & mktg, home video

Advertising Agency

AC&R/DHB & BESS, New York—Cheryl Lodinger, sr vp-acct super; Ernie Shapiro, acct vp; Norman Trell, exec vp-media.

MADISON SQUARE GARDEN CORP.

Marketing Personnel

Michael Walker, sr vp-mktg & comm

MSG CENTER

Marketing Personnel

Robert Goldwater, vp-mktg

Advertising Agency

(In-house) MSG Advertising.

MSG NETWORK

Marketing Personnel

Linda Burns, vp-mktg

Advertising Agency

Grey Entertainment & Media, New York—MSG Network—Al Lieberman, president; Ed Ritchkoff, mgmt super; Lee Berke, acct mgr.

PUBLISHING & INFORMATION SERVICES GROUP
SIMON & SCHUSTER

Corporate Personnel

Providence Cicero, dir-corp comm

Marketing Personnel

Strome Lamon, vp, adv dir, Simon & Schuster Trade
Mary Gartland, adv coord, Simon & Schuster Trade
Pat Cool, adv dir, Pocket Books
John Rosen, vp-mktg, Prentice Hall Trade div
Debra Miller, assoc mktg dir, Simon & Schuster Software
Pam Byers, mktg dir, Simon & Schuster Reference div
Ruth Stone, vp-adv & pr, Professional Information Group

Advertising Agencies

Franklin Spier, New York—Simon & Schuster Trade—Alix Nelson, president-creative dir; David Cathirs, acct exec; Kathleen Kelly, asst acct exec.

Jameson Advertising, New York—Pocket Books—Elissa Cohen, acct exec; Sonni Gross, adv promo mgr.

Ogilvy & Mather, New York—Simon & Schuster Software—Liza Gyllenhall, acct exec.

Penchina, Selkowitz, New York—Professional Information Group—Arthur Selkowitz, president.

Sussman & Sugar, New York—Simon & Schuster Reference div—Shelley Himmelstein, asst acct exec.

FINANCIAL SERVICES GROUP
ASSOCIATES CORP. OF NORTH AMERICA

Corporate personnel

Frederick H. Stern, sr vp-corp comm

ASSOCIATES CONSUMER FINANCIAL SERVICES

Marketing Personnel

Michael J. Carney, sr vp-consumer mktg/training
Harry Polly, vp-adv
Dave Mikels, sr vp-devel svcs, mktg /training

ASSOCIATES COMMERCIAL CORP.

Marketing Personnel

John K. Brown, sr vp-commercial mktg
Clifton B. Noble, vp-corp mktg svcs
David F. Edwards, sr vp-transportation mktg
Robert C. Miramonti, sr vp-equipment mktg
Jon Romas, vp-comm mktg
Stephen J. Larkin, vp-fleet leasing mktg
Lee J. Crittenden, vp-corp comm

Advertising Agency

Grant/Jacoby, Chicago—Philip Petrik, acct super; Greg Padovani, acct exec.

Hallmark Cards

RANK **145**

Kansas City, Mo.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	2,000	2,000	0.0
Net income	N/A	N/A	N/A
U.S. advertising	58	42	39.3

Hallmark Cards, the company that got its start selling postcards, branched out in the "social expression" field in 1986, then moved into broadcast by purchasing 10 television stations.

Privately owned Hallmark and its Ambassador Cards division control more than 40% of the $3.6 billion greeting card market, followed by American Greetings, Cleveland, with a 30% to 35% share, and Gibson Greetings, Cincinnati, 10% to 12%.

More than 21,000 retail outlets carry Hallmark cards, half of which are gift and stationery shops; the other half are department and drugstores. Hallmark owns 160 of its own outlets.

Ambassador Cards was founded in 1959, and the products are sold through 16,000 chain groceries and other mass-market outlets. A separate staff produces and markets the Ambassador line, which Hallmark describes as the third-biggest greeting card seller with 1986 sales of $310 million.

Total measured spending rose 39% to $34 million from 1985 to 1986, as total advertising rose 41%. Of the measured total, the company spent $20.1 million advertising its card lines, up 19% from 1985.

The greeting card industry is shifting moods from conservative to nontraditional, and Hallmark is no exception. Last year the company introduced its Shoebox Greetings line of 800 contemporary cards to compete against smaller companies such as California Dreamers and Recycled Paper Products. Shoebox Greetings is designed to attract younger consumers.

Hallmark expanded into the children's market this year with the introduction of its Imagination Station art "depot," and branched into the apparel market last summer with the introduction of its Color Gear line. While the line includes several abstract greeting cards, it features backpacks, jewelry, scarves, socks, sunglasses and sweatshirts.

To publicize its outlets, Hallmark last month rolled into 100 markets a local consumer print and radio program it is calling "Reach." The "Reach" program, tested in Columbus, Ohio, and Harrisburg, Pa., consists of ads spotlighting local Hallmark dealers. They are run in the lifestyle sections of daily newspapers and in Sunday magazines. The program, which will include local radio spots, will be especially heavy around holidays throughout 1987 and 1988.

Hallmark, along with First Capital Corp. of Chicago, in 1986 agreed to acquire for $301.5 million five full-power and five low-power TV stations from Spanish International Communications Corp., New York.

The full-power stations include WXTV, Patterson, N.J.; KMEX, Los Angeles; WLTV, Miami; KWEX, San Antonio and KFTV, Fresno, Calif.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,594	558
Magazines	1,512	941
Newsp. supps	1,157	0
Bus. pubs	37	196
Network TV	27,434	22,329
Spot TV	1,913	871
Network radio	782	0
Spot radio	255	5
Outdoor	0	1
Total measured	34,686	24,901
Unmeasured	23,681	17,000
Total	58,367	41,901

HALLMARK CARDS
2501 McGee
P.O. Box 580
Kansas City, Mo. 64141
(816) 274-5111

Corporate Personnel

Donald J. Hall, chmn
David H. Hughes, vice-chmn
Irvine O. Hockaday, president-ceo
Robert L. Stark, exec vp

Marketing Personnel

Thomas H. Johnston, group vp-Hallmark brand
Robert Firnhaber, group vp, Ambassador brand
Lanny Julian, Hallmark vp-sales
Homer Evans, Hallmark vp-greeting cards prods div
Buddy Jones, Hallmark vp-specialty prods
Donald Fletcher, div vp-Ambassador prod devel
Brad Moore, div vp-adv & promo
Ira Stolzer, mgr-natl & retail adv
Jim Welch, mgr, consumer promo

HALLMARK DIVISIONS

Corporate Personnel

Stanley Hamilton, president, Hallmark Intl
Donna Kelly, vp-genl mgr, Hallmark Properties
Charles W. Hucker, div vp, public affairs & comm

Advertising Agencies

Ogilvy & Mather, New York—Hallmark & Ambassador natl adv—Eugene O'Sullivan, exec vp-group dir; Linda Cornelius, sr vp-mgmt super; Harold Sogard, vp-acct super; Victoria VanDyk, Patti Low, acct execs.

Valentine-Radford, Kansas City, Mo.—Hallmark local/retail adv—Charles Curtis, sr vp-client svcs; Greg Kirsch, vp-acct super; Mike Goff, Michael St. Pierre, acct execs.

BINNEY & SMITH
Easton, Pa.

Corporate Personnel

Jack F. Kofoed, chmn
Richard S. Gurin, president-ceo
Steve Yanklowitz, vp-genl mgr, Crayola prods div

Advertising Agency

Avrett, Free & Ginsberg, New York—Stu Cowan, mgmt super; Mariam Cohen, acct super; Dan Rice, acct exec.

CROWN CENTER REDEVELOPMENT CORP.
Kansas City, Mo.

Marketing Personnel

Robert A. Kipp, president
Jim Dawson, vp-mktg
Steve Doyal, mktg svcs dir

GRAPHICS INTERNATIONAL
Kansas City, Mo.

Corporate Personnel

Thomas Johnston, president

LITHO-KROME CO.
Columbus, Ga.

Marketing Personnel

Lamar Powers, president-genl mgr
Bucky Bowles, vp-personnel & svcs
Bob Starks, natl sales mgr

TRIFARI, KRUSSMAN & FISHEL
East Providence, R.I.

Marketing Personnel

James A. Northrop, president-ceo
Nancy Perlman, dir-mktg

Advertising Agency

AC&R/DHB & BESS, New York—Karen Amorelli, acct super; Lorraine Linton, acct exec; Kimberly Johannes, acct coord.

Hattori-Seiko Co. Ltd.

RANK **137**

Tokyo

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	2,600	1,906	36.4
Net income	12	20	(40.6)
U.S. advertising	61	61	(0.4)

Family-owned Hattori-Seiko Co. Ltd. of Japan, parent company of Hattori Corp. of America, suffered a 41% decline in net income in 1986—its first loss in earnings since 1949. The decline largely reflected the yen's rapid appreciation against the dollar, according to Joe Thompson, editor of *Modern Jeweler*.

In the U.S., the company fought the effects of the strong yen by consolidating its operations. In a major shakeup, Robert Pliskin was named president of the company's timepiece subsidiaries, which market watches under the Seiko, Lassale, Jean Lassale, Pulsar, Jaz and Lorus brand names, as the presidents of all the company's watch and clock divisions left the company. AC&R/DHB & BESS, New York, became the sole agency for all of Hattori's watch and clock lines.

Seiko remains the flagship brand of the company. Measured ad spending in 1986 totaled $14 million, according to BAR/LNA. Seiko reportedly has increased its 1987 ad budget by 20%. Seiko continued to lead comfortably the mid-priced watch category in the U.S., with more than 3 million units sold in 1986, according to Mr. Thompson.

Companion subsidiary Pulsar, which was supported by $7.2 million in media spending, was the second largest-selling watch brand in the segment, with more than 2 million units sold. But No. 3, competitor Citizen (1.5 million watches sold), continued to make strong advances in the category. Bulova ranked fourth at 800,000.

Seiko's clock business was stable, aided by the addition of novelty clocks and new desk models, but the company faced increased competition from private-label distributors.

Future plans call for the use of AT&E receptors in Seiko wristwatches, which enable the wearer to be paged anywhere in the world. Seiko plans to test-market the receptor-equipped watches in 1988.

The high-priced Hattori, Lassale and Jean Lassale watch lines have not made significant inroads into that market dominated by Rolex. The Jean Lassale line was backed by $5 million in measured spending. The line's prices range from $900 to $40,000.

Epson America, the U.S. marketing and distribution arm of Seiko/Epson Corp. of Japan, is the leading independent manufacturer and distributor of personal computer products in the U.S. Epson ranked No. 5 among computer manufacturers in the U.S., according to a company spokesperson. The company also markets and distributes printers, modems, various other peripherals, as well as portable electronic typewriters.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	4,282	5,634
Magazines	8,880	6,928
Newsp. supps	178	102
Bus. pubs	118	63
Network TV	14,355	10,214
Spot TV	9,314	14,201
Spot radio	0	3
Outdoor	138	65
Network cable	741	947
Total measured	38,006	38,162
Unmeasured	22,906	23,000
Total	60,912	61,162

HATTORI CORP. OF AMERICA
640 Fifth Ave.
New York, N.Y. 10019
(212) 977-2800

Corporate Personnel

Robert Pliskin, president

SEIKO TIME CORP.

Corporate Personnel

Robert Pliskin, president

Marketing Personnel

Charles Kriete, sr genl mgr-sales
David Strousse, vp-adv & pr
Robert Stevens, genl mgr-adv & pr

Advertising Agency

AC&R/DHB & BESS, New York—all Seiko prods—Steve Rose, chmn; Constantine Pappas, sr vp-acct super; Lorraine Linton, Tracy Penn, acct execs; Lynn Landau, asst acct exec.

LORUS

Corporate Personnel

Robert Pliskin, president
Dean Sauder, exec vp
Joseph Urda, exec vp

Marketing Personnel

Larry Sussberg, vp-sales
Howard Fischer, genl mgr-mktg

Advertising Agency

AC&R/DHB & BESS, New York—all Lorus prods—Steve Rose, chmn; Steve Bennett, acct super; Barbara Salerno, acct exec.

PULSAR TIME

Corporate Personnel

Robert Pliskin, president
Dean Sauder, exec vp

Marketing Personnel

Larry Sussberg, vp-sales
Lou Moore, natl sales mgr, asst to president
Jonathan Nettelfield, genl mgr-mktg & adv

Advertising Agency

AC&R/DHB & BESS, New York—Steve Bennett, acct super; Barbara Salerno, acct exec.

JAZ

Corporate Personnel

Robert Pliskin, president
Dean Sauder, exec vp

Marketing Personnel

Larry Sussberg, vp-sales
Lou Moore, natl sales mgr, asst to president
Jonathan Nettlefield, genl mgr-mktg & adv

Advertising Agency

AC&R/DHB & BESS Advertising, New York—all Jaz prods—Steve Rose, chmn; Constantine Pappas, sr vp-acct super; Lynn Landau, asst acct exec.

LASSALE, JEAN LASSALE

Corporate Personnel

Robert Pliskin, president

Marketing Personnel

Larry Sussberg, vp-sales
Charles Kriete, sr genl mgr-sales
David Strouse, vp-adv & pr
Robert Stevens, genl mgr-adv & pr

Advertising Agency

AC&R/DHB & BESS, New York—all Jean Lassale prods—Steve Rose, chmn; Constan-tine Pappas, sr vp-acct super; Lorraine Linton, Tracy Penn, acct execs; Lynn Landau, asst acct exec.

EPSON AMERICA

Marketing Personnel

Jack Whalen, vp-genl mgr

Andrew Leonard, vp-mktg
Scot Edwards, dir-adv & mktg svcs
Bob Armstrong, adv mgr

Advertising Agency

FCB/West, San Francisco—computer prods—Richard Ward, mgmt super; Garrett Lawrence, acct super; Julia Mee, asst acct exec.

Hearst Corp.

RANK **187**

New York

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,750	1,604	9.1
Net income	N/A	N/A	N/A
U.S. advertising	39	37	4.6

Hearst Corp., founded as a newspaper publishing company in 1887, has beefed up its print stable by purchasing *Esquire* from Esquire Magazine Associates in December 1986 and the following March, paying $400 million for the independently owned *Houston Chronicle*—the 16th largest-circulation daily newspaper in the U.S. and the largest in Texas. The *Chronicle* also is the largest-circulation paper among Hearst's 12 newspaper properties.

Hearst's 1986 ad spending totaled $39 million, up 4.6% from 1985; $9.4 million of that was spent in unmeasured media. The company's marketing budget is divided into many smaller pieces to promote its various media operations.

Company revenues totaled an estimated $1.75 billion, up 9.1% from 1985. In addition to its 13 U.S. magazines and various specialty titles and its 18 newspapers, Hearst owns six TV stations, seven radio stations, cable services in California, Lifetime and Arts & Entertainment cable networks, book and trade magazine publishers, syndicated newspaper services and real estate.

Specialty magazines received the largest chunk of measured media spending in 1986: $6.96 million, up 54.4% from 1985. Other segments receiving substantial measured ad support: Good Housekeeping needlework kits, up 16.7%, to $2.4 million; Cosmopolitan boutique products, up 118.1%, to $2.4 million; and the Lifetime cable network, up 69.1% to $1.2 million.

Hearst spent $1.8 million for corporate ads in magazines; that total was down 32.1% from 1985. Promotion of magazines to the trades got $1.6 million, according to Rome Report; $478,100 of that backed *Good Housekeeping*.

Among its higher-profile businesses in competitive markets, Hearst spent $1.67 million for the *Boston Herald*, all in spot TV buys—up 22.3% from 1985—in its fight against the No. 1 *Boston Globe*.

Meanwhile, the afternoon San Francisco *Examiner*—Hearst's flagship newspaper, founded in 1887—continued its controversial anti-TV campaign, via Goodby, Berlin & Silverstein, San Francisco. The most-publicized of the ads featured Ken and Barbie dolls with the headline, "These two have all it takes to be award-winning TV news anchors." Spending for the *Examiner's* spot TV and print campaign totaled $254,000, up 33.7% from 1985.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	4,492	5,446
Magazines	16,884	15,656
Newsp. supps.	0	103
Bus. pubs.	3,848	3,787
Spot TV	3,788	2,281
Network radio	22	198
Outdoor	501	539
Network cable	81	291
Total measured	29,616	28,301
Unmeasured	9,418	9,000
Total	39,034	37,301

HEARST CORP.
959 Eighth Ave.
New York, N.Y. 10019
(212) 262-5700

Corporate Personnel

Frank A. Bennack Jr., president
Gilbert C. Maurer, exec vp
James F. O'Donnell, corp comm dir

Advertising Agency

Laurence, Charles, Free & Lawson, New York—corp adv—Alfred Evans, exec vp; Richard Goldschmidt, sr vp.

HEARST MAGAZINES
Marketing Personnel

Gilbert C. Maurer, president
K. Robert Brink, exec vp
D. Claeys Bahrenburg, exec vp-group publishing dir
George J. Green, exec vp-group publishing dir
Mark F. Miller, exec vp-genl mgr
Mark E. Goldschmidt, mktg & planning dir
Mary Sabolik, assoc dir, pr
Bonnie Maglio Shope, adv & promo dir, Hearst Gold Buy Magazines
Daniel Ambrose, adv mgr, Hearst Gold Buy and Hearst Home Buy

HEARST NEWSPAPERS
Marketing Personnel

Robert J. Danzig, vp-genl mgr
J. Roger Grier, vp-group exec
Lee J. Guittar, vp-group exec
Henry K. Wurzer, mktg devel mgr

HEARST BROADCASTING
Pittsburgh, Pa.
Marketing Personnel

John C. Conomikes, vp-genl mgr, broadcasting
Mickey L. Hooten, vp-genl mgr, television
Jack A.W. Shenkan, sales & mktg dir, broadcasting

HEARST BOOKS/BUSINESS PUBLISHING
Marketing Personnel

Gordon L. Jones Jr., vp-group head, Books/Business Publishing
Lawrence Hughes, president, Hearst Trade Book Group
Susan Halligan, dir-adv & sales promo, William Morrow & Co.
Michael Greenstein, exec vp-acting sales dir, Avon Booknys

KING FEATURES SYNDICATE
Marketing Personnel

Joseph F. D'Angelo, president
Bruce L. Paisner, exec vp
Lawrence T. Olsen, vp-mktg & sales dir

Holiday Corp.

RANK **184**

Memphis, Tenn.

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,648	1,804	(8.7)
Net income	133	150	(11.1)
U.S. advertising	42	30	38.8

Holiday Corp., the nation's largest hotel company, experienced a drop in revenues and net income in fiscal 1986 (which ended Jan. 2, 1987), traced to a worldwide glut in hotel rooms.

Holiday beefed up its measured advertising in 1986 to $28 million from $18 million in 1985. Total U.S. advertising was $41.5 million in 1986, according to AD AGE estimates. Holiday estimates its 1986 U.S. ad total at $40.7 million, its worldwide ad total at $45.9 million.

Primary contributor to the higher spending was a $6.6-million outlay for network TV in 1986—for Embassy Suites and Holiday Inns—compared with no expenditures in that medium in 1985.

Other major media increases were in spot TV, up 28%, and outdoor, up 18%. Holiday Corp. is among the nation's 25 largest outdoor advertisers.

Fiscal 1986 results from the company's two major divisions—hotels and gaming—showed year-to-year declines. Hotels dropped 27.4% in operating income to $141 million on sales of $952 million, down 9.3%. Gaming operating income fell 5.8% to $113 million on sales of $690 million, up 3.9%.

In 1987 the company took steps to shore up its hotel operations through a recapitalization plan. So far this has included the sale of marginal properties and the distribution of proceeds from sales of assets to stockholders.

In June 1987, the Holiday Inns Hotel division launched advertising that features a crooning Frank Sinatra. The $15 million campaign is directed at the business traveler, who accounts for 73% of the chain's business.

Through June 1987 the company had sold all or part interest in 86 hotels, many of which were older properties, generating $760.3 million in after-tax proceeds. Expansion, however, continues in new markets for Embassy Suites for the high-ticket traveler, Hampton Inns for the low-budget customer, and Residence Inns, apartment units for the "extended-stay" market. The hotel division opened an average three hotels per week in 1986.

In April 1987, Hampton Inns named Walker & Associates, Memphis, to its $1.3-million account, replacing Grey Advertising, New York.

In the gaming division, the company says it has no plans to sell any of its hotel/casino properties in Reno, Las Vegas, Lake Tahoe or Atlantic City.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	5,704	7,387
Newsp. supps.	42	494
Bus. pubs.	566	716
Network TV	6,553	0
Spot TV	5,478	4,267
Network radio	0	1,123
Spot radio	1,519	33
Outdoor	4,555	3,904
Network cable	115	4
Total measured	24,532	17,927
Unmeasured	17,000	12,000
Total	41,532	29,927

HOLIDAY CORP
1023 Cherry Road
Memphis, Tenn. 38117
(901) 762-8600

Corporate Personnel

Michael D. Rose, chmn-ceo
Richard J. Goeglein, president-coo

Marketing Personnel

Andrew Lien, sr vp-worldwide mktg
Ray Lewis, vp-system mktg
Kevin Jeter, dir-natl mktg

Advertising Agency

Bozell, Jacobs, Kenyon & Eckhardt, Memphis—Gary Andrews, sr vp-group acct dir; David McConnaughey, vp-mgmt super; Carl Teitelman, acct super; Sara Camp, acct exec; Debra Kesey, asst acct exec.

HARRAH'S HOTEL/CASINO
Reno, Nev.
Marketing Personnel

Robert A. Miller, vp-mktg
Seta Dingley, dir-adv

Advertising Agency

(In-house).

EMBASSY SUITE HOTELS
Irving, Texas
Marketing Personnel

Pat Cox, vp-mktg
Karen Von Der Bruegge, adv dir

Advertising Agency

Stern Monroe, Dallas—Lisa Bell, acct rep, natl; Lisa Briggs, acct rep, eastern region; Bee Dowling, acct rep, western region.

HAMPTON INNS
Memphis, Tenn.
Marketing Personnel

Mark Wells, vp-mktg
Lorna Brown-Ray, dir-natl sales
Dave Walker, mgr-field svcs
Jane Innes, mktg dir
Coleen Thomason, mktg mgr

Advertising Agency

Walker & Associates, Memphis—Steve Jones, acct exec.

George A. Hormel & Co.

RANK **116**

Austin, Minn.

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,960	1,502	30.5
Net income	39	39	1.2
U.S. advertising	69	71	(2.3)

George A. Hormel & Co., strapped with high costs of pork and other raw materials, as well as lingering labor woes, kept advertising spending on the lean side in 1986.

Ad spending rose 1% to $71.4 million for the fiscal year ending Oct. 25, 1986, although calendar year figures—the basis for rankings in this issue—show spending declining about 2.3% to $69.1 million. Static ad spending was a product of shifts in media, says Thomas Purcell, director of marketing and advertising services.

The company more than doubled magazine spending, sliced spot TV spending by 39% and increased overall radio spending by 6.1%. Mr. Purcell says 1987 ad spending will dip slightly before a rebound in 1988, when, he says, Hormel will spend "at incredible rates" in six months. The marketing lull is ironic in light of 134 new products either introduced or in test in the last two years.

Spartan profits (up only 1.2%) and ad spending in 1986 belie a 30.5% surge in sales. Profits were hurt by a strike by Local P-9 of the United Food and Commercial Workers union, which closed Hormel's Austin, Minn., plant.

In late 1986 Hormel bought Jennie-O-Foods, a marketer of turkey products.

Hormel continued its evolution from meat-packer to food processor by introducing an array of "value-added" frozen, fresh, microwavable and shelf-stable products in 1986 and 1987. Further, Hormel is actively marketing deli products and precooked Broiled & Browned beef, chicken, fish and pork entrees to the food-service industry.

Sales should top $2 billion this year if the 10% sales increase predicted by Mr. Purcell materializes. Nine-month sales for the period ending July 25 were $1.57 billion, up 11.7% from the 1986 period. Profits rose to $25.8 million, up 11.9% from a comparable 1986 period.

Spam gobbled up 75% of the $175 million canned luncheon meat segment, Mr. Purcell says. In 1986 it was joined by a new low-salt variety. SAMI/Burke figures show Hormel chili with a 33.5% share of the $259.8 million canned chili segment, and Dinty Moore Beef Stew dominates the canned stew market with a 70% share.

Of these products, Hormel increased seven-media ad budgets only for chili (up 23.3% to $2.98 million). The company cut Dinty Moore spending 38.5% to $1.72 million and reduced measured spending for Spam by 40.5% to $3.2 million.

Total measured spending for 1986 totaled $43.7 million, down 2.3% from 1985. AD AGE estimates unmeasured spending, including promotion and direct-mail, at $25.4 million in 1986.

One beneficiary of Hormel's increased 1988 ad budget, says Mr. Purcell, is Top Shelf, a line of 10 shelf-stable entrees introduced in February 1987 in test markets including Indianapolis and Denver. "This is not hype . . . we cannot keep 'em on the shelf," he says. Top Shelf, which has an 18-month shelf life, faces competition from General Foods' Impromptu shelf-stable entrees. Marketing has expanded from Phoenix to the West Coast.

In October 1987 Hormel, under an agreement with Chi-Chi's Mexican restaurant chain, introduced a line of shelf-stable Mexican foods bearing the Chi-Chi's name. BBDO Worldwide, Minneapolis, prepared the campaign.

Other 1986 and 1987 product introductions include three New Traditions Broiled & Browned microwavable sausage and ham products; Fast 'N Easy precooked bacon; Frank 'N Stuff franks; Hormel meat sticks in four flavors; three varieties of Old Smokehouse sausage; and Gold 'n Lite frozen chicken bites.

One unsuccessful product introduction was Hormel's Old Smokehouse Steak Sauce Plus—an attempt to break Nabisco Brands' A1 and H.J. Heinz Co.'s Heinz 57 stranglehold on the $141 million market. Mr. Purcell says Hormel may have approached the category from the wrong angle. TV and print ads, via BBDO, Minneapolis, pictured sauce slathered on old

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shoes and car parts to prove that it "makes anything taste better."

Hormel's budget cutbacks and account shifts pared billings at BBDO and Ruhr/Paragon, both Minneapolis, which handle virtually all of Hormel's advertising.

Hormel consolidated all frozen food division advertising at Ruhr/Paragon in May 1987, taking $2.5 million in billings from BBDO. Ruhr/Paragon also was given BBDO's chunk canned products account.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	960	1,779
Magazines	8,554	4,012
Newsp. supps	942	98
Bus. pubs	779	1,444
Network TV	5,442	6,325
Spot TV	7,350	12,200
Network radio	7,515	7,829
Spot radio	11,684	10,269
Outdoor	319	513
Network cable	173	282
Total measured	43,717	44,751
Unmeasured	25,351	25,951
Total	69,068	70,702

GEO. A. HORMEL & CO.
P.O. Box 800
Austin, Minn. 55912
(507) 437-5611

Corporate Personnel

R.L. Knowlton, chmn & president-ceo
Raymond J. Asp, exec vp-intl & trade relations

Marketing Personnel

T.J. Purcell, dir-mktg & adv svcs

MEAT PRODUCT GROUP

Corporate Personnel

James A. Silbaugh, group vp

Marketing Personnel

Stanley A. Kerber, sr vp-mktg
James DiNicola, vp-sales
Kim Jenkins, group prod mgr, deli prods & direct mktg
Bob Tegt, prod mgr, consumer prods deli group, Light & Lean prods
Gary Esbeck, mktg mgr, frozen foods div
Joe Swedberg, prod mgr, ham, bulk smoked meats
Gary Jones, prod mgr, breakfast meats group
Kurt Mueller, prod mgr, fresh pork
Richard Johnson, prod mgr, food service
Tom Blumhardt, sales mgr, frozen foods div
Mike Grogan, prod mgr, deli group

PREPARED FOODS GROUP

Corporate Personnel

James Hall, group vp
Robert Patterson, vp-grocery prods div

Marketing Personnel

Rick Bross, dir, grocery prod mktg
Eric Brown, dir, grocery prod sales
M.E. Burgstahler, prod mktg mgr, Dinty Moore, Great Beginnings, imported prods
Richard Crane, group prod mktg mgr, Spam
William Husk, mktg mgr, canned hams
Marc Johnson, prod mktg mgr, Mary Kitchen Hash, BBQ Sauce, Private Label
Larry Raskin, prod mktg mgr, chili, tamales, Deviled Spam, spreads, Vienna Sausage
John Vrabel, group prod mgr, chunk prods, short orders, vending, CountrySide Salads, Top Shelf
Marcia David, prod mktg mgr, smoked sausage, Bacon Bits, dry snacks

FDL MARKETING INC.
Dubuque, Iowa

Corporate Personnel

Deryl Arnold, president
Neil House, exec vp

Marketing Personnel

Clyde Maddux, vp-mktg & adv
Steve Dopita, vp-sales

JENNIE-O-FOODS
Willmar, Minn.

Corporate Personnel

Earl B. Olson, president

Marketing Personnel

Jerry Figenskau, vp-mktg & sales

Advertising Agencies

BBDO, Minneapolis—Wm. Weigold, exec vp-genl mgr; Allen Cohn, sr vp-exec creative dir; Jud Smith, David Schutten, creative dirs. Prepared foods: Spam, chili, Mary Kitchen hash, Old Smokehouse, BBQ Sauce, Bacon and flavored bits—Tom Keating, vp-mgmt super; Bill Lozito, Dennis Nustad, Mike Uecker, acct supers. Meat prods: Cure/81 Ham, Light & Lean prods, Little Sizzlers pork sausage, Fast 'N Easy prods, Wranglers prods, Frank 'N Stuff franks, dry sausage/deli, foodservice—Bob Jackson, vp-mgmt super; Wes Crawford, acct super.

Gioia Productions, Glen Head, N.Y.—Italian language adv—Luisa Bianchi, president.

Ruhr/Paragon, Minneapolis—Chunk canned prods, Dinty Moore prods, Farm Fresh catfish, Gold 'n Lite prods, Great Beginnings, New Traditions prods—Chuck Ruhr, chmn; Bob Jones, president; Doug Lew, vp-creative dir; Louise Scroggins, John Murtfeldt, group acct dirs.

Greasing political cogs

Dayton Hudson Corp., Minneapolis, got a special session of the Minnesota legislature to pass a toughened anti-takeover law shortly after the Haft family made overtures to buy the company in June 1987.

RANK

Hyundai Motor Co. 158

Seoul, S. Korea

($ in millions)

Worldwide	1986	1985	% chg
Sales	N/A	1,250	N/A
Net income	N/A	N/A	N/A
U.S. advertising	52	N/A	N/A

Hyundai Motor America, wholly owned subsidiary and U.S. sales arm of Hyundai Motor Co. of South Korea, has moved from startup position in 1986 to an almost certain No. 4 rank in 1987 among auto importers in this country.

In 1986, Hyundai posted a 10-month U.S. sales total of 168,882 units, a record for any import's first year here, surpassing the 1958 Renault Dauphine by 48,000 cars. The $4,995 Hyundai Excel went on sale Feb. 20, with a network of dealers in 31 states and with a vastly understated sales goal of 100,000 units.

The record-breaking sales effort had the backing of an ad budget estimated at $52.3 million for 10 months of 1986. This initial expenditure was given a substantial boost in 1987 as Hyundai set its sights on sales of 250,000 units by year's end. By Sept. 10, sales had reached the 190,000 mark, and the Korean automaker's goal appeared possible.

Established in 1967, Seoul-based Hyundai Motor Co. (HMC) is a tiny division of a giant Asian manufacturing conglomerate. The company developed and produced the first Korean compact passenger car, dubbed the Pony, in 1974.

Though the company has not published 1986 production or worldwide sales and earnings figures, in 1985 it reported a total 227,000 units for worldwide sales of $1.25 billion and an export value of $522 million. Plant expansion gives the Korean plant a capacity of 600,000 units per year.

Hyundai entered the Canadian market in 1984, selling 25,000 units that year. By the end of 1985, using newspaper ads with the slogan: "Take a Pony for a ride," Hyundai had become Canada's No. 1 importer, and the Pony was Canada's best-selling car. A front-wheel drive Pony Excel was introduced in 1985, essentially the same car brought to the U.S. in 1986.

The Hyundai Excel is a front-wheel-drive, four-cylinder economy subcompact, similar in appearance to the lowest-priced Japanese cars. For 1986, three versions—two-door and four-door hatchbacks and a four-door sedan—were priced from $4,995 to $6,445.

Components supplied by Mitsubishi Motors Corp., Hyundai's Japanese partner, which has a 15% stake in the Korean automaker, still account for almost a quarter of the value of a Hyundai-built car. This year Mitsubishi Motor Sales of America has been selling the Hyundai-manufactured Precis, a subcompact similar to the popular Excel, which it expects to be its best-selling car for 1987.

Industry analysts see the U.S. market for subcompacts, or minicars, undergoing dramatic growth in the next few years, reaching 1.5 million cars by the end of the decade. This low end of the market has been long abandoned by Detroit and, in recent years, by the Japanese, whose import quotas have shifted their emphasis to more expensive lines.

Hyundai's 168,000-plus sales total gave the company quick ranking as the nation's seventh best-selling import in 1986, behind Subaru of America, which sold 183,242 units. If Hyundai meets its sales forecasts of 250,000 units in 1987 and 300,000 in 1988, the company would rank No. 4 among importers, behind Toyota Motor Sales, Nissan Motor Corp. and American Honda Motor Corp.

AD AGE national advertising estimates for Hyundai do not include $6.7 million spending by local dealers, and only the corporate co-op portion of $21.6 million spent by the Hyundai dealers association. Both expenditures were in spot TV, according to BAR/LNA. There were 161 dealers in place by the end of 1986.

Hyundai opened its drive into the U.S. market with a three-week teaser campaign designed to introduce the company as well as its car. The introductory campaign, launched before the Excel went on sale Feb. 15, observed that the shipbuilder and locomotive-manufacturer is the 39th largest corporation in the world, with sales of about $11 billion.

Print ad headlines pointed out, "Its father was a locomotive. Its mother was a ship." Taglines added, "Hyundai. Cars that make sense." Ad copy stressed Hyundai's earlier success in Canada and noted that "Hyundai rhymes with Sunday.

Aiming at a 70%-100% sales increase for 1987, Hyundai increased its ad budget an additional $10 million for the '87 model year.

Hyundai's 1988 lineup was expanded to include a total of 16 models, with prices ranging from the low-end three-door, four-speed manual shift hatchback at $5,295 to the top-of-the-line GLS four-door automatic-shift sedan at $7,895. A full load of factory-installed options can add $2,500, giving the flagship model a $10,400 price tag. Dealers estimate that their average sticker price falls in the $6,500-$7,000 price range.

Two newly announced additions to the '88 line are a sporty Excel GS three-door hatchback and a base Excel four-door sedan.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	10,396	3
Magazines	4,736	0
Bus. pubs	190	161
Network TV	4,077	0
Spot TV	17,914	0
Outdoor	17	0
Total measured	37,331	164
Unmeasured	15,000	N/A
Total	52,331	164

HYUNDAI
MOTOR AMERICA
7373 Hunt Ave.
Garden Grove, Calif. 92642
(714) 890-6000

Corporate Personnel

H.W. Baik, president & ceo
Max Jamiesson, exec vp, coo

Marketing Personnel

Greg Warner, vp-operations
Art Meissner, vp-natl sales mgr
Jack Collins, mktg dir
Joseph Corey, natl adv mgr

Advertising Agency

Backer Spielvogel Bates Worldwide, Huntington Beach, Calif.—all Hyundai autos—Harry Grusche, sr vp-mgmt rep; Howard Sherman, Peter Smaha, vps-acct dirs; Paula Dyba, Lisa Twine, sr acct execs.

RANK

Imasco Ltd. 146

Montreal

($ in millions)

Worldwide	1987	1986	% chg
Sales	4,095	3,877	5.6
Net income	155	191	(18.8)
U.S. advertising	58	62	(7.6)
Division sales	**1987**	**1986**	**% chg**
Imperial Tobacco	1,301	1,288	1.0
Imasco USA	1,206	1,098	9.8
People's Drug	1,365	1,333	2.4
Shoppers Drug	105	57	84.7
The UCS Group	155	139	11.6

Declining earnings in fiscal 1987 at Imasco Ltd., a Montreal-based diversified company, were linked to a poor performance by its 831-store Peoples Drug Stores in the U.S. and a cigarette discount war in Canada that affected earnings of its Imperial Tobacco division (Player's and du Maurier brands, among others).

Imasco, which also owns the Hardee's restaurant chain in the U.S., is recovering now that the cigarette price war has ended and Peoples has undergone reorganization. Earnings are on the mend, up 33% to $51 million in the first quarter ended June 30, compared with the same period a year earlier.

Sales and earnings appearing in this profile were converted from Canadian dollars to U.S. dollars at the average annual exchange rate of US$0.728=C$1.

Peoples, based in Alexandria, Va., has undergone a reorganization linking it more closely with the successful Imasco-owned Canadian chain, Shoppers Drug Mart, under the direction of Shoppers' Chairman-CEO David R. Bloom.

Peoples' first quarter sales were off 2% from the comparable previous quarter, and earnings were off 87%, at $1.02 million. But the company called earnings "encouraging" following three quarters of far greater losses. Peoples lost $23 million in fiscal 1987.

Imasco USA, the food-retailing division that's primarily Hardee's, the Rocky Mount, N.C.-based fast food chain, continues to ride Hardee's ballyhooed quarter-pounder burger to success.

Nation's Restaurant News, an industry magazine, in August listed Hardee's as climbing above competitor Wendy's to fourth place in sales volume among the nation's fast-food restaurants. The magazine estimated total Hardee's sales, for both company-owned and franchise restaurants, will be $3.03 billion for fiscal 1988, up 12%.

In addition to Hardee's, Imasco USA includes a food manufacturing and distribution arm, 14 Burger Chef franchises and Grisanti, nine Italian restaurants. Grisanti is buying 17 Casa Lupita restaurants from Ponderosa, then switching them to Italian cuisine. Sales for all company-owned, foodservice divisions of Imasco during the last fiscal year climbed 9.8%, to $1.21 billion.

Hardee's attributes its growth to the quarter-pounder, pushed in its "We're out to win you over" campaign. Conversion to a cooking process that cooks on two sides at once and produces a juicier burger is "98% complete," a spokesman says.

Hardee's advertises heavily, spending 6.5% of sales yearly—$170 million in the past year. But it has increasingly used local rather than national ads, which are the basis of rankings in this issue. An estimated three-quarters of the firm's ad total falls in categories of direct mail, couponing and special events. The company's own breakdown of the remaining $40 million allocates $30 million to spot TV, $8 million to spot radio and $2 million to outdoor.

Imasco spent $31.1 million in national advertising for Hardee's during 1986, according to BAR/LNA, with most of that in spot TV.

The recent addition of eight new company-owned and 44 new franchises gives Hardee's 917 company-owned and 1,867 franchises, for a total of 2,784, primarily in the Southeast, Midwest and mid-Atlantic states.

Ad spending overall is up, with the company earmarking $188.5 million in advertising and promotion for the current year. Newest wrinkle is the literally wrinkled California raisins, who danced that state's raisin industry to national prominence to the tune of "I Heard It Through The Grapevine." By agreement with the California Raisin Board, the raisins are featured in TV spots pushing Hardee's Cinnamon 'N' Raisin breakfast biscuit. The ads began a 45-day run this Oct. 5.

Recently introduced products are prepackaged salads and soft ice cream, aimed primarily at women and kids.

Like Hardee's, Peoples Drug Stores depend heavily on local ads, says Joseph A. Pollard, senior VP-advertising and public relations. The current ad budget is $40 million, he says, noting it is the same as last year.

Imasco's other retail enterprise, the UCS Group, a Canadian chain of retail convenience and tobacco stores, showed a 11.5% growth in sales, to $155 million in fiscal 1987.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	23	32
Network TV	0	8,925
Spot TV	32,761	26,896
Network radio	59	0
Spot radio	10	0
Outdoor	1,687	1,529
Network cable	0	8
Total measured	34,539	37,390
Unmeasured	23,094	25,000
Total	57,633	62,390

IMASCO LTD.
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Montreal, Que., Canada H3Z 2S8
(514) 937-9111

Corporate Personnel

Purdy Crawford, chmn & president-ceo

IMASCO USA
Rocky Mount, N.C.

Corporate Personnel

Jack A. Laughery, chmn & president-ceo
John Wilson, sr vp-cfo

HARDEE'S FOOD SYSTEMS
Rocky Mount, N.C.

Marketing Personnel

William E. Prather Jr., president-ceo
Ralph Peterson, exec vp-cfo
Paul R. Lovin Jr., exec vp-operations
Gary L. Langstaff, exec vp-mktg

FAST FOOD MERCHANDISERS
Rocky Mount, N.C.

Marketing Personnel

Hugh Todd, chmn-ceo
F. Winslow Goins, exec vp-distribution svcs

GRISANTI INC.
Louisville, Ky.

Corporate Personnel

Michael J. Grisanti, president-coo

Advertising Agency

Ogilvy & Mather, New York—David Warden, Chuck Hodgekinson, Jerry Hart, acct mgrs.

PEOPLES DRUG STORES
Alexandria, Va.

Marketing Personnel

Frederick Edwards, exec vp
Joseph A. Pollard, sr vp-adv & corp relations

Advertising Agencies

Ehrlich Manes Associates, Washington, D.C.—corp adv—Nella Manes, president.

Fahlgren and Swink, Toledo, Ohio—James Renda, acct super; Liz Winkle, acct coord.

Handley & Miller, Indianapolis—Richard Kreusser, president.

Mel Finkel Associates, Atlanta, Ga.—Mel Finkel, president.

RANK

Isuzu Ltd. 154

Tokyo

($ in millions)

Worldwide	1986	1985	% chg
Sales	6,277	6,295	(0.3)
Net income	685	709	(3.4)
U.S. advertising	53	27	97.5

A fast-talking mythical car salesman featured in a series of popular television spots helped American Isuzu Motors, U.S. distributor of passenger cars and trucks for Isuzu Motors Ltd., Japan, realize a 21% increase in total unit sales in 1986. Similar results are likely for 1987.

American Isuzu's total measured ad spending also increased, skyrocketing more than 140%. Spending on spot TV alone more than tripled from the previous year.

Isuzu Motors Ltd., the parent company whose fiscal year is reported in the accompanying box, however, saw its net income drop, largely because of the sharp appreciation of the yen. Figures for both 1986 and 1985 were converted at the rate of Y161.45=U.S.$1. The company does not break out sales and income figures for its U.S. subsidiaries.

General Motors owns 38.6% of Isuzu Motors. The Japanese automaker supplies GM with the Chevrolet Spectrum (Isuzu sells its own version as the I-Mark), a front-wheel-drive subcompact.

In 1986, American Isuzu sold 38,910 cars, a 44.4% increase from the previous year's total of 26,953. Sales of the I-Mark more than doubled, from 12,780 to 26,046 units. Isuzu's share of the U.S. import car market increased as well, from 0.95% to 1.2%.

Isuzu light truck sales grew to 88,720 units from 78,149 in 1985. Despite this increase, Isuzu's share of the U.S. import truck market dropped slightly, from 9.7% to 9.5%. Its share of the total U.S. truck market, however, rose slightly, from 1.8% to 1.9%. By comparison, Suzuki holds a 1% share and Mitsubishi, 0.76%. Leading Isuzu are Mazda at 3.3%, Nissan at 4.8% and Toyota, 8.2%.

Unit sales have continued to increase for Isuzu in 1987. During the first eight months of the year, combined car and truck sales totaled 88,764, a 13.2% increase from the same period in 1986. Of the total, trucks accounted for about 4,000 sales. Isuzu sold 14,107 vehicles in August 1987, the best month in the company's history.

Following the footsteps of other Japanese automakers, Isuzu soon will be manufacturing vehicles in the U.S. under a joint venture agreement with Fuji Heavy Industries, the parent company of Subaru of America. Construction of a $500 million manufacturing facility located in Lafayette, Ind., began in May. Production is scheduled to begin in the fall of 1989. The plant initially will produce 60,000 Subaru cars and 60,000 Isuzu Trooper II vehicles and light trucks. In the future, Isuzu may manufacture cars in the U.S., depending on market conditions, according to Leon Rosen, national marketing services manager.

Isuzu also announced that it will move into the luxury segment of the market by becoming the worldwide distributor (excluding Great Britain, Germany, Austria and Switzerland) for the Bitter Automobile Co. Ltd. of Germany. Bitter will produce two models for U.S. distribution—a two-door convertible and four-door sedan, both of which will emphasize European engineering and styling. Production is anticipated to begin in October 1988 at the Steyr-Daimler-Puch manufacturing facility in Graz, Austria. The convertible will make its American debut in the spring of 1989, with the sedan slated for introduction later in the year. Both will be priced in the mid-$30,000 to low-$40,000 range.

Isuzu "lied" its way to increased sales in 1986 and 1987. Advertising first aired in the summer of 1986 spotlighted a fictitious Joe Isuzu (actor David Leisure), a slick salesman.

Typical of the ads, created by Della Femina, Travisano & Partners, Los Angeles, was one that found Leisure atop a jagged mountain peak, standing beside a Trooper II. "The amazing Isuzu Trooper II. Its four-wheel drive can take you anywhere. In fact, I drove it up here myself," says the presenter as a "He's Lying" subtitle appears on the screen. "It has more seats than the Astrodome," proclaims Leisure. "Almost. It has five," reads the subtitle. "Plus enough cargo space to carry Texas," he adds while the subtitle reads, "79 cubic feet of it." "And Isuzu will accept marbles and sea shells as payment," says Joe Isuzu. "$10,599. Marbles and shells not accepted," reads the final subtitle. "But they're selling fast so you have to come in in five minutes," he concludes, and "you have my word on it."

But not everyone was fond of the "Liar" spots. In September 1987, the Tri-State Isuzu Dealers, representing New York, New Jersey and Connecticut, launched its own $500,000 TV campaign to counter the campaign. Tri-State dealers felt the Joe Isuzu ads were in bad taste and undermined the credibility of car salesmen. Two spots that broke Sept. 1 were picked up by Isuzu dealerships nationwide.

Magazine, newspaper, and network and spot TV expenditures accounted for nearly all of Isuzu's 1986 measured total of $39.7 million. Magazine spending jumped 62% to $9.9 million. Spot TV spending more than tripled to $15.4 million, and network TV rose 9% to $5.9 million.

Mr. Rosen estimates that total advertising expenditures for the 1987 calendar year are running about 12% higher than 1986. A 30% increase is slated for 1988.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	7,339	3,175
Magazines	9,920	6,118
Bus.pubs	573	481
Network TV	5,931	5,378
Spot TV	15,356	4,625
Network radio	315	0
Spot radio	475	0
Outdoor	5	4
Network cable	252	338
Total measured	40,166	20,118
Unmeasured	12,391	6,500
Total	52,557	26,618

AMERICAN ISUZU MOTORS
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(213) 949-0611

Corporate Personnel

J.E. Reilly, sr vp-genl mgr

Marketing Personnel

Fritz Kern, vp-mktg
Leon Rosen, natl mktg svcs mgr

Advertising Agency

Della Femina, Travisano & Partners, Los Angeles—Jerry Della Femina, chmn; Louise McNamee, president; Peter Stranger, president, L.A. office; Dennis Remsing, sr vp-mgmt dir; Ann Kalman, sr vp-media dir; Richard Russo, sr vp-creative dir; David Weber, vp-mgmt super; Rick Carpenter, Jaci Sisson, vps-group creative dirs; Sandra Tuttle, vp-dir, broadcast production; Dick Sittig, assoc creative dir; Peter Mooney, acct super; Richard L. Reed, acct super, prod mktg; Charles Koch, Kelley Glaser, acct execs; Jeff Saunders, field acct super; Meg Dennis, field acct exec

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A woman's best friend

The biggest market for diamonds continues to be "women of the house," says DeBeers Consolidated Mines. Category unit sales were 6.9 million for a retail value of $3.5 billion in 1986, up 300,000 units and $500 million from 1985. The No. 2 category was sales to "single adult women"—4.4 million pieces or $1.5 billion retail, up 900,000 units and $400 million. No. 3 was sales of women's diamond engagement rings.

Jerrico Inc.

RANK **114**

Lexington, Ky.

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	599	584	2.6
Net income	25	27	(10.3)
U.S. advertising	69	63	10.0
Division sales	**1987**	**1986**	**% chg**
Restaurants	478	455	5.1
Supplies, equip.	107	95	12.6
Royalties	12	12	0.0
Other	2	2	0.0

Long John Silver's Seafood Shoppes, the restaurant chain that accounts for about 75% of total revenues and 80% of operating profits of its parent, Jerrico Inc., is expanding its menu as it builds its network into a national chain.

The 1,421-store chain, which reported sales of $451 million for fiscal year 1987, ended June 30, represents roughly 65% of the "fast-fish" category. While it still is not a truly national chain, LJS is close enough that it has begun buying "regional network" TV time.

By 1990 it intends to have stores in all sectors of the country and to become a full network TV advertiser. No other chain in its category is close to that level of representation.

In addition to LJS, Jerrico owns 34 Jerry's Restaurants, full-service coffee shops, and franchises an additional 28. The company also is testing the waters in the dinnerhouse market: Last year its first Florenz northern Italian restaurant opened in Ohio.

But most of Jerrico's energies are directed to the LJS chain. At the close of the last fiscal year, there were 887 company-owned restaurants and 534 franchised units, compared with 844 company and 544 franchised restaurants a year earlier.

The most recent fiscal year was a tough one for LJS. Like all restaurant chains, LJS has faced tough competition from outside the industry, especially from grocers and from the popularity of microwavable entrees.

LJS suffers from the additional problem of having 25% of its stores in the so-called "Oil Patch," which has been depressed by lower oil prices. For the year, LJS' average unit sales were $526,000, up 2.1% over fiscal 1986 and roughly on a par with the restaurant industry's growth overall.

To spur growth through the 1990s, the company is working to broaden the chain's appeal.

LJS's menu staple long has been deep-fried fish (codfish). Recently that has been augmented by fried chicken entrees. LJS in 1986 rolled systemwide its line of cold seafood salads. These account for 5% of sales—up to 10% when backed by media advertising.

The other 95% of LJS's sales still come from fried fish and chicken. That has been augmented recently with new items—such as fried catfish, Cajun Shrimp and Kitchen Breaded Fish—that have less breading (and less oil retention) than past items.

LJS also has been testing baked codfish in some 60 units over the past two years, but that doesn't seem to be the answer. Consumers want broiled fish, and LJS has committed itself to offering it.

The addition of broiled fish may significantly change LJS's market positioning. The broiled seafood line being tested includes halibut, salmon, shrimp, cod and flounder, served with baked potato or vegetables, salad or coleslaw, and a roll. LJS also remains committed to its "Sounds good to me" umbrella advertising theme, which has been running since Foote, Cone & Belding, Chicago, assumed the account in 1985. That advertising has become increasingly product-oriented as the chain has phased out its previous reliance on couponing and special-price deals.

During calendar 1986, Jerrico spent $2.9 million on regional network ads for LJS. Through only the first half of 1987, Jerrico spent $2.8 million on network TV.

Spot TV spending of $26.8 million in 1986 is moving downward, however. Through the first half of 1987, Jerrico's spot TV buying was down 10% to $11.6 million.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	2	0
Network TV	2,492	0
Spot TV	26,803	26,502
Spot radio	183	365
Outdoor	272	317
Network cable	139	0
Total measured	29,891	27,183
Unmeasured	39,587	36,000
Total	69,478	63,183

JERRICO INC.
101 Jerrico Drive
Lexington, Ky. 40511
(606) 268-5211

Marketing Personnel

Donald A. Metznik, vp-natl mktg
Chip Hardy, vp, dir-field mktg
David M. Miller, vp-adv

Advertising Agencies

(In-house) Abbott Advertising, Lexington, Ky.—David M. Miller vp-genl mgr.

Foote, Cone & Belding, Chicago—Mitch Engel, sr vp-mgmt super.

Kenner Parker Toys

RANK **189**

Beverly, Mass.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	503	340	48.0
Net income	25	(58)	142.8
U.S.	**1986**	**1985**	**% chg**
Sales	356	235	51.5
Operating profits	30	(34)	188.0
Advertising	36	49	(26.6)

For the first time since its spinoff from General Mills two years ago, Kenner Parker Toys has reported solid earnings.

But the fifth-largest toy manufacturer (behind Mattel, Hasbro, Coleco and Fisher-Price) celebrated its independence in an unusual way: by agreeing in August to be acquired by Tonka Corp., Minnetonka, Minn., for $628 million.

While the company became profitable in 1986—earnings from continuing operations in 1986 were $16 million compared to a loss of $58.2 million in 1985—falloff in demand for established toys such as Care Bears and Star Wars items resulted in a 4.5% decline in sales to $502.8 million. Care Bears plush animals were discontinued in 1987, although they continue to live via home video.

Spending on advertising and promotion worldwide declined 4% to $94.7 million, according to the company, although it does not define advertising and promotion. Of the total, AD AGE estimates Kenner Parker spent $36.3 million in U.S. advertising only, down 26.7% from 1985. Kenner Parker drew 29% of its sales from international operations in 1986, compared with 31% in 1985.

Tonka's friendly takeover bid followed Kenner's rejection of persistent and unsolicited bids from New World Production's Marvel Entertainment division, Los Angeles. Marvel continues to hold an 8.4% stake in Kenner.

Tonka in 1987 spent approximately $25 million on advertising, via Jordan, McGrath, Case & Taylor, New York. Its sales were $293 million in 1986. Tonka will become the third-largest independent U.S. toy company, with Kenner as a wholly owned subsidiary.

Stephen Shank, Tonka president-ceo, will become president-ceo of the combined companies, with Ronald Jackson, Kenner's president-ceo, retaining his title. David Mauer will continue as Kenner Toys' president and Patrick Feely as president, Tonka USA. Tonka cites as benefits the synergy between the two companies' staple products—including Tonka's toy trucks and Kenner's Monopoly, Nerf sponge-balls and games and Play-Doh lines—and Kenner's strong international presence.

New World's interest in Kenner was its need to enter the $12.5 billion toy industry with a company that could produce action figures based on its Marvel comics characters. In turn, New World offered Kenner its animation-production facilities. Neither Tonka nor Kenner have such facilities.

Tonka sees its most promising lines for 1987 as its SuperNatural holographic action figures and Maple Town animal-themed collectibles. Tonka earlier this year entered the video game market when it signed a joint partnership agreement with Sega to market the No. 2 videogame company's products in the U.S. Sega trails by a wide margin Nintendo of America, distributed by Worlds of Wonder. Atari, the originator of video arcade games, is third.

Although Kenner sees some growth in its Real Ghostbusters and SilverHawks lines of licensed action figures, the company hasn't had a strong toy line since it discontinued Care Bears. Mask, a male action figure line rethemed in 1987 to an international motor racing concept, was the best selling line in 1986, although sales were disappointing.

Kenner's Parker Brothers board game division, with 1986 revenues of $100 million, ranked third in the industry behind Hasbro's Milton Bradley and Coleco's Selchow & Righter divisions. The company in 1986 spent $9.4 on Parker Brothers advertising, including $1.1 million spent promoting new videogames such as Clue.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	126	1,736
Network TV	15,574	15,806
Spot TV	10,412	17,639
Network cable	223	1,319
Total measured	26,335	36,499
Unmeasured	10,000	13,000
Total	36,335	49,499

KENNER PARKER TOYS
50 Dunham Rd.
Beverly, Mass. 01915
(617) 927-7500

Marketing Personnel

David Mauer, president, Kenner Products
Bruce Stein, vp-mktg

Advertising Agency

Grey Advertising, New York—Ed Meyer, president-ceo.

HBM/Creamer, Boston—Richard S. Humphrey Jr., chmn.

WHY BE A LITTLE FISH IN A BIG POND?

FOOD STORE SALES ARE BEEFING UP IN TUSCALOOSA.

Tuscaloosa, Alabama outspends Birmingham, the 45th-ranked HH ADI in the United States, for Supermarket, Grocery and Other Food sales-per-person. By as soon as 1990, Effective Buying Income is expected to leap 55%, outperforming Alabama, the East South Central Region, and the entire United States. Total Retail Sales are projected to rise 52%, again beating state, region and national projections and proving that Tuscaloosa is a fat and juicy market that's beefing up even more.

WCFT DOMINATES THE MARKET.

We're the #1-rated station sign-on to sign-off. We've got the facts, figures, programming, including the #1 news, to help make your food store sales #1 in Tuscaloosa.

BE A BIG FISH

BEAM COMMUNICATIONS

WCFT-TV, CBS, Tuscaloosa, AL
WPBN-TV/WTOM-TV, NBC, Traverse City/Cadillac/Cheboygan, MI
KYEL-TV, NBC, Yuma, AZ/El Centro, CA
WDAM-TV, NBC, Laurel/Hattiesburg, MS

Source: 1986 Survey of Buying Power – May 1987, Arbitron
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Represented by Katz Continental Television

WCFT-TV
TUSCALOOSA, ALABAMA

TUSCALOOSA, ALABAMA

Kimberly-Clark Corp.

RANK **151**

Irving, Texas

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	4,303	4,073	5.7
Net income	269	267	0.9
U.S.	**1986**	**1985**	**% chg**
Sales	3,113	3,042	2.3
Operating profits	394	420	(6.2)
Advertising	55	70	(20.5)
Division sales	**1986**	**1985**	**% chg**
Household	3,370	3,172	6.2
Bus. & ind. paper	876	856	2.4
Aircraft services	99	118	(16.5)

Kimberly-Clark Corp. is starting to diversify from its solid base in consumer disposable paper products by finding new uses for non-woven materials, which already are used in the company's category-leading Huggies disposable diapers and feminine hygiene products.

The company in October 1987 began testing two nonwoven-based household cleaning products designed to appeal to consumers interested in convenience: Command, a single-use fabric sheet containing laundry detergent, and Once Overs, disposable bathroom cleaning sheets.

Although K-C's measured media spending continued its two-year decline in 1986, dropping 16% to $45 million, the company says sales and net income in 1986 reached record levels, rising 5.7% and 0.9%, respectively. The company attributed the sales increase to higher product prices rather than volume gains in maturing paper categories.

K-C says its slightly lower U.S. operating profit in 1986 reflected the decline in production capacity for Huggies diapers as the company retooled machines to make diaper improvements.

Although significant sales gains were made in household, professional and feminine care products, the gains in those segments were not enough to overcome the combined drop in newsprint, tobacco-related products and diapers.

K-C's Class I division, which is comprised of tissues, feminine, infant and incontinence care products; hospital and home healthcare products, and other related items, contributed 78% of the company's total sales in 1986, a 2.5% decline from the previous year, due primarily to Huggies production slippage.

In the $3 billion U.S. disposable diaper category, K-C's Huggies market share dropped to a record low 24% share in mid-1986, due to Procter & Gamble Co.'s introduction of Ultra Pampers and Luvs Baby Pants disposable diapers. P&G in April 1986 began nationwide distribution of the new thin, superabsorbent diapers, which contain a synthetic chemical that traps moisture and turns it into a gel. K-C was not able to nationally introduce Huggies Supertrim, its thin, superabsorbent diaper, until the end of 1986.

However, by mid-1987 K-C had recovered much of its market share, holding an estimated 33% share of the category to P&G's combined 49% share for Pampers and Luvs, says Sherman Chao, paper-products analyst with Salomon Bros., New York. Measured media support for Huggies fell 20.4% to $21.5 million, as K-C scaled back spending until it could introduce its superthin diaper.

K-C also began marketing an extra-large sized Huggies disposable diaper for babies 33 lbs. and up.

The company tested another possible expansion of the Huggies line with Kleenex Huggies disposable bibs, which feature an adjustable neckband fastened with one-piece, refastenable tapes. K-C supported the disposable bibs test with $1.56 million in measured media support.

K-C scored a victory against P&G in court, when a federal jury decided K-C did not infringe on an elastic-waistband diaper design patent held by P&G. Still pending is a decision on K-C's countersuit that alleges P&G is "unlawfully monopolizing" the U.S. disposable diaper market.

For feminine hygiene products, K-C in 1986 devoted much of its marketing attention to upgrading the Kotex line, introducing Kotex Profile, an hourglass-shaped maxi pad with more absorbent material in the center, and Kotex Overnight, a nighttime maxi pad with 50% more coverage area than regular maxi pads.

K-C, which holds a 24% share of the $1.2 billion feminine-hygiene industry with its New Freedom and Kotex brands, supported those brands with $3.6 million in measured media support, primarily in women's magazines. Category leader Johnson & Johnson holds an estimated 39% with its Sure & Natural, Assure & Natural, Carefree and Stayfree lines; P&G has a 23.5% share with Always, and Tambrands, 6% with Maxithins.

K-C, which dominates the $1 billion facial tissue category with a 48% to 50% share, introduced a softer, thicker Kleenex facial tissue in August 1986, backed with $8.5 million in measured media support. The tissue was positioned in ads as "the most comforting Kleenex ever." Foote, Cone & Belding, Chicago, handles Kleenex and Kleenex's Softique brand, which in 1986 received $1.6 million in measured support, down 79% from measured spending in 1985.

Scott Paper Co.'s Scotties facial tissues hold an estimated 10% share, and P&G's Puffs an estimated 15%, says Salomon Bros.' Mr. Chao.

K-C, which some analysts say holds 50% of the growing $250 million (at retail) adult incontinence category, supported its Depend shields and briefs with $5 million in measured media spending last year, up 4.2% from the previous year.

K-C's business class airline, Midwest Express, began nonstop service from its Milwaukee, Wis., hub to New York's LaGuardia Airport. The company in June 1986 moved advertising for the airline to BBDM/Cunningham & Walsh, Chicago, from in-house.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	447	1,012
Magazines	10,315	6,317
Bus. pubs	182	330
Network TV	30,208	40,727
Spot TV	2,183	6,213
Spot radio	37	164
Outdoor	95	20
Network cable	594	626
Total measured	44,061	55,409
Unmeasured	11,238	14,132
Total	55,298	69,541

KIMBERLY-CLARK CORP.
World Headquarters
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DFW Airport Station
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(214) 830-1200

Marketing Personnel

R.S. Fountaine, vp-U.S. mktg rsch
G.J. Ker Jr., dir-adv svcs
D.W. Lahey, dir-adv & promo
J.E. Carter, president, Karolton Envelope

INFANT CARE SECTOR
Marketing Personnel

W.R. Sanders, president
R.F. Auchter, vp-infant care

ADULT CARE SECTOR
Marketing Personnel

W.H. Drew, president
T.A. Newby Jr., vp-feminine care
P.S. Geisler, vp-incontinence care
J.S. Sumner Jr., president, Spenco Medical Corp.

HOUSEHOLD PRODUCTS SECTOR
Marketing Personnel

J.D. Bernd, president
R.C. Van Driest, vp-consumer tissue business

HEALTHCARE AND NONWOVENS SECTOR
Marketing Personnel

J.T. McCauley, president
R.D. Carter, vp-medical & nonwoven fabrics
J.S. Metz, vp-professional health care

SERVICE AND INDUSTRIAL SECTOR
Marketing Personnel

G.A. Zins, president

NORTH AMERICAN PULP & PAPER SECTOR
Marketing Personnel

R. Plaut Jr., president, specialty prods
J.S. Rausch, president, technical paper
M.R. Holcomb, president, Neenah paper
R.C. Vanden Heuvel, president, U.S. Pulp & Newsprint

Advertising Agencies

Campbell-Mithun, Minneapolis—Depend incontinence prods—Beth Miller, mgmt super; Steve Ostrander, acct exec; Sherri Smith, asst acct exec.

Foote, Cone & Belding, Chicago—Kleenex facial tissues, bathroom tissue, towels—Terry Peigh, vp-acct dir; Kay Gilbertson, acct dir; Jennifer Booth, asst acct exec.

Ogilvy & Mather, New York—Huggies diapers—Cliff Angers, group dir; David Mechlin, mgmt super; Laurel Richie, acct super; Jocelyn Koskinas, acct exec; Amy Cohn, asst acct exec. New Freedom feminine care prods, Kotex feminine care prods—Cliff Anger, group dir; Karen Green, mgmt super; Audrey Shuman, acct super; Ben Kline, acct exec; Kathy Graff, acct coord.

Both ends at play

Levi Strauss ads in 1986 for Special Reserve jeans show Shearson Lehman brothers in suits, and then in jeans: "No matter how well you dress, there's always room for improvement," say ads. VF Corp.'s Wrangler, confident it has the blue-collar at work, in ads seeks the gang at play.

Estee Lauder Inc.

RANK **126**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	1,300	1,250	4.0
Net income	N/A	N/A	N/A
U.S.	**1986**	**1985**	**% chg**
Sales	890	750	18.7
Operating profits	N/A	N/A	N/A
Advertising	67	63	5.8

Estee Lauder Inc. focused its marketing and promotion efforts in 1986 behind existing products in two increasingly competitive categories: fragrances and skincare preparations.

Analysts, however, say Estee Lauder's established fragrance brands have fatigued in the face of ever-proliferating designer and celebrity scents.

The entire U.S. fragrance category grew a mere 5% in 1986 to $2.3 billion, in spite of splashy, $10 million-plus ad campaigns for such trendy new offerings as Calvin Klein's Obsession and Christian Dior's Poison.

In response to the increased competition, Estee Lauder cut back its overall fragrance ad support and boosted spending for a few select brands. According to BAR/LNA, the company spent more than $16 million advertising its fragrance products in 1986, a drop of 7%.

The company spent nearly $5 million on ads for Beautiful perfume, an increase of 27% over 1985. Spot TV captured 64% of the Beautiful budget. White Linen perfume got the second highest ad support of any individual Estee Lauder brand—$3.6 million, down 28% from 1985. Several Estee Lauder fragrances—Cinnabar, Estee, Devin and JHL—received no measured ad support.

Estee Lauder continued its emphasis on skincare products aimed at maturing, age-conscious baby boomers. According to Allan Mottus, cosmetics industry analyst and president of Mottus & Associates, New York, the company leads department store skincare sales with a 35% share. Estee claims 20% of the $4.2 billion U.S. skincare market (manufacturer's level).

Mr. Mottus estimates that Estee Lauder's Clinique and Prescriptives subsidiaries contributed $360 million and $20 million, respectively, to the company's total volume in 1986.

This fall, Estee Lauder for Men introduced its own entry in the "power potion" category: Metropolis. An extensive ad campaign featuring singer Liza Minelli will run in 1988.

Estee Lauder Eye-zone Repair Gel, made a strong debut this year. Other recent new product introductions include Estee Lauder Oil-free Sun Spray and Estee Lauder Signature Makeup Collection. The company also introduced More Volume and More Shine, two haircare products, and Demi-Matte Makeup and Powder, a new makeup with treatment benefits. This fall, Lauder for Men also added Anti-Wrinkle Defense Formula, a new entry in the $65 million men's skincare product market.

Last year Estee Lauder spent $9.2 million on multi-product advertising—all in spot TV—up 31.4%.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	3,658	3,447
Magazines	19,121	17,452
Newsp. supps	3,028	2,992
Spot TV	23,369	22,469
Spot radio	607	686
Outdoor	3	0
Total measured	49,785	47,047
Unmeasured	16,845	15,919
Total	66,631	62,965

ESTEE LAUDER INC.
767 Fifth Ave.
New York, N.Y. 10022
(212) 572-4200

Corporate Personnel

Estee Lauder, chmn
Leonard Lauder, president-ceo
Evelyn Lauder, corp vp
Robert Barnes, president, Estee Lauder U.S.A.
Carol Phillips, chwn, Clinique Laboratories
Robert Nielsen, president, Prescriptives

Advertising Agency

AC&R/DHB & BESS, New York—Estee Lauder Cosmetics and Treatments, Aramis, Clinique, Prescriptives—Alvin Chereskin, vice-chmn; Lida Burpee, acct super, Estee Lauder Cosmetics (all brands); Janie Van Gelder, asst acct exec, Estee Lauder Cosmetics; Barbara Salerno, vp-acct super, Clinique; Sharon Neg, acct exec, Clinique; Rebecca Albergo, vp-acct super, Aramis & Prescriptives.

Lucky Stores

RANK **143**

Dublin, Calif.

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	6,441	6,225	3.5
Net income	226	87	161.2
U.S. advertising	59	50	18.0
Division sales	**1987**	**1986**	**% chg**
Food stores	N/A	6,225	N/A
Gemco stores	N/A	2,428	N/A
Specialty stores	N/A	721	N/A

Lucky Stores embarked on an aggressive restructuring program in October 1986 to thwart a takeover bid by New York investor Asher Edelman.

The company began a shift in focus from a broadly diversified retailer to a food retailer. That month, Lucky announced the sale of 76 of its 80 Gemco discount department store units to Minneapolis-based Dayton Hudson for $440 million. Dayton Hudson is converting the units to Target stores.

Two months later the company announced the sale of its Checker Auto Parts unit for $155 million to New York-based Northern Pacific Corp., which operates 95 Schuck auto supply stores in the Northwest. Phoenix, Ariz.-based Checker operates 176 Kragen stores in California and Nevada and 202 Checker stores in 12 Western states.

In its continuing effort to fend off Mr. Edelman's takeover bid, early this year Lucky sold its Yellow Front Stores subsidiary for $50 million to a unit of Kenmare Capital Corp., New York. Yellow Front, which is based in Phoenix, operates 104 general merchandise stores in eight Western states.

And in March 1987, Lucky announced the distribution of stock of its Tupelo, Miss.-based Hancock Fabrics.

Lucky's effort to shed all non-grocery operations, combined with its repurchase of nearly 14.4 million shares of common stock at $40 each, proved successful. Mr. Edelman, whose bid reached a high of $37-a-share, or $1.88 billion, signed a standstill agreement with Lucky Stores in March 1987. The pact precludes Mr. Edelman from controlling more than 5% of Lucky stock during the next three years. Lucky Stores also agreed to pay Mr. Edelman $2.8 million for out-of-pocket expenses.

Lucky will recover those costs and more with the transfer this November of the assets of its Midwestern division to a limited partnership in which it will invest $4 million cash for a 40% interest. The partnership includes key Eagle Food Store management and Odyssey Partners, a New York private investment firm. Over the next six years, Lucky's interest in the partnership will increase.

Lucky's overall advertising budget was $58.7 million in 1986, a 17.9% increase from 1985. That included measured spending of $29.2 million, up 17.7% from the previous year. A major share of the budget, 41%, was allocated to spot TV.

In February, Lucky consolidated advertising for all its Western-state supermarket operations—389 units in Arizona, California and Nevada—under one agency. The $30 million account, which includes stores under the Food Basket and Lucky banners, was awarded in April to Grey Advertising, Los Angeles.

Lucky Stores first quarter earnings, for the 13-week period ended May 3, 1987, were $30.2 million, a 50% increase from the same period in 1986.

Sales of the continuing food store operations were $1.75 billion for the quarter, up 12.2%. Net earnings of $52.4 million include after-tax gains on the sale of assets and $5.9 million in net earnings from the sale of Hancock Fabrics. Net earnings were $21.1 million for the corresponding quarter in 1986.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	53	25
Spot TV	24,135	20,007
Spot radio	4,972	4,574
Outdoor	73	169
Total measured	29,233	24,775
Unmeasured	29,499	25,000
Total	58,732	49,775

LUCKY STORES
6300 Clark Ave.
Dublin, Calif. 94568
(415) 833-6000

Corporate Personnel

John M. Lillie, chmn-ceo
Lawrence DelSanto, president-coo

SOUTHERN FOOD DIVISION (LUCKY STORES)
Buena Park, Calif.
Corporate Personnel

William Yingling, president

Marketing Personnel

Dick Frederickson, vp, dir-mktg

NORTHERN FOOD DIVISION (LUCKY STORES)
San Leandro, Calif.
Corporate Personnel

Richard Goodspeed, president

Marketing Personnel

Alan Stec, vp-adv
Bob Hermanns, vp, dir-mktg

FLORIDA FOOD DIVISION (KASH N' KARRY)
Tampa, Fla.
Corporate Personnel

Ronald Floto, president

Marketing Personnel

W.D. Peterson, vp, dir-mktg
Michael Russell, vp-adv

MIDWESTERN FOOD DIVISION (EAGLE)
Rock Island, Ill.
Corporate Personnel

Pasquale Petitti, president

Marketing Personnel

Kenneth Martin, sr vp, dir-mktg
Ray Myers, vp, adv mgr

SOUTHWESTERN FOOD DIVISION (LUCKY STORES)
Corporate Personnel

Jack Hoover, president

Marketing Personnel

Dave Helmsing, adv mgr

Advertising Agency

Grey Advertising, Los Angeles—Jeff Alperin, sr vp-mgmt rep; Jill Baldauf, vp-acct super; Priscilla Wright, acct super; Randy Davis, acct exec.

MasterCard International

RANK **156**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Volume	93,800	73,300	28.0
Net income	N/A	N/A	N/A
U.S. advertising	52	39	33.5

Some of the blush was off the rose when MasterCard celebrated its 20th anniversary in 1986. In the past 10 years, MasterCard has lost 20 share points, dropping from a 60% market share to 40%, leaving Visa as the dominant player in the $205 billion bank charge-card business.

MasterCard, which continues to lose share, is now third in annual billings per customer card, even though it is second to Visa in market share of cards outstanding, says H. Spencer Nilson, publisher of "The Nilson Report," the credit-card industry newsletter.

In a new thrust designed to increase the annual billings per customer card, MasterCard has focused on niches. It rolled out the MasterCard BusinessCard which allows member banks to provide products to their corporate clients. MasterCard backed the card with more than $500,000 in media spending. The ID Plus card for clubs and other groups also was rolled out. Introduction of these cards helped influence a growth in business publications advertising to $982,000 from $117,000 in 1985.

In an effort to capture a bigger share of the travel and entertainment market, MasterCard began an affinity marketing program for free airline tickets, hotel stays and rental cars for Gold MasterCard holders. Ad spending for Gold MasterCard jumped by 38.5% to $3.6 million in 1986.

Working for the first time in cooperation with Visa, MasterCard signed up 16 major merchants, including Brooks Brothers and Jordan Marsh, who long resisted accepting bank cards of any kind. MasterCard believes this new market opportunity could be worth about $6 billion.

Overall, MasterCard's ad spending was up 33.7% to $52.4 million in 1986, primarily because of heavier spending in broadcast.

The company sharply curtailed support for its travelers cheques, with 1986 ad spending at $500,000, down significantly from $4 million in 1985.

In its advertising, MasterCard moved from touting status to touting the practical. It dropped its "so worldly, so welcome" theme in favor of a back-to-basics "Master the possibilities" campaign. That campaign, along with agency William Esty Co., New York, was dropped, apparently after complaints from members.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	5,858	4,423
Newsp. supps	67	144
Bus. pubs	983	117
Network TV	21,509	18,617
Spot TV	3,647	3,072
Network radio	2,080	0
Spot radio	2,685	1,262
Network cable	607	398
Total measured	37,436	28,033
Unmeasured	14,957	11,200
Total	52,393	39,233

MASTERCARD INTERNATIONAL
88 Seventh Street
New York, N.Y. 10106
(212) 974-5700
Marketing Personnel

F. Alan Schuitheis, sr vp-mktg & sales
Joanne Black, sr vp-mkg svcs
Susan Burke, vp-adv
Richard Hoipp, vp-BusinessCard
Bonnie MacDonald, dir-universal travel voucher
Walter Rothchild, dir-merch
James Shannahan, vp-consumer card prods
David Chirls, vp-prod devel

Advertising Agency

Lintas: New York—Russ Shaffer, sr vp-mgmt super; Helen Blohm, Robert Nadelman, vp-acct supers; Bob Cilia, acct super; Lois Serota, sr acct exec; Cindy Hewitt, Pamela Perkowski, Barbara Burger, acct execs; Lynn Giordano, exec vp-exec creative dir; Jeane Bice, sr vp-group creative dir; Ralph Palamidessi, vp-assoc creative dir; Bruce Hopman, vp-sr copywriter; Mike Jordan, sr copywriter; Yasmin Gnahremani, copywriter; Peter Nicotra, Bruce Arendash, art dirs; Nicole Meudersheid, Kathy Delaney, asst art dirs; Loretta Volpe, sr vp-group media dir; Jeffery Dunetz, assoc media dir; Jayson Goldberg, asst media dir.

Matsushita Electric Industrial Co.

RANK **102**

Osaka, Japan

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	28,067	30,998	(9.5)
Net income	1,004	1,512	(33.6)
U.S. advertising	80	86	(7.3)

Division sales	**1986**	**1985**	**% chg**
Video equipment	9,220	11,597	(20.5)
Audio equipment	2,400	2,778	(13.6)
Home appliances	4,337	4,488	(3.4)
Communications	5,270	5,400	(2.4)
Kitchen related	1,274	1,183	7.6
Electronics	3,246	3,302	(1.7)
Other	2,321	2,252	3.1

Matsushita Electric Industrial Co. is trying to shift its emphasis from consumer to commercial markets. It has placed a priority on developing new products for smaller businesses, retailers and homes, focusing on PC/work stations, word processors and facsimile equipment.

Matsushita, which sells products under the National, Panasonic, Technics and Quasar names, has accelerated a three-year campaign begun in 1984 to innovate its product line and hold down costs.

The rising yen and a critical falloff in its exports cut deeply into fiscal returns for last year. Export sales dropped to 44% of the company's total in the fiscal year ended Nov. 20, 1986, compared with 50% of the total the previous year.

The U.S. market, handled largely by Secaucus, N.J.-based Matsushita Electric Corp. of America, accounted for sales of about $3.7 billion in 1986, a leveling off from 1985. This represented 13% of worldwide sales.

Andy Imura, president-ceo of Matsushita Electric Corp. of America, is seeking to fill the vacant chief operating officer posts at both Panasonic Consumer and Panasonic Industrial divisions. And both subsidiaries are looking for an agency to replace Ted Bates Advertising, whose merger with Backer & Spielvogel to form Backer Spielvogel Bates in the Saatchi & Saatchi empire resulted in a conflict with another client.

The company also is expanding its efforts to increase overseas production to some 25% of output. In 1986 it built VCR plants in U.S. and Europe and began a U.S. car audio plant.

The company changed its fiscal year to a March 31 closing, beginning in 1987. During the abbreviated year running from Nov. 21, 1986 to March 31, 1987, sales were $10.2 billion, with overseas sales of $4.5 billion—44.4% of the total. Net income was $324 million. Results from the truncated year are based on the exchange rate of $1=Y146. In the full-year reporting period in the accompanying box, the exchange rate was $1=Y163.

Corporate spokesman Ken Shimba says the company expects annual double-digit growth in industrial products and single-digit increases in the mature consumer market. However, he cites "more intelligent telephones" and VCRs as still areas for growth.

Ron Tomczyk, spokesman for Panasonic Industrial, says the strong push on semiconductors and the division's 1986 introduction of a new laser printer, letter-quality printer, image scanner and color copier reflect the company's stimulation of its industrial product lines.

Matsushita needs to expand product lines quickly to compete with the top three copier leaders, Canon, Sharp and Xerox, says analyst Bob Sostilio of Dataquest, San Jose, Calif. Panasonic's facsimile transmission product is among the top five sellers in the U.S., along with Ricoh, Pitney Bowes, Xerox and Sharp, he says.

Paul Johnson, VP at L.F. Unterberg Rothschild, New York, says Panasonic ranks No. 8 worldwide and No. 20 in the U.S. in semiconductors. The company also will build its business of industrial robots and parts-mounting machines.

Long-range plans for the Panasonic consumer business involve developing audio-visual systems and home automation systems, high definition and digital TV digital audio systems, tape recorders and VCR systems. Its liquid crystal Panasonic PocketWatch TV is doing fairly well, given the limited U.S. market for the item, says Ken Shimba.

Matsushita holds 50-60% of the VHS full-cassette camcorder market and 20-30% of the smaller VHS-C VCR camcorder market. Still, as a brand name, Panasonic is second to No. 1 RCA. But it is the No. 1 manufacturer and supplier. Matsushita also supplies Eastman Kodak's 8mm video cameras and batteries, but it stopped production of TV sets for General Electric early this year because of rising costs. Matsushita's digital VCR is available only in Japan at present.

Leadership in the CD player segment is a toss-up between Panasonic and Sony, claims a Matsushita official.

The company's Quasar unit is struggling in a soft color TV market. Also, the division has not had an ad agency since December. Less than half of Quasar's sales are color TVs; the division is shifting to appliances, especially air conditioners. Tom Lauterback, communications manager, says September results were "very encouraging," and he is now talking tentatively with several agencies.

Total corporate measured media spending was $39.8 million, down 7.3% from 1985. Matsushita took to the airwaves in 1986, spending $7 million-plus on network TV compared with only $985,000 in 1985. Spot TV spending was increased 27.5% to $8.9 million. However, every other medium lost spending, particularly magazines, which were down 24.4% to $17.5 million.

BAR/LNA measured spending on Panasonic copiers was increased almost fourfold to $4.1 million. Spending on Omnivision products fell 21.8% to $3.3 million, and spending on Panasonic color TV sets rose 10% to $2.8 million.

Growth in Panasonic brand spending remained flat at $24.3 million. Quasar spending was down 80.7% to $1.1 million. Technics brand logged just $1.7 million, down 15%.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	546	4,046
Magazines	17,522	23,176
Newsp. supps	0	26
Bus. pubs	3,603	4,268
Network TV	7,025	985
Spot TV	8,851	6,940
Network radio	571	431
Spot radio	618	1,389
Outdoor	238	432
Network cable	796	1,188
Total measured	39,769	42,881
Unmeasured	40,040	43,174
Total	79,809	86,055

MATSUSHITA ELECTRIC CORP.
OF AMERICA
One Panasonic Way
Secaucus, N.J. 07094
(201) 348-7000
PANASONIC CO.
Marketing Personnel

Ralph Wolfe, sr vp-sales & mktg
Steve Asada, sr vp-planning & merch
Bob Greenberg, genl mgr-comm
Stan Hametz, vp-group mgr, VHS prods
Paul Adams, genl mgr-television
Dick Lovisojo, vp-group genl mgr, audio/home info prods
Bill Kopp, genl mgr, comm prods
Mickey Torimoto, genl mgr, Panasonic car audio
Mike Aguilar, vp-group genl mgr, Technics home/car audio
Maurice Guiheen, vp-group genl mgr, home appliance

Advertising Agency

Grey Advertising, New York—Bill Sandberg, acct super.

PANASONIC INDUSTRIAL CO.
Marketing Personnel

Frank Novak, genl mgr-comm

Advertising Agencies

Grey Advertising, New York—Hugh Esposito, acct super.

Lewis Gilman Kynett, Philadelphia—Bob Schell, vp.

Sommer Inc., New York—Bernie Sommer, president.

QUASAR
Elk Grove Village, Ill.
Marketing Personnel

Jack Pluckhan, president-coo
Keith Nishikana, exec vp
Tom Lauterback, mgr-comm
Wally Fraser, genl mgr-mktg

Mattel Inc.

RANK **139**

Hawthorne, Calif.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	1,059	1,051	0.7
Net income	(1)	79	(101.3)

U.S.	**1986**	**1985**	**% chg**
Sales	623	765	(18.5)
Operating profits	6	97	(93.6)
Advertising	60	85	(29.6)

Mattel Inc., which relinquished its No. 1 position in the $12.5-billion toy industry to Hasbro in 1985, recorded sales of $1.06 billion in 1986, only 1% above 1985 levels, and a loss of $1 million. While a generally weak toy-buying market is primarily to blame, Mattel also attributes its static returns to a $250 million decline in U.S. sales of its Masters of the Universe toys and the discontinued Rainbow Brite line.

Total U.S. measured ad spending in 11 measured media dipped to $45.8 million, down 29.6% from 1985. This includes a 34% cut in network TV to $24.5 million in 1986. Mattel reports spending $198.2 million for advertising and promotion worldwide, up 6.7%.

The company has undergone several top-management changes in the past year, spurred by the retirement of Chairman-CEO Arthur Spear last October. To fill the void, Mattel created a three-member executive committee consisting of Thomas Kalinske, Raymond Ferris and John Amerman. While Mattel at the time insisted that this management structure was created to better divide responsibilities between its top executives, it eventually became a contest between the three men, with Mr. Amerman in February winning the chairman-ceo title. He was chosen in recognition of the performance of his international division, which grew 47% in 1986 to $481.7 million. Perhaps dissapointed over not being appointed chairman, Mr. Kalinske left Mattel in June to become president of Matchbox. Ray Ferris became exec VP, strategic planning.

Mattel cut its 1986 ad spending—mostly in spot and network TV—on toys by 29% to $20.6 million, according to BAR/LNA. Its Masters of the Universe action figure line remains a major brand internationally but seems to have lost considerable appeal in the eyes of U.S. youths. With the hope of rejuvenating the line in time for Christmas, the company this summer released a Masters of the Universe live-action motion picture starring Dolph Lungren and Frank Langella.

Although its 25-year-old Barbie doll remains No. 1 on the toy charts and accounts for 35% of the company's sales, Mattel would benefit from an innovative new winner. In 1986, the company spent $21.7 million advertising dolls and doll accessories, down 28% from 1985.

Games drew only $1.7 million in ad spending in 1986, down 45% from 1985.

But it is with a toy/game that Mattel hopes to make a killing in 1987-88: Captain Power and the Soldiers of the Future—a line of interactive action figures. Mattel predicts annual sales of $75 million.

The Captain Power toy line, designed for boys ages 7-12, includes jets and accessories that fire at on-screen enemies from up to 10 feet away and score points each time a target is hit. In turn, the TV "enemies" can return fire and take away points.

The line has met with protest from the watchdog group Action for Children's Television and is under the scrutiny of the Federal Communications Commission because the toy interacts directly with the TV set and virtually makes the Captain Power TV show a "30-minute commercial."

The show is what makes the Captain Power unique. The program features live action combined with computer animation, along with five minutes of interactive footage. The program is being produced by MTS Entertainment, a syndicated TV division the company set up earlier this year. It's headed by John Weems, VP-entertainment.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	480	524
Magazines	2,874	3,736
Newsp. supps	282	0
Bus. pubs	392	401
Network TV	24,498	37,166
Spot TV	14,999	20,805
Spot radio	642	0
Outdoor	178	195
Network cable	1,453	2,252
Total measured	45,797	65,077
Unmeasured	14,075	20,000
Total	59,872	85,077

MATTEL INC.
5150 Rosecrans Ave.
Hawthorne, Calif. 90250
(213) 978-5150
Marketing Personnel

John Amerman, chmn-ceo
Robert Sansone, president, Mattel USA
Joseph Morrison Jr., exec vp-mktg
Rita Fire, sr vp-mktg
George Volanakis, sr vp-mktg

Advertising Agencies

Foote, Cone & Belding—new prod lines—Steve Hayman, genl mgr; David Vipond, mgmt dir; Rob Hudnut, acct dir; Pamela Morris, acct exec.

Ogilvy & Mather, Los Angeles—Freddy Bee, vp-U.S. & intl mgmt super; Susan Chittum, vp-mgmt super, boys toys; Paula Heath, Ginger Sherman, Lisa Elliott, Jean Harfenist, acct supers; Michael Vernon, Noah Manduke,

If getting to the
right celebrity
has you all turned around,
let us put you straight.
INGELS, INC
(213) 852-0300

Christi Brunig, Tamara Burke, acct execs; Doris Cerneka, intl coord.

RANK

MCI Communications

125

Washington

($ in millions)

Worldwide	1986	1985	% chg
Sales	3,592	2,542	41.3
Net income	(448)	113	(496.5)
U.S. advertising	67	61	8.6

MCI Communications, which boosted ad spending in 1986 to maintain its No. 2 position in long distance service behind AT&T, may be ripe for a merger with No. 3 U.S. Sprint next year, according to market analysts.

Last year's marketing strategy included the shift from consumer to business audiences as the residential rates became more competitive and the equal-access deadline passed. The year also saw the launch of the company's first network TV campaign and the acquisition of IBM's Satellite Business Systems.

What was unforeseen was the December 1986 heart attack, subsequent surgery and long convalescence of Chairman-CEO William McGowan. This caused internal management changes including the creation of a joint management team, with duties split between Mr. McGowan and former President V. Orville Wright, who was made acting ceo in April 1987. The co-ceo plan was announced in September 1987.

Also in September, Wells, Rich, Greene, New York, picked up the $40 million MCI account when D'Arcy Masius Benton & Bowles resigned over creative differences. In February 1986, MCI had disconnected Ally & Gargano, which had handled its consumer ad account, and consolidated all its creative work at D'Arcy, which previously handled the carrier's business-to-business advertising. Ally, which had been the leading MCI shop since 1979 and was responsible for the spots featuring Joan Rivers and Burt Lancaster, had made an unsuccessful bid to wrest the business-to-business account from Benton & Bowles in 1984.

The main business ad theme for MCI in 1986 was "Communication for the next 100 years," which appeared in all its TV spots and print ads. The corporation spent $12.5 million on network TV aimed at "executive watchers" during major sporting events. The campaign included commercials depicting MCI representatives competing against AT&T in athletic events, using the tagline "Because we compete. You win."

In an effort to expand its audience and remain competitive, the company joined American Express, Amway and Sears, Roebuck & Co. to target residential and small commercial markets. For example, MCI phone charges were billed through American Express cards, and an incentive program was provided Amway's 750,000 sales reps. Based on the successes of last year's tie-ins, MCI says it's seeking new partners to expand its efforts.

MCI holds a 12.5% long-distance share, a distant second to AT&T's 81% dominance. MCI holds a 16.1% share to the business market, says Blair Pleasant, analyst with the Yankee Group, Boston.

MCI Mail and CompuServe Inc. interconnected services in 1986, making it the first such domestic link of competing electronic mail services. The category was dropped from measured advertising spending in 1986.

MCI launched two new products in early 1987: MCI 800 service, an inbound WATS, and Prism Plus, a long distance service with "Dial 1" connections and distance-sensitive pricing for businesses spending $500 to $10,000 annually. In addition, a new hard card for savings when traveling was "restaged" by the company in May 1987.

"As we introduce new services, like 800 service, the initial campaigns will be print and broadcast, and there will be some follow-up with direct mail and telephone solicitations," said Gary Tobin, who was MCI director of corporate communications at the time.

Last year, MCI divested its Airsignal division (all assets and operations of its paging, mobile telephone and cellular telephone businesses) to a subsidiary of McCaw Communications Cos. of Kirkland, Wash.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	2,276	7,782
Magazines	6,716	2,194
Newsp. supps	101	0
Bus. pubs	1,233	271
Network TV	12,539	0
Spot TV	21,308	31,019
Network radio	2	0
Spot radio	564	97
Outdoor	16	0
Network cable	170	0
Total measured	44,924	41,363
Unmeasured	21,722	20,000
Total	66,646	61,363

MCI COMMUNICATIONS
1133 19th St. N.W.
Washington, D.C. 20036
(202) 872-1600

Marketing Personnel

Howard Crane, sr vp-corp affairs
Judy Ranzer, vp-adv & sales promo
Karyn Selko, mgr-adv

Advertising Agency

Wells, Rich, Greene, New York—Pat Casa, group dir; Lisa Frankel, assoc dir.

RANK

Melville Corp.

177

Harrison, N.Y.

($ in millions)

Worldwide	1986	1985	% chg
Sales	5,262	4,775	10.2
Net income	238	211	13.1
U.S. advertising	44	36	23.2

Division sales	1986	1985	% chg
Marshalls	1,410	1,324	6.4
Meldisco	1,006	990	1.6
CVS	1,181	1,017	16.1
Kay-Bee	487	401	21.4
Thom McAn	484	482	0.5

Melville Corp., a specialty retail company including Marshalls and Thom McAn, increased its number of stores by 4.6% to 5,833 in the U.S. and Puerto Rico in 1986. The company plans 343 more store openings by the end of 1987, and it is focusing on new market areas.

The company divides its operation into four segments, with apparel claiming 33.4% of sales, footwear 29.1%, drugs 23.7% and toys and household items 13.8%. Measured ad spending rose 40.2% to $25.8 million in 1986.

Marshalls is the largest operation in the apparel division. The off-price retailer, with sales of $1.4 billion, up 6.5% from 1985, brought its store total to 261 in 1986. Institutional TV spots claimed virtually all Marshalls' total measured spending of $10.9 million in 1986, according to BAR/LNA, compared with only a third of the spending in 1985.

Thom McAn footwear had 1,033 stores at the end of 1986. The unit registered $484 million in sales last year, up 0.5%, and spent $2.7 million, in measured media, according to BAR/LNA. Most was in spot TV in 1986, vs. magazines in 1985.

This End Up, a Richmond, Va.-based furniture chain that Melville acquired in 1985, closed the year with a total of 158 outlets. It garnered $54 million in sales in 1986, up 26%. Some $769,000 in advertising was spent on magazines and newspaper supplements.

Kay-Bee, a toy and hobby chain with 639 stores located in shopping malls, rolled up sales of $487 million, a 21% increase over 1985. Kay-Bee spent $1.9 million in measured advertising in spot TV and magazines.

The 629-store CVS drug, health and beauty aids chain, recorded $1.18 billion in sales in 1986, up 16%, and spent $3 million in magazines and spot TV, versus $2 million in 1985, all on spot TV.

The 536-store Chess King, the young men's apparel chain, registered $252 million in sales in 1986, up 22%. Chess King dropped its spending in magazines from $416,000 in 1985 to $164,000 in 1986.

Prints Plus, acquired in 1985, expanded from 36 to 69 stores in 1986. Although it brought in only $18 million in sales, Melville has marked it for future expansion.

Stanley P. Goldstein, Melville president, was named chairman-ceo upon the retirement of Francis C. Rooney Jr. Mr. Goldstein retains the office of president.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	2,163	3,824
Newsp. supps	1,127	84
Network TV	0	146
Spot TV	16,121	14,330
Spot radio	6,407	2,540
Outdoor	17	46
Total measured	25,836	20,970
Unmeasured	18,000	14,600
Total	43,836	35,570

MELVILLE CORP.
3000 Westchester Ave.
Harrison, NY 10528
(914) 253-8000

Corporate Personnel

Stanley P. Goldstein, chmn & president-ceo
Kenneth K. Berland, vice-chmn, admin & financial officer
Robert C. Kuhn, exec vp
Michael Friedheim, exec vp

MARSHALLS INC.
Wakefield, Mass.

Marketing Personnel

Michael Friedheim, president
Larry Finn, sr vp-genl merch mgr

Advertising Agency

(In-house)—John Arruda, vp-adv.

THOM MCAN
Worchester, Mass.

Marketing Personnel

Larry A. McVey, president
Richard Cramer, vp-mktg
Richard Ferraioli, vp-sales
Stephen L. Merriam, dir-adv

Advertising Agency

Pro Media, Wellesley, Mass.—Nancy Greenberg, acct super.

LINENS 'N THINGS
Clifton, N.J.

Marketing Personnel

Robert L. Karan, president
Thomas L. Fraser, vp
Kevin R. Wood, vp

Advertising Agency

Par Communications, New York—Bob Liquori, acct exec.

CHESS KING
New York

Marketing Personnel

Richard C. Ricalde, president
James J. Costello, sr vp
Lucy Monroe, sr vp
Rocky Sullivan, sr vp

WILSONS HOUSE OF SUEDE
Los Angeles

Marketing Personnel

Joel N. Waller, president
Howard Bergman, vp
Roger Chatfield, vp
Carol Lund, vp

MELDISCO
Mahwah, N.J.

Marketing Personnel

Elliott Schwartz, president
Martin Falkoff, sr vp
Ernest Osorowitz, sr vp

OPEN COUNTRY
Worchester, Mass.

Marketing Personnel

Arthur L. Hogge III, president
Louis Rossomando, vp

PIMENTO
Hackensack, N.J.

Marketing Personnel

Harvey M. Schafler, president
Eugene DeCarlo, vp
Martin Diamond, vp

CONSUMER VALUE STORES (CVS)
Woonsocket, R.I.

Marketing Personnel

Harvey Rosenthal, president
J. Kevin Hughes, exec vp
David R. Jonson, exec vp

FREDDY'S
Rochester, N.Y.

Marketing Personnel

Fred R. Silverstein, president
Anthony Dambra, vp
Murray Freeman, vp
William C. Kingsford, vp

KAY-BEE TOYS
Lee, Mass.

Marketing Personnel

Saul Rubenstein, president
R. Michael Cronin, vp
C. William DeMyer, vp
Anthony Palino, vp
Gerald Reed, vp

THIS END UP FURNITURE CO.
Richmond, Va.

Marketing Personnel

Stewart H. Brown Jr., president
Elizabeth R. Brown, exec vp

PRINTS PLUS
Martinez, Calif.

Marketing Personnel

Arthur J. Padovese, exec vp-genl mgr
Jack Brandon, vp
James Kelly, vp

MELVILLE REALITY CO.
Harrison, N.Y.

Corporate Personnel

Daniel B. Katz, president

Talking 'cranness'

"Raspberry juice straight is too strong, too sweet, too heavy. Add cranberry and it's very drinkable"—sampling of what Ocean Spray dubs "cranness" in ads.

RANK

Mennen Co.

134

Morristown, N.J.

($ in millions)

Worldwide	1986	1985	% chg
Sales	300	225	33.3
Net income	62	51	21.7
U.S. advertising	62	51	21.5

Privately held Mennen Co., riding a wave of new product introductions, recorded a 33% increase in sales last year and increased advertising support for its most important brands. Measured ad spending rose to $41.1 million in 1986, up 21.2% from 1985. Its use of television increased sharply in 1986, with an 18% gain in network, a 73% jump in spot and a 48% rise in cable. At the same time, the company stopped using network radio.

For 1987, the company planned another 20% increase in its ad budget, President Hal Danenberg says.

In the antiperspirant category, Mennen's corporate share of the $1.3 billion market may move into second place by the end of the year, according to Diana Temple, an analyst at Salomon Brothers. She estimates that for the second quarter of 1987, Procter & Gamble had a 24.8% share, followed by Gillette at 16.5%, Mennen at 16.1% and Bristol-Myers with 9.7%. She notes that Mennen's share has risen dramatically from 15.2% in 1986.

During 1986, Mennen put strong ad support behind its leading brands in the category. The company increased spending behind the Speed Stick antiperspirant line by 41% to $8.4 million and Lady Speed Stick antiperspirant by 23% to $6.7 million, according to BAR/LNA. Spending behind Speed Stick regular deodorant slipped 12% to a still-substantial $5.9 million.

Real antiperspirant, introduced nationally in 1986 and backed with measured media of $6.3 million, showed steady sales gains last year, sources say. Lady Speed Dry, another recent entry, went into national distribution this year.

Mennen concentrated its efforts in the men's fragrance category to back its two biggest after-shave brands. Skin Bracer spending was level at $6.8 million, while Afta support dropped 8% to $4 million. Millionaire received no measured spending.

Mennen continues to actively support its Baby Magic line. Baby products, including shampoos and powders, are estimated to represent a $300 million market, and Mennen has been making inroads against Johnson & Johnson, the leader. Now the company is testing Baby Magic Conditioning Shampoo in Cincinnati.

Also being tested is a new laundry detergent, even though Mennen reportedly is moving away from the highly competitive detergent category.

In September, Mennen moved advertising accounts worth an estimated $20 million in billings to Lowe Marschalk from Campbell-Ewald, both New York offices of Interpublic Group-owned agencies. The brands involved included Baby Magic baby toiletries, Skin Bracer and Afta after-shave lotions and Real antiperspirant.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	2,824	2,561
Bus. pubs	180	0
Network TV	33,365	28,284
Spot TV	2,085	1,205
Spot radio	141	78
Network cable	2,548	1,724
Total measured	41,141	33,851
Unmeasured	20,661	17,000
Total	61,802	50,851

MENNEN CO.
Hanover Ave.
Morristown, N.J. 07960
(201) 631-9000

Corporate Personnel

Donald Horne, chmn
Hal Danenberg, president
John R. Huges, president, USA div

Marketing Personnel

Dominic J. La Rosa, vp-mktg
William J. Mathewson, vp-new prods
Richard Zenko, vp-mktg svcs

Advertising Agencies

Lowe Marschalk, New York—Afta after-shave, Mennen skin bracer, Real antiperspirant, Baby Magic line—Jeffery Tarakajian, sr vp-mgmt super; Steven Rosenblum, vp-acct super; James Orr, acct exec.

McCann-Erickson, New York—Speed Stick deodorant, Speed Stick antiperspirant, Lady Speed Stick antiperspirants, Lady Speed Dry roll-on—Gunnar Wilmot, sr vp-group dir; Doug Wise, sr vp-mgmt rep; Kim Corrigan, vp-acct super; Christina Deal, Kevin Scher, acct exec.

Metropolitan Life Insurance Co.

RANK

109

New York

($ in millions)

Worldwide	1986	1985	% chg
Total income	19,467	18,835	3.4
Net income	N/A	N/A	N/A
U.S. advertising	73	57	28.2

Concentrating its new product development efforts on life and health insurance and investment products, Metropolitan Life Insurance Co. boosted ad spending 28.2% in 1986, depite only a 3.4% growth in revenues.

The mutual insurance company is a leader in the development of healthcare cost-containment and managed health insurance plans.

Through its advertising campaign featuring Charles Schulz's "Peanuts" characters and its slogan, "Get Met, it Pays," the insurance company uses a variety of media to promote life insurance and employee benefit products to both general and corporate consumers. The insurer has used the cartoon characters since January 1985 to project an image of security and wholesomeness.

Metropolitan introduced three new life insurance products in 1986. Its multi-funded universal life product, known as "UL II," provides individuals with flexible life insurance premiums, enabling them to allocate premium dollars to several investment options, such as bonds, stocks and money market funds.

Another life insurance product, known as "Group Universal Life Insurance" enables employers to offer the same type of coverage as provided by UL II, but at group premium rates, which often are lower than rates charged to individuals.

In addition, the company introduced "Single Premium Life," marketed through stock brokerage houses as well as by Metropolitan Life's own sales force. Pension and personal life insurance products represented more than $35 billion in sales in 1986, according to the company.

The insurer also introduced a number of group health insurance products in 1986. One is Metropolitan's new "Triple Option" plan, which enables employers to offer their employees traditional group health insurance, a health maintenance organization or preferred provider organization coverage for one discounted premium. Usually, employers purchase each of these health plans separately.

A new Metropolitan healthcare cost-containment product reviews the treatments and procedures performed by physicians. The product, known as ambulatory utilization review, is popular with employee benefit managers.

Group insurance accounted for more than $41 billion in sales in 1986, according to the company.

Some $30 million of Metropolitan's advertising expenditures were for its various insurance and investment products, with the remaining being spent by its subsidiary, Irvine, Calif.-based Century 21 Real Estate. Metropolitan acquired Century 21 from Transworld Corp. of New York for $251.2 million in October 1985.

Metropolitan placed most of its ad dollars in TV and magazines, featuring the Young & Rubicam-inspired Peanuts ads.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	2,214	1,678
Magazines	8,284	6,924
Newsp. supps	52	83
Bus. pubs	47	505
Network TV	31,403	23,900
Spot TV	9,833	8,971
Spot radio	263	143
Outdoor	148	80
Network cable	1,820	19
Total measured	54,064	42,302
Unmeasured	18,900	14,600
Total	72,964	56,902

METROPOLITAN LIFE INSURANCE
One Madison Ave.

New York, N.Y. 10010
(212) 578-2211

Marketing Personnel

Robert B. Weinstein, asst vp-adv
Richard W. Keogin, vp-public affairs
Charles T. Cuneen, sr vp-public affairs & corp comm

Advertising Agency

Young & Rubicam, New York—Richard Jones, vp-mgmt super.

CENTURY 21 REAL ESTATE CORP.

Irvine, Calif.

Marketing Personnel

Bruce Oseland, sr vp-mktg & adv

Advertising Agency

McCann-Erickson, Los Angeles—natl adv—Bob Sutter, vp-acct dir; Colin Schleining, acct super; Lisa Fettner, asst acct exec.

Minolta Camera Co. Ltd.

RANK **150**

Osaka, Japan

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,815	1,440	26.0
Net income	65	40	62.6
U.S. advertising	56	57	(2.2)

The decline of the U.S. dollar against the Japanese yen helped produce poor results in fiscal 1987 for export-oriented Minolta Camera Co. Ltd. The firm derived 56.7% of its overseas sales from North America in the period, down from 60.8% in the previous year.

Minolta, the No. 1 seller of SLR 35mm cameras in the U.S., also has had to battle competition from Canon, which introduced an autofocus camera system of its own to compete with Minolta's highly successful Maxxum line. It was the introduction of the Maxxum that shot Minolta into the lead in U.S. SLR camera sales.

The 18% increase in the yen's value against the dollar meant that North America's 19% increase in dollar sales actually was a drop of 11.7% in yen. The Osaka-based company derives 77% of its sales from abroad.

Eugene Glazer, technology analyst for DeanWitter Reynolds, says, Minolta had tremendous lead time in the autofocus field because of its Maxxum and made the most of it. Now others are catching up.

Even though other manufacturers have introduced their own autofocus cameras and lenses, the experts say it will take more than matching systems to lure both amateur and professional photographers to buy competitive equipment. The reason? Price. The new equipment will be incompatible with photographers' existing systems.

During 1986, Minolta also expanded its business equipment lines and moved heavily into the office automation market. But the falling dollar forced the company to make cuts. And one of the casualties was the advertising budget. Total advertising expenditures in 1986 dropped 2.1% to an estimated $55.5 million. About half of the total is unmeasured advertising. A company spokesman says the ad estimates basically were in the ballpark.

Minolta is seeking a more specific audience for its advertising. A Minolta source says the company's broadcast advertising of two years ago—when Minolta began making copying machines—did the job of convincing the public that Minolta was not just a camera company. Now, he says, "we want to target more specifically."

With that in mind, ad campaigns have focused on national publications that target business decision-makers. In local markets, advertising has gone to business journals and publications for "highly targeted vertical markets" including lawyers, doctors and other professionals.

In the business equipment area, the company has focused on full-line advertising rather than single-product ads. The company plans to expand its office automation segment, aiming at fully integrated packages that include keyboard-based equipment, such as word processors, and telephone-based equipment, such as facsimiles. North America accounted for 55.9% of Minolta's business machine sales abroad in 1986.

The company also has a strong cooperative advertising program for dealers, which lets them make use of local newspapers and TV. Minolta has established a video studio to produce advertising to help dealers better target local markets.

The company has continued to expand its photography lines, introducing its Minolta 5000 autofocus for less sophisticated users in April 1986, its Freedom Dual lens-shutter compact camera in April 1987 and its Minolta Master Series C-3300 video camera, also in April 1987. But most of its new products came in the business equipment and office automation field.

During the year, it entered the high-volume copier market—after competing mainly in the low and middle volume areas—with the introduction of the 800 series.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	245	335
Magazines	6,402	5,921
Newsp. supps	0	156
Bus. pubs	801	1,002
Network TV	11,716	15,538
Spot TV	5,635	3,229
Network radio	692	0
Outdoor	121	82
Network cable	545	471
Total measured	26,155	26,734
Unmeasured	29,350	30,000
Total	55,505	56,734

MINOLTA CORP.

101 Williams Drive
Ramsey, N.J.
(201) 825-4000

PHOTOGRAPHIC DIVISION

Corporate Personnel

Sam Kusumoto, president
Kaz Umeda, vp

Marketing Personnel

James D. deMerlier, dir-adv & pr
Thomas E. Wardrop, natl adv mgr

Advertising Agency

William Esty Co., New York—SLR cameras, lens shutter cameras, video cameras, videocassette players/recorders, binoculars—Hank Greer, sr vp-acct dir; Philip G. Schwetz, sr vp-mgmt super; Salvatore Colombo, sr acct exec; Rand Pearsall, acct exec; Amanda Sawyer, asst acct exec.

BUSINESS EQUIPMENT DIVISION

Corporate Personnel

Sam Kusumoto, president, Minolta Corp
Al Kusada, vp-genl mgr, business equipment div

Marketing Personnel

John Vacca, dir-mktg comm
Tad Yokota, dir-mktg, document imaging systems

Advertising Agency

Bozell, Jacobs, Kenyon & Eckhardt, New York—business equipment—Al Shapiro, sr vp-acct group dir; Laurene Freehill, sr acct exec; Dale Davis, acct exec, Micrographics—Al Shapiro, sr vp-acct group dir; Jane Spachter, acct super; Donna Krams, acct coord.

Mitsubishi Motors Corp.

RANK **193**

Tokyo

($ in millions)

Worldwide	1987	1986	% chg
Sales	10,761	10,900	(1.3)
Net income	100	175	(42.8)
U.S. advertising	35	34	2.7

Steady growth has been the pattern for Mitsubishi Motor Sales of America, since the Fountain Valley, Cal.-based subsidiary of Mitsubishi Motors Corp., began marketing cars and trucks in this country in 1982. Advertising in 1986 remained near year-earlier levels, as did car sales, which were restricted by import quotas imposed by the Voluntary Restraint Agreement.

Industry analysts expect steady growth to accelerate into dramatic growth with the start of U.S. auto production next year. Likewise, company plans call for a 20% increase in the ad budget next year.

MMSA is the U.S. sales arm of Mitsubishi Motors Corp., Toyko, Japan. Principal shareholders in MMC include Mitsubishi Heavy Industries Ltd. (65%), Chrysler Corp. (25%) and Mitsubishi Corp. (10%).

Just as Chrysler owns a piece of MMC, Mitsubishi owns a 15% share of Hyundai. MMC designed the engine and supplies the automatic transmission for Hyundai's Excel. The South Korean-built car is being sold as the Precis under the Mitsubishi nameplate at 167 MMSA dealerships in 58 markets across the U.S.

The parent, Mitsubishi Motors Corp., which does not break out sales figures for its U.S. subsidiary, reported a drop in worldwide earnings of 42.8%, and a sales decline of 1.2%. Sales and earnings for both fiscal years were converted from yen to dollars at the exchange rate of 144.85Y=$1.

Unit car sales for calendar 1986 rose 9.4% over 1985 to 84,421—49,436 cars and 34,985 trucks. Prior year sales of 76,473 units were up 35% from 1984.

MMSA fell short of its sales projection of 100,000 cars and trucks for 1986. The company also had projected sales of 140,000-150,000 units for 1987. By mid-1987, U.S. sales stood at 59,635 units—34,147 cars and 25,488 trucks.

In 1986, Mitsubishi sold 14,639 entry-level Mirage models, with prices starting at $5,969 for the two-door. Ad support totaled $1.2 million, according to BAR/LNA. This vehicle was closely followed in popularity by the Galant, a four-door luxury sedan with prices starting at $14,139, which sold 14,363 units and received $3.2 million in measured media spending. Next came the $9,559 four-door Tredia (9,449 units), on the receiving end of $630,000 in media spending; the little advertised Cordia, a two-door sport hatchback priced at $9,859 (4,997 units); and Starion LE turbo coupe priced at $15,649 (5,792 units), which got $4.8 million in measured spending.

Mitsubishi actually sold 298 fewer cars in 1986 than 1985, a decline of 0.6% from the previous year. This also represented a slight decline in its import car market share, to 1.52% from 1.7% in 1985. By contrast, Toyota's share of the imported cars in the U.S. in 1986 stood at 19.7%, followed by 15.1% for Nissan, 14.1% for Honda, 6.8% for Mazda. Mitsubishi ranks sixth among Japanese auto importers and fifth in trucks.

Sales and market share figures are expected to change abruptly once the Mitsubishi production facility gets under way in 1988. The plant in Bloomington-Normal, Ill., operated by Diamond-Star Motors Corp., is a joint venture between MMC and Chrysler Corp. Diamond-Star will produce up to 240,000 cars a year, and the two companies will share in the output. Chrysler has sold Mitsubishi vehicles under Dodge and Plymouth nameplates since 1970.

Compact trucks, a category not restricted by the voluntary import quotas, accounted for about 40% of measured media, or about $7.9 million, the largest share for any Mitsubishi product. Most of that expenditure, according to BAR/LNA, went for spot TV.

Spot TV for all brands represented about 35.4% of the company's measured media expenditures for 1985, down from about 53% in 1985. Other major media shares were magazines, 18.1%; newspapers, 15.9%; network TV, 12.3%; and business publications, 7.1%.

The year also saw the company's first use of network TV for the introduction of a refurbished line of pickup trucks and existing sports/utility vehicles. Network TV in September-October for MMSA and its dealer groups was $15-$17 million for the fall campaign. A substantial portion of the $7.1 million in unmeasured media spending in 1986 was devoted to a cooperative ad program for dealers.

In March 1987, Mitsubishi dealerships began receiving the "car that make sense," the Hyundai-manufactured Precis, a South Korean subcompact similar to Hyundai's popular Excel. The Precis (rhymes with "thesis") is expected to account for 20% of Mitsubishi's 1987 ad budget.

Sales of the Precis, like imported Japanese trucks, are not governed by the quotas in the Japanese Voluntary Restraint Agreement. This permits MMSA dealers to boost sales and profits with these new economy models without cutting imports of its higher-price, and more profitable, Japanese cars. Mitsubishi forecasts sales of 30,000 Precis cars this year, about 37% of a total 80,000 projected car sales for 1987. Between its introduction in March and Sept. 30, Precis sales were 16,047. To Sept. 1, total passenger car sales amounted to 47,480 units, a 32.6% increase over the same period in 1986.

Promotion for Precis uses the term "Imported by Mitsubishi" in ads. The $6 million campaign included two TV spots that began airing in early March in the 31 markets covered by Mitsubishi dealers and ran through mid-April. Dealer associations were expected to spend an additional $2 million during the launch.

For the 1988 car year Mitsubishi reintroduced its top-of-the-line Galant sedan as the Galant Sigma with a new 3-liter, V-6 engine. The front-wheel-drive Sigma, priced at $16,549, is being promoted as a bargain when compared with Toyota's Cressida (which costs more than $20,000) and as offering more for the money than the similarly priced Nissan Maxima. In supporting the upscale Galant Sigma, Mitsubishi also took shots at American Honda; MMSA marketers dubbed the car the "Acura killer."

Sigma was launched with a $5.1-million ad program aimed at affluent professionals. The campaign premiered during the U.S. Open in September. Mitsubishi estimates it will sell 15,000-20,000 Galant Sigmas during the 1988 model year.

Introductory campaign for the entire '88 line was pegged at $12.2 million, with an estimated 50% of that being spent on Sigma, reportedly the largest expenditure ever made by Mitsubishi for the launch of new models. The Mirage, promoted as a family car, had the benefit of $2.8 million of the budget, with another $2.8 million allotted to pickup truck advertising that emphasized price/value advantages.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	5,509	5,362
Magazines	6,260	4,712
Bus. pubs	1,954	1,972
Network TV	3,383	0
Spot TV	9,677	14,210
Spot radio	146	213
Outdoor	124	0
Network cable	270	129
Total measured	27,323	26,597
Unmeasured	7,191	7,000
Total	34,514	33,597

MITSUBISHI MOTOR SALES OF AMERICA

10540 Talbert Ave.
Fountain Valley, Calif. 92708
(714) 963-7677

Marketing Personnel

Garrett J. (Mike) Nash, vp-mktg
Frances Oda, adv mgr
Jeanne Hoover, sales promo mgr
Tim Gallagher, pr mgr

Advertising Agency

Grey Advertising, Los Angeles—Bruce McRitchie, sr vp-genl mgr; John Miley, vp-group mgmt super.

A BMW marketing 'formula'

In 1986, BMW's zest for racing continued with its two-car entry in the International Motor Sports Assn. GTP Championship racing circuit and with expansion of BMW/Skip Barber Advanced Driving School for auto enthusiasts. The driving school, run by former Formula One drivers, has four locations—Connecticut, California, Florida and Wisconsin.

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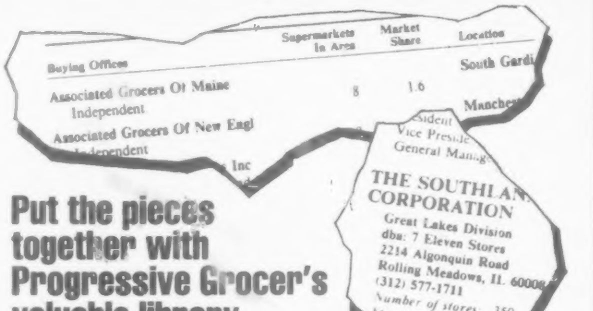

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PROGRESSIVE GROCER INFORMATION SALES

72A

NEC Corp.

RANK 165

Tokyo

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	16,779	15,991	4.9
Net income	103	186	(44.7)
U.S. advertising	50	32	54.2
Division sales	**1987**	**1986**	**% chg**
Communications	4,794	5,117	(6.3)
Computers	6,932	5,858	18.3
Electron devices	2,856	3,022	(5.5)
Home electronics	1,290	1,226	5.2
Other	908	768	18.2

NEC Corp., Tokyo, dramatically expanded its advertising and marketing efforts in 1986, particularly for consumer electronics products. Overall, the Japanese company, which previously had maintained a low profile, is working to develop a higher visibility and a stronger corporate image in the U.S.

Sluggish demand from developing nations and a worldwide slump in the semiconductor industry helped contribute to the company's slow growth in worldwide sales. So, too, did the strong yen. Sales in NEC's export markets actually dropped 10% in yen. NEC does not break out sales specifically for North America. Figures for both 1987 and 1986 fiscal years in the accompanying box were converted at the rate of Y146=$1.

The company, according to measured media reports, spent $25 million in media advertising in 1986, up 28.2% from 1985. Largely a business-to-business advertiser, NEC spending is dominated by print. Spending in general interest magazines gathered steam in 1986, growing 75% to $12.1 million; campaigns in business papers grew 41.3% to $8.9 million. NEC says its total media budget for the year was $31.8 million.

The company's leading U.S. subsidiary, NEC America, Melville, N.Y., markets communications systems. Other subsidiaries are responsible for computer systems and consumer products, including VCRs and televisions. The subsidiaries handle their own advertising and marketing, with varying levels of guidance from NEC corporate headquarters in Tokyo.

This year, NEC Home Electronics received a major infusion of marketing money, $40 million. The funds are being put into a major TV and print campaign promoting all the company's consumer electronics products. By comparison, during 1986 NEC Home Electronics spent about $5 million in measured media, according to LNA figures, with spending on its color TVs the most, at $1.4 million.

NEC America also launched a major corporate campaign in 1986. Called Famous Persons, the ads use Leonardo da Vinci, Beethoven and Casey Stengel to illustrate how well NEC products work together. Another new campaign, referred to as the Kids ads, are based on real life examples of children visiting NEC facilities. They are designed to give the company "a high touch feeling, not just high tech," says Glenn Crane, director of corporate communication and marketing.

Last year NEC America spent approximately $4 million on advertising and promotion, according LNA figures, almost four times what it spent the year before. Hakuhodo America, New York, handles the NEC America account.

NEC Information Systems broke a major print and TV campaign for its APC personal computer line and the company's highly regarded computer printers, described as the subsidiary's largest campaign ever. The year before, the company had introduced its IBM-compatible computers with a $5 million TV campaign. Boston-based Ingalls, Quinn & Johnson handles the account.

The company recently renewed its $2 million sponsorship contract of the World Series of Golf for another three years.

One element that will run through all NEC advertising is the company's new creative positioning. "Networking—how all our products work together—is the biggest message we will be putting out," says Mr. Crane.

NEC America media usage will continue to be heavy in print. The advertiser placed ads in 181 publications in 1986. Other units also are extensive print users. Much of NEC's broad-audience print advertising—ads in general business publications—are placed from Tokyo, says Mr. Crane.

NEC selectively uses conventional TV and cable TV, particularly CNN and USA Cable networks. Though modest in size, expenditures of $441,000 on cable TV and $423,000 on network TV monitored by BAR/LNA in 1986 will increase dramatically in 1987 because of major new TV campaigns by NEC's Home Electronics and Information Systems subsidiaries.

The company also is initiating better media management to improve coordination of media placement among divisions. The company wants to pressure publications in which it is a frequent advertiser into giving it greater discounts—which may be difficult as long as advertising is loosely coordinated.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	2,883	4,707
Magazines	12,117	6,846
Newsp. supps	40	0
Bus. pubs	8,912	6,338
Network TV	423	204
Spot TV	36	615
Spot radio	53	3
Outdoor	186	247
Network cable	441	526
Total measured	25,090	19,487
Unmeasured	25,000	13,000
Total	50,090	32,487

NEC AMERICA INC.
6 Old Sod Farm Road
Melville, N.Y. 11747
(516) 753-7000

Corporate Personnel

Masami Shinozaki, sr vp-corp mktg
Glenn Crane, dir-mktg comm, corp mktg div

Marketing Personnel

Jeff White, mgr-mktg & planning, broadcast equipment div
Ivan Launer, mgr, adv/conventions, business systems sales div
Chris Nakamoto, mgr, prod support, data comm prods department
Y. Akiyama, mgr, electromechanical devices department
Herbert C. Johnson, dir-mktg, facsimile div
Jack Pelzman, mgr-adv & pr, mobile radio div
Masaru Sakamoto, sr sales admin, new prods department
Sherrie Sullivan, mgr-adv & promo, radio & transmission systems group
Russ Heuer, mgr-mktg comm, switching systems div

Advertising Agencies

Andrews Mautner, Milwaukee, Wis.—CCD cameras, radio & tv transmitters, digital video effects—Kit Vernon, exec vp.

Hakuhodo Advertising America, New York—corp adv—Lou Lehner, sr vp; Robert Schulman, acct dir. Cellular mobile phones, pagers—Brian Ribbey, acct super, L.A.

Kopf & Isaacson, Melville, N.Y.—PBX & key systems, facsimile—Ken Kopf, partner; Lisa Lennard, acct super.

Lemons Communications, Irving, Texas—central office switching systems—Brian Lemons, acct super.

Stackig, Sanderson & White, McLean, Va.—microwave radio, satellite comm, fiber optic network systems, carrier transmission prods—Larry Anderson, Joan Garber, acct supers.

Winston Advertising, San Jose, Calif.—data comm prods including modems and mediaboard—Monica Newman, acct super.

NEC ELECTRONICS INC.

Marketing Personnel

Bruce Hildebrand, dir-corp comm
Denise Iwata, adv mgr

Advertising Agency

(In-house)

NEC HOME ELECTRONICS INC.

Marketing Personnel

Gerald Tangney, vp-corp mktg comm
Grant Schneider, dir-mktg comm
Stan Gray, sr vp-mktg, audio/video div
Keith Schaefer, sr vp, personal computer div
Tom Martin, asst vp-mktg, personal computer div
Jerry Benson, asst vp-mktg, personal computer div

Advertising Agency

DDB Needham, New York—NEC home electronics—Darrell Lindberg, vp, personal computer prods; Alexa Cullman, acct super, personal computer prods; Al Mitchell, Val Gleason, acct execs, audio & video prods.

NEC INFORMATION SYSTEMS INC.

Marketing Personnel

Richard M. Underwood, president
Frank Girard, vp-systems mktg
C. Richard Harrison, vp-peripherals mktg
Richard Bochenek, vp-mktg operations
Peter V. Ferguson, dir-mktg comm

Advertising Agency

Ingalls, Quinn & Johnson, Boston—Jeff Johnson, acct exec, personal computers; Liz Farley, acct exec, peripherals.

Faberge jilted by Notorious

Faberge placed its eggs in the wrong basket when it negotiated with Edison Bros., St. Louis, over the use of Notorious, a trade name under dispute with Cosmair Inc. A district court judge in January 1987 ruled Cosmair owned the name.

News Corp. Ltd.

RANK 181

Sydney

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	2,670	1,900	40.5
Net income	170	74	128.4
U.S. advertising	43	41	4.0

Riding the wave of media acquisitions, News Corp. Ltd. recorded record revenues and income for the fiscal year that ended this June. Rupert Murdoch's empire has doubled its sales and increased profits more than five times in five years as News Corp. continues to expand into virtually all media areas.

Its most recent acquisitions include the purchase of the Herald and Weekly Times Ltd. and associated companies in Australia, the Hong Kong-based South China Morning Post Ltd. and, in the U.S., Harper & Row Publishers Inc., New York.

News Corp. also completed, though with some problems, the $50 million launch of Fox Television Co., a fourth network carried on a majority of the U.S.'s independent television stations. Its prime-time lineup has grown to modest ratings and generally critical approval, while its "Late Show with Joan Rivers" had disastrous ratings, lost its host and is now simply "The Late Show."

The company's base continues to be newspapers on three continents, which provide half of its revenues. News Corp. publishes *The Australian*, that country's only national newspaper, and London's *Times* and *Sunday Times*. In the U.S., Mr. Murdoch may be getting out of the newspaper business, or at least cutting his losses by selling the unprofitable *New York Post* as well as the now-profitable *Boston Herald*. Mr. Murdoch told analysts recently he would not seek a permanent waiver of the federal "cross-ownership" rules that prevent multiple ownership of media in the same market. A waiver would allow him to keep his newspaper and TV station properties in both New York and Boston.

News Corp.'s interest of late is in acquiring book publishers. In 1986, the company bought Harper & Row, New York, and most recently, Mr. Murdoch increased to 13.5% his stake in Pearson PLC, owner of London's *Financial Times*, Penguin Books and the New American Library.

News Corp. says it won't make a full bid for Pearson, but rather work with the British publisher on international publishing ventures. This could include the joint marketing of Penguin and Harper & Row books. Also, analysts say News Corp. could use excess printing capacity at its Hong Kong-based *South China Morning Post* to print an Asian edition of the *Financial Times*.

News Corp. laid out $1.3 million in advertising on the seven Fox Television stations for general promotion. The stations, which include WFXT-TV in Boston and WNYW-TV in New York, have a 23.9% coverage of all U.S. TV households and constitute the core of Fox Broadcasting Co.

According to BAR/LNA, the company's largest segment of advertising—20th Century Fox films—decreased its spending 7.2% in 1986 to $19 million, in part because the studio was promoting 10 movies compared with 15 in 1985. Spending on the *Star*, Mr. Murdoch's weekly supermarket magazine, decreased by 7.8% to $9.7 million. The *Star* changed from tabloid to magazine and had a rate base increase of 300,000 to 3.5 million copies a week.

Mr. Murdoch also spent less on *Elle*, one of his fastest-growing titles. The magazine, published jointly with French publisher Hachette, received $450,000 in spending in 1986, down 51%. *Elle* has grown from about 300,000 monthly circulation in late 1985 to more than 700,000 in mid-1987.

Spending for *European Travel & Life*, which Mr. Murdoch acquired in March 1986, was $128,000.

In January 1987, the slick travel magazine went from a bi-monthly to ten times a year. For *Automobile*, a special-interest consumer magazine startup in 1986 with initial circulation of 200,000, Mr. Murdoch spent $326,000 advertising subscriptions.

Another promising magazine launch was *Premiere*, a monthly movie magazine for the general reader. With a guaranteed rate base of 250,000, *Premiere* has been a critical success.

Some analysts expect *Premiere* to go fortnightly to accommodate the quick release and short life span of new movies.

In newspapers, the *Post* received $990,000 in advertising backing subscriptions and general promotion, a decline of 22%.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	711	113
Magazines	3,930	2,645
Newsp. supps	169	377
Bus. pubs	275	253
Network TV	5,688	6,592
Spot TV	25,125	23,992
Network radio	103	214
Spot radio	849	854
Outdoor	110	310
Network cable	996	1,126
Total measured	37,954	36,476
Unmeasured	5,200	5,000
Total	43,154	41,476

NEWS CORP. LTD.
2 Holt Street
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288-3000

Corporate Personnel

Rupert Murdoch, chmn & ceo

NEWS AMERICA PUBLISHING
New York

Marketing Personnel

Martin Singerman, president

MURDOCH MAGAZINES

Marketing Personnel

John Evans, president
Les Hinton, exec vp

TWENTIETH CENTURY-FOX FILM CORP.
Los Angeles

Marketing Personnel

Barry Diller, chmn & ceo
Alan Horn, president-coo
Jonathan Dolgen, sr exec vp

FOX TELEVISION STATIONS
New York

Marketing Personnel

Kenneth Becker, vp, dir-business affairs

HARPER & ROW PUBLISHERS
New York

Marketing Personnel

Norman Pomerance, group vp, genl books div
Edward L. Burlingame, sr vp-publisher, trade div
Neal Sweet, vp-publisher, college div
Nak Young Choung, vp-dir, intl div
M.S. Wyeth Jr., vp-exec editor, trade div

Advertising Agencies

AC&R/DHB & BESS, New York—Stephen Rose, ceo.

Grey Entertainment & Media, New York—Al Lieberman, president.

Peter Rogers & Associates, New York—Peter Rogers, president.

North American Philips

RANK 103

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	4,532	4,395	3.1
Net income	69	82	(16.0)
U.S.	**1986**	**1985**	**% chg**
Sales	4,326	4,217	2.6
Operating profits	N/A	N/A	N/A
Advertising	79	68	17.1

Competitive imports from the Far East, fierce price competition and the weak U.S. dollar continued to wreak havoc on profit margins of almost every division of North American Philips Corp. in 1986.

NAPC returns remained static as earnings dropped 16.5% on a sales growth of 3.1% in 1986 compared to 1985. These results compare to an earnings decline of 37.4% on a 1.6% growth in sales in the 1985-1984 period.

The company nonetheless continued to introduce new products and boosted its advertising spending 17%, to an estimated $79.4 million.

The company switched agencies on its Norelco and Magnavox product lines last year. The Norelco shift was part of a review of suppliers under new management. Dick Kress, president of the Consumer Products Division, left in November 1986; he was replaced by Winfried van't Hoff from The Netherlands headquarters.

The biggest beneficiaries in measured media were network and spot TV. NAPC increased network spending 35%, to $18.5 million in 1986, and doubled spot TV spending to $10.7 million. Outdoor and business papers were all but eliminated from the media mix.

The big advertising division, NAP Consumer Products, had sales of $2.4 billion, up 3.1% from 1985, and operating income of $32.9 million, down from $72.2 million the prior year. The most troubled segment within the division was the NAP Consumer Electronics Corp. It reported sales of $1.3 billion, up 8%, and an operating loss of $6.4 million, compared to an operating loss of $19.6 million in 1985.

The consumer products division was reorganized in 1986 to coordinate worldwide development, engineering and product planning with NAP's parent company, N.V. Philips of The Netherlands, which owns 58% of its stock.

N.V. Philips and its overseas affiliates also supply NAPC with products equivalent to 20% of NAPC's sales—a problem for NAPC with the dollar at an all-time low. NAPC imports its electric razors, TV and audio products from N.V. Philips.

NAPCEC revenues grew primarily from the division's sales of Magnavox, Philco and Sylvania electronics lines of color TV sets, video cassette recorders and compact disc players, all of which are in rapidly growing markets where pricing is influenced heavily by less-expensive imports from the Far East.

The market for compact disc players, for example, grew by 86% last year, resulting in the sale of 1.8 million units. There are 75 brands and 500 models available in the market.

In 1986, the Magnavox product lines were broadened to include a wide range of high-tech systems such as the Magnavox Videowriter home word processor, billed as "the first complete word-processing system for the home."

The electronics line continued to draw heavy advertising in 1987. In mid-September, Magnavox launched a $20 million print and TV campaign titled "Smart, Very Smart," using Comedians Dick and Tom Smothers.

The campaign, designed to make high-tech changes in the products seem less intimidating, was created by agency Backer Spielvogel Bates, New York, which won the Magnavox account in 1986. Philco/Sylvania advertising is still handled in-house.

The consumer products groups' electical products segment—which includes such operations as North American Philips Lighting Corp., Norelco and Philips Home Products—reported $890 million in sales and $15.9 million in net income in 1986, down from $907 million and $73.5 million, respectively, in 1985. The loss in net income was caused by the high cost of introducing the Philips light bulb line, as well as price competition from low-cost imports, the company says.

The new light bulb line was backed by a $15 million advertising campaign called, "It's time to change your bulb." The light bulb line maintains a 20% share of the $1 billion light bulb market, compared with 60% for General Electric.

Within the electrical consumer products segment, the Norelco Consumer Products subsidiary maintained its lead in the $280 million electric shaver market with a share of 53%, despite price competition.

In 1986, Norelco added five new men's shavers to its line. It also added an automatic shut-off iron, four new coffee makers and a wide array of garment care products.

In the hand iron category, Norelco remains far behind leaders Black & Decker (with a 41% market share) and Wear-Ever/Proctor-Silex (20%), according to Dana Chase's *Appliance* magazine. In drip coffee makers, Norelco ranked No. 2 with a 16% share compared with No. 1 North American Systems' 23%.

D'Arcy Masius Benton & Bowles, New York, became the new Norelco agency, replacing McCaffrey & McCall, New York.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	276	647
Magazines	6,044	7,445
Newsp. supps.	416	323
Bus. pubs	366	2,259
Network TV	18,570	13,781
Spot TV	10,733	5,311
Network radio	678	570
Spot radio	218	740
Outdoor	1	60
Network cable	1,107	1,680
Total measured	38,409	32,814
Unmeasured	40,968	35,000
Total	79,377	67,814

NORTH AMERICAN PHILIPS
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Corporate Personnel

Cees Bruynes, chmn-president

N.A.P. CONSUMER ELECTRIC CORP.
Knoxville, Tenn.

Corporate Personnel

Donald F. Johnstone, president

Marketing Personnel

William Ulewicz, vp-Magnavox sales
Rick Policicchio, vp-Sylvania/Philco sales
Robert Beasley, vp-NAPCEC mktg
Frans Bastiaanssen, vp-operations
David Rivoira, vp-new business ventures
Dick Whittington, mktg mgr, Philips Home Interactive Systems

Advertising Agencies

Lowe Marschalk, New York—Philips Home Interactive Systems—Karl Maier, vp-mgmt super.

Backer Spielvogel Bates, New York—Magnavox div—Charles Decker, sr vp-mgmt super.

CONSUMER PRODUCTS DIVISION
Stamford, Conn.

Marketing Personnel

Winfried van't Hoff, president
John P. Rohmer, adv mgr

Advertising Agency

D'Arcy Masius Benton & Bowles, New York—Svend Mejdal, acct exec.

N.A.P. LIGHTING CORP.
Somerset, N.J.

Marketing Personnel

Alan K. Hegedus, president-mktg
Charles Stuart, exec vp-sales & mktg
Jerry Preyss, dir-mktg operations

Advertising Agency

Saatchi & Saatchi DFS Compton, New York—Tom Bohan, mgmt dir; Joe McCarthy, mgmt super; Tom Hay, acct super; Chuck Hirsh, acct exec; Mary Rowe, asst acct exec.

PHILIPS HOME PRODUCTS
Akron, Ohio

Marketing Personnel

John T. Gray, president
Michael Reilly, vp-mktg & sales
Michael Fox, adv mgr

Advertising Agency

W.B. Doner & Co., Cleveland and Detroit—Peter Robinson, acct mgr.

ANCHOR BRUSH CO.
Montgomery, Ill.

Marketing Personnel

B.F. Bouldin, president
B.L. Slaughter, vp-mktg

PHILIPS BUSINESS SYSTEMS
Woodbury, N.Y.

Marketing Personnel

Paul Dentone, president
Timothy Holmes, adv dir

Advertising Agency

Greenstone & Rabasca, Woodbury, N.Y.—Richard D'Amico, vp-acct super.

PHILIPS MEDICAL SYSTEMS
Shelton, Conn.

Marketing Personnel

Dominick M. Protomastro, president
Ross Trimby, vp-mktg

Advertising Agency

Doyle Graf Mabley, New York—Peter Larson, acct super.

NWA Inc.

RANK **153**

Eagan, Minn.

($ in millions)

Worldwide	1986	1985	% chg
Sales	3,589	2,655	35.2
Net income	77	73	5.2
U.S. advertising	53	46	15.0
Division sales	**1986**	**1985**	**% chg**
Passenger	2,920	2,154	35.6
Freight	407	328	23.8
Mail	88	80	9.2
Charter/other	78	56	39.3
Other	96	37	163.4

NWA Inc., the Eagan, Minn.-based parent of Northwest Airlines, hit unexpected turbulence in combining its operations with those of Republic Airlines, the Minneapolis-based carrier it acquired for $862 million in October 1986.

Labor disputes resulting from merged workforces caused morale problems and alleged sabotage at Northwest's major hub operations in Detroit, Memphis and Minneapolis/St. Paul. Passenger luggage routing tags, for example, were said to have been deliberately removed by disgruntled employees, and mechanics reportedly stalled plane repairs, causing delays throughout Northwest's route system.

Most of that turmoil has ended, however, and the airline now is trying to position itself as a major national and international carrier—serving 135 cities—in an increasingly confusing deregulated environment.

Worldwide ad spending for NWA in 1986 was $67.4 million, a 48% jump from 1985, due mainly to three months' worth of advertising from newly-acquired Republic, which spent $25 million for the year as a U.S.-only carrier. Of the 1986 Northwest total, $31 million was spent on passenger advertising in the U.S. and another $29 million overseas for trans-Pacific and European routes. Those figures, which included $17.2 million in measured U.S. media spending, will remain essentially the same for 1987. (Spending by Republic prior to Oct. 1, 1986, is not included in the figures, although in the measured totals).

Mainline Travel, a Minnetonka, Minn.-based tour wholesaler known as MLT Vacations, spent approximately $5 million during the year on newspaper ads promoting leisure travel packages to Las Vegas and other cities. The remaining ad budget is spent primarily on cargo and other non-passenger services.

While American, Continental, TWA and other airlines already had routes sprawled across the country, Northwest and Republic's strength mainly was confined to the Midwest and Southeast. "We have the most ground to make up as it relates to national awareness of [Northwest] as a national airline," says John Temple, senior VP-marketing programs at Northwest. But, he says, "the synergy we hoped for in the merger is definitely there. We've increased traffic but decreased capacity."

Northwest Airlines passenger service revenues of $2.92 billion in 1986 accounted for 81% of companywide operating revenues. In the first half of 1987, NWA earned net income of nearly $15.7 million; during the year-ago period, NWA lost $23 million. Operating revenues were $2.48 billion, up 85.3% because of the addition of Republic flights.

Northwest's marketshare in 1986 climbed to 9.9%, compared with 6.9% without Republic in 1985. For the first nine months of 1987, its share of revenue passenger miles was 9.3%, ranking it sixth among U.S. airlines.

Saatchi & Saatchi DFS Compton, New York (and a service office in Minneapolis), has refined the initial image campaign and focused it more on WorldPerks, the frequent-flyer program the agency handled under Republic's stewardship.

The agency's first image effort for the combined airline, themed "Look to us. Fly with us. Northwest," was replaced in September 1987 by a harder-edged pool of eight 15-second TV spots. These humorously highlight attractive frequent-flyer bonuses, lower fares and convenient schedules to U.S., European and Pacific destinations.

Northwest plans to add off-peak Atlantic and trans-Pacific routes (Manchester, England, and Tokyo) backed with ad support, and will introduce senior-citizen and vacation travel programs jointly with NWA's MLT Vacations unit.

The airline has received Department of Transportation approval to begin service some time in 1988 from Boston to Manchester, England. In April 1987, Northwest began nonstop service to Tokyo from its Detroit hub. Northwest Airlink, a marketing partnership linking four regional commuter carriers to Northwest's main route system, adds 60 small U.S. cities to the network.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	22,219	16,851
Magazines	8,536	3,634
Newsp. supps.	144	0
Bus. pubs	535	71
Network TV	938	0
Spot TV	4,712	12,205
Network radio	587	0
Spot radio	2,672	3,878
Outdoor	1,555	331
Network cable	631	0
Total measured	42,529	36,970
Unmeasured	10,353	9,000
Total	52,882	45,970

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Marketing Personnel

A.B. "Sky" Magary, exec vp-mktg
W. Thomas Lagow, sr vp-mktg planning
Montie Brewer, sr dir-schedule planning
Raymond Foss, vp-mktg systems
Eric Wilson, sr dir-reservations sales
David Behrends, vp-cargo
Ross Kohlman, sr dir-sales
John Temple, vp-mktg programs
Jean Caselli, sr dir-passenger mktg program
Judith Mitchell, sr dir-mktg comm
Susan Goode, dir-mktg rsch

Advertising Agencies

Kolesar & Hartwell, Minneapolis—industry mktg (trade adv), meetings and incentives, cargo—David Kolesar, president, mgmt super; Doug Sietsema, exec vp; Bob Sievers, acct super; Jill Cole, Sheri Hermanson, acct execs

Saatchi & Saatchi DFS Compton, New York and Minneapolis—No. American passenger adv, Northwest Airlink regional carrier—Michael Keeshan, mgmt dir (New York); Cody Dalton-Eddy, sr vp-mgmt super (New York); Peter Levitan, sr vp-mgmt super (Minneapolis); David Fishman, acct super (New York); Mark Wilmot, acct exec (New York); Sandra Pursley, acct exec (Minneapolis).

TMP (Telephone Marketing Programs), Minneapolis—Yellow Pages—Alfred Cady, president.

MLT VACATIONS
Minnetonka, Minn.

Marketing Personnel

Edward Neer, president-ceo
Stan Phillips, vp-mktg & sales
Robert Erler, mgr-adv

Advertising Agency

Colle & McVoy, Minneapolis—Deborah Cundy, acct mgr; Ann Herzog, acct exec; Jane Maetzold, asst acct exec.

Ocean Spray Cranberries

RANK **172**

Plymouth, Mass.

($ in millions)

Worldwide	1986	1985	% chg
Sales	636	542	17.4
Net income	197	170	15.9
U.S. advertising	47	29	61.5

Buoyed by the introduction of a wide range of new products, technological innovations in packaging and total advertising that grew 61.5%, Ocean Spray Cranberries Inc. realized substantial gains in both sales and net income in 1986.

The agricultural cooperative also made major agency moves in 1987. In March, it consolidated $25 million in billings for its cranberry-related business at North Castle Partners, Greenwich, Conn., from Bozell, Jacobs, Kenyon & Eckhardt, Boston. NCP previously handled Ocean Spray's citrus and fresh fruit business. BJK&E lost $20 million in billings as a result of the move. In May, Ocean Spray awarded its $15 million citrus, guava drink and new products account to Ingalls, Quinn & Johnson, Boston. IQ&J also handles Ocean Spray's food-service products account.

Ocean Spray historically markets 80-85% of the U.S. cranberry crop and the majority of the Canadian crop harvested September through November. Some 70% of the cranberries are processed into juice drinks, 20% into sauce, and 10% as fresh fruit.

Ocean Spray market shares jump considerably in two categories over the past year. In the 52-week period ending in September 1986, the cooperative's share of the fast-growing, shelf-stable concentrate juice and drink market increased from 60.8% to 76.3%. In addition, the company's share of the shelf-stable grapefruit juice market jumped from 20.7% to 24%. The cooperative's shares in the single-strength, shelf-stable juice dropped from 36.7% to 35.2%. In the canned cranberry market, its share declined from 75.1% to 73.8%, according to Selling Areas-Marketing Inc., New York.

A cranberry-blueberry drink and the Mauna La'I Hawaiian guava fruit drink were among new products Ocean Spray introduced in 1986. The cooperative introduced an Ocean Spray fresh grapefruit juice item, and completed the national rollout of Ocean Spray's shelf-stable liquid concentrate line.

Packaging innovations included a 64-oz. plastic bottle and "no-thaw" packaging in plastic cups packed aseptically and sealed with foil, which should boost sales in markets as wide ranging as airlines and hospitals. The cooperative is test-marketing 12- and 17-oz. shelf-stable plastic tubs for sauces. The tubs have resealable lids, like traditional butter tubs. Company officials hope the new containers will take the "seasonality" out of sauce products.

To help handle its growing citrus business, Ocean Spray purchased the Golden River Packing House in Winter Beach, Fla. An $8 million receiving station in Chatsworth, N.J., will go on-line in September 1988. Ocean Spray continues to tout its "Good For You, America" advertising theme. "It's a strategy we call 'cranness'—an attempt to talk to the consumer about what the cranberry does," explains Tom Bullock, vp-operations.

In 1986, network and spot TV spending accounted for slightly more than 85% of the cooperative's total measured advertising. Spot TV spending jumped about 90% to $13.4 million. Network TV spending remained the same at about $7.3 million.

Ocean Spray will continue its support of the Women's Sports Foundation. Roughly two-thirds of the consumers of Ocean Spray products are women, studies show. Ocean Spray underwrote the foundation's Challenge of Champions tennis match, which aired on ABC in April 1987. The cooperative bought title sponsorship by buying 25% of the TV ad time.

Ocean Spray's executive VP Jack Llewellyn will succeed President Harold Thorkilsen upon his retirement in December.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	66	285
Magazines	2,803	375
Bus. pubs	312	299
Network TV	7,257	7,257
Spot TV	13,456	7,056
Spot radio	155	30
Network cable	280	11
Total measured	24,329	15,311
Unmeasured	23,000	14,000
Total	47,329	29,311

OCEAN SPRAY CRANBERRIES INC.
225 Water Street
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(617) 747-1000

Corporate Personnel

John Llewellyn, exec vp

Marketing Personnel

Tom Bullock, vp-business operations
Jim Kirk, business operations mgr
Kevin Murphy, business operations mgr
Kevin Maguire, business operations mgr

Advertising Agencies

Ingalls, Quinn & Johnson, Boston—Spoonables, new prods, Mauna La'I—Jay Werwilliger, vp-acct mgr; Holly Drorbaugh, acct mgr; Matthew Baker, acct super. Grapefruit—Jay Terwilliger, vp-acct mgr; Mark Richardson, vp-acct super; Nina Gorman, acct mgr. Foodservice prods—Margaret Coughlin, mgmt super; Susan Hiller, acct super; Deborah Messina, acct mgr.

North Castle Partners, Greenwich, Conn.—beverage cranberry prods—Len Ferraguzzi, exec vp; Hap Hoover, mgmt super; Sheila Ewing, acct super, bottled drinks; Jean Shaw, acct super, chilled, paper bottle, liquid concentrate; Suzanne Hopkins, acct exec. Non-beverage cranberry prods—Len Ferraguzzi, exec vp; Kevin Carroll, acct super; Jill Secrist, acct exec, cranberry sauce, fresh cranberries; John Swain, acct exec, ingredients business, new prods.

Polaroid Corp.

RANK **112**

Cambridge, Mass.

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,629	1,295	25.8
Net income	104	37	180.5
U.S.	**1986**	**1985**	**% chg**
Sales	964	779	23.7
Operating profits	136	34	303.9
Advertising	71	70	2.4

Polaroid Corp. basked in the warmth of a successful launch of its Spectra instant camera system in 1986, as sales increased and earnings skyrocketed. Besides Spectra's favorable impact, the company benefited from a weakened dollar, from a streamlining of its operations and from the exit of its only competitor in the instant photography market, Eastman Kodak Co. The second quarter of 1987 saw both sales and earnings rise by 13%.

Although amateur photography products still account for 60% of company sales, Polaroid continues to inch toward diversification. Efforts include its magnetic media business and its growth in the commercial/industrial segment—a category that generates high profits for Polaroid and should not be underestimated in terms of growth potential, says Charles K. Ryan, VP-fundamental research with Merrill Lynch Capital Markets. He believes this segment ultimately will account for half of Polaroid's revenues. Significant non-commercial beneficiaries of instant

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photography technology include the medical and scientific fields.

Polaroid's magnetic media business grew in 1986 from the sale of videotape and floppy disks. Currently Polaroid holds close to a 10% share of the videocassette market, an impressive showing considering that Polaroid entered this highly competitive category just three years ago, says Peter Enderlin, photo marketing analyst with Smith Barney, Harris Upham & Co. Eighty percent of videotape is sold in mass merchandise outlets, where Polaroid has a strong presence. But even though Polaroid has benefited from name recognition in the category, overcrowding and subsequent price cuts have minimized the company's profits in this market, according to Mr. Ryan.

The same situation plagues Polaroid in the diskette category. There, its share is a significantly smaller 1-2%, Mr. Enderlin says. However, this category provides a higher profit margin, and Polaroid has concentrated on the high end of the market. Leading this spectrum of the category are Xidex, with a 35% share, and Kodak's recently acquired Verbatim brand, which holds a 20% share, according to Mr. Ryan.

Also, Polaroid continues to offer a data rescue recovery service, which allows a customer to recover, for free, data which has been lost accidentally. In July 1987, Polaroid bought Media Duplication Services from Control Data for an undisclosed sum.

FreezeFrame, a video image recorder jointly designed and developed with Toshiba Corp., marks Polaroid's entry into the technical and industrial video market. The product delivers high quality instant prints or slides from video pictures. On sale since October 1986, FreezeFrame, which retails for $1,900, has become popular with professionals in such businesses as advertising, television and magazine publishing.

But the big news at Polaroid continues to be Spectra, which cost Polaroid $40 million to promote last year and close to $30 million this year. Of the 4.3 million cameras the company sold in 1986, Spectra accounted for an estimated 600,000, according to Mr. Ryan of Merrill Lynch.

Consumer enthusiasm for a new camera has only about a two-year lifecycle, according to industry observers. Polaroid hopes to extend this with a new fourth quarter 1987 campaign from BBDO Inc. to stimulate sales.

Polaroid also added a higher-end version line extension, the Spectra Onyx, which hit the market in February of this year. Sold through photographic specialty stores, the $280 camera is designed with a transparent top cover, allowing the consumer to view the interior circuitry. A promotional effort in May 1987 attempted to breathe more life into Spectra sales by offering $20 or more for any used camera traded in for a new Spectra.

Industry observers warn that Polaroid needs to have another product in the wings to take Spectra's place. For the short run, the company is introducing the line extensions and redesigning Spectra's film to work in its less expensive cameras.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,765	538
Magazines	5,730	3,565
Newsp. supps	350	0
Bus. pubs	1,566	1,635
Network TV	18,439	20,049
Spot TV	306	2,727
Network radio	1,735	160
Spot radio	187	483
Outdoor	191	14
Network cable	5	383
Total measured	30,274	29,555
Unmeasured	40,974	40,000
Total	71,249	69,555

POLAROID CORP.
549 Technology Square
Cambridge, Mass. 02139
(617) 577-2000

Marketing Personnel

Brian O'Connor, vp-sales & mktg
Peter Eichorn, vp-mktg, N. America
William O'Neill, group vp-consumer photography
Lee C. Brewer, vp-intl mktg operations
Robert M. Delahunt, vp-worldwide industrial mktg
Sheldon Buckl, exec vp, dir-tech & industrial photography
Joseph J. McLaughlin, group vp-worldwide mktg
Adrian Van Dorpe, dir-industrial adv
James Clegg, dir-mktg
Gary Moss, dir-adv, N. America

Advertising Agencies

BBDO, New York—cameras, consumer prods—Gary dePaolo, sr mgmt super; Lonny Strum, mgmt super; Paul Jacobson, acct super; Elizabeth Kelly, acct exec; Valerie Valente, asst acct exec; Erika Waldman, acct coord.

Hill, Holliday, Connors, Cosmopulos, Boston—industrial prods—Kevin Powers, Diana Watts, acct supers; Mark McKenna, acct exec; Virginia Lux, asst acct exec.

Prudential Insurance Co. of America

RANK **113**

Newark, N.J.

($ in millions)

Worldwide	1986	1985	% chg
Total income	27,592	25,933	6.4
Net income	N/A	N/A	N/A
U.S. advertising	71	58	22.0

Prudential Insurance Co. of America is going upbeat and all-inclusive under its new Chairman-CEO Robert C. Winters, evidenced by its heavy prime-time TV buying and surrealistic advertising.

Prudential spent more than $44.3 million projecting its updated, upbeat image—aided by such advertising as the "Canyon Rock" creative from Robert Abel Associates, Los Angeles— in U.S. TV and print advertising during 1986, according to a spokeswoman. Of Prudential's total advertising spending (estimated by AD AGE at $70.6 million, up 22% from 1985), the 11 measured media monitored in this issue credit Prudential with spending $52.3 million, up 21.9%.

Prudential, the largest U.S. life insurer, also is the world's largest non-bank corporation, with total consolidated assets of $134 billion in 1986.

During 1986 new business premiums and considerations from sales of individual insurance and annuity products exceeded $2 billion, an increase of about one-third. Mutual fund sales by agents brought in receipts of more than $1 billion, nearly three times the amount sold in 1985. Individual life insurance sales rose by 37%, generating record new business premiums of more than $955 million, with more investment-oriented products accounting for nearly two-thirds of this amount.

Prudential supported its life insurance products with more than $11.7 million in magazine and TV advertising, according to BAR/LNA.

Sales of individual annuities—particularly variable contracts—also were exceptionally strong last year, attracting new deposits of more than $780 million, up 38% over 1985.

A subsidiary receiving major ad support, Prudential-Bache, added a new product to its retail operations during 1986: Quantum Management Portfolio is being offered to select clients by specially trained account executives. With approximately $175 million in assets under management by year-end, representing some 2,200 accounts, Quantum is expanding rapidly.

Prudential-Bache polished its public relations in September by providing seminars for clients on the impact of tort reform. By the end of the year, about 70,000 clients had attended the seminars.

Prudential-Bache was bolstered by more than $9.5 million in advertising expenditures, according to figures supplied by BAR/LNA.

After 40 years in the group life and health insurance market, Prudential is now building an image as a major provider of managed healthcare products. Boosted by 1986 advertising spending exceeding $1.8 million, Prudential's Group Department generated annual sales of more than $1 billion across a range of life and health insurance plans for large groups.

Leading the pack was Prudential's Dental Maintenance Organization, which in one year after introduction climbed to the No. 1 spot in the managed dental care market.

During 1986, Prudential experienced a 52% increase in the number of persons enrolled in its HMOs and other managed medical programs, all of which are integrated into the Prudential Health Care System.

One unique product, PruCare Plus (Prudential Plus in some states), is a "hybrid" plan that combines indemnity, HMO and PPO plans. Marketed to companies with 20 or more employees, enrollment in the program stood at 200,000 as of Aug. 1, 1987. Last year, the insurer armed this PruCare HMO subsidiary with only $112,500 in advertising costs. But this year, it will probably need an injection of additional ad spending as it enters the competitive New York HMO market. Investor-owned HMOs were barred from operating in New York state until last year.

Prudential has temporarily suspended the marketing of its nursing home and home healthcare policies through the American Assn. of Retired Persons after a limited offering in eight states this past summer yielded only 8,000 policies, according to Rich Matthews, manager of public relations.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	2,196	1,081
Magazines	11,097	6,764
Newsp. supps	1,579	0
Bus. pubs	269	164
Network TV	28,702	28,439
Spot TV	3,574	3,649
Network radio	237	755
Spot radio	1,288	584
Outdoor	178	109
Network cable	3,202	1,347
Total measured	52,320	42,891
Unmeasured	18,298	15,000
Total	70,618	57,891

PRUDENTIAL INSURANCE CO. OF AMERICA
Prudential Plaza
Newark, N.J. 07101
(201) 877-6000

Marketing Personnel

Connie Sartian, vp-public affairs
Scott C. Mason, vp-adv
Mary Lou Sack, mgr-adv
Gabrielle K. Shanin, mgr-adv
Vickie J. Snoy, mgr-adv
Anne Bushnell, mgr-adv
Robin Ryerson, assoc mgr-adv

Advertising Agency

Backer Spielvogel Bates, New York—corp. life insurance property & casualty (homeowners & auto), retirement planning, small business, insurance brokerage, Prudential Asset Management Group, Prudential Reinsurance Company, Prudential Realty Group, Prudential Health Care System—Lee Hines, exec vp; Dennis Zolnierzak, mgmt rep; J. Michael McMurphy, vp-acct super; Deborah Radcliff, acct super; Anneke Napp, Harry Tower, acct execs.

Reckitt & Colman PLC

RANK **159**

London

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,951	1,860	4.9
Shareholder profit	126	105	19.9
U.S. advertising	52	36	42.5

Division sales	1986	1985	% chg
Household	952	858	10.9
Food & wine	625	647	(3.4)
Pharmaceutical	182	176	3.7
Colours	56	49	14.5
Industrial cleaning	96	90	6.2
Fine art & graphics	40	39	3.6

Reckitt & Colman PLC continues to build its North American franchise through strong advertising and acquisitions. R&C's North American sales accounted for 24% of worldwide revenues last year, and North American pretax profits were 15.9% of the total.

The North American division based in Rochester, N.Y., spent an estimated $51.9 million on total measured and unmeasured advertising in the U.S. in 1986, up 42.5% from 1985. About half that, or $26.9 million was in measured media—a sum divided 60% into advertising by Airwick Industries, the household products division, and 40% by Durkee-French Foods Inc., the food products division.

An additional $22 million was spent in unmeasured advertising, predominantly couponing, free-standing inserts and promotional material.

London-based Reckitt & Colman, which produces and markets a diversified line of household items and toiletries, food & wine, crafts and pharmaceutical products worldwide, has made a dynamic entry into the U.S. over the past two years.

Worldwide sales grew 4.9% to $1.95 billion in 1986. North American sales accounted for $473 million in 1986, up 6.6% from 1985. North American pretax profits rose 59% to $34 million. Overall shareholder earnings after taxes grew 19.9% to $125 million. Sales and pretax profits for both 1986 and 1985 were translated at the exchange rate of $1.4678=1£.

In 1986, R&C purchased Durkee Famous Foods, Cleveland; Pure Foods Co. (Herb-Ox), Mamaroneck, N.Y., and Gold Seal household products, Bismarck, N.D. The companies were consolidated with R&C's R.T. French Co., Rochester, to form the current food products division of R&C, NA.

"We will be strengthening all of our major categories, as well as increasing our ad spending on new and existing products," says John Lowrie, VP-marketing, Durkee-French Foods.

A big move in obtaining a strong position in the U.S. was the 1985 purchase of Airwick Industries, Carlstadt, N.J. Airwick was combined with Gold Seal to make up the household products division of R&C, NA. In July 1986, R&C sold Professional Products, Airwick's institutional business, to Economic Labs, Minneapolis.

Sales in 1986 for Airwick household products divisions totaled $179 million, up 21% over 1985—growth credited to the introduction of Magic Mushroom nonaerosol room deodorizer in March 1986. Independent consultant Carey, Ahsler, Kline & Co., Fairfield, N.J., contends that Airwick holds a 20% share of that market, up from 13% in 1985. According to Airwick officials, the Mushroom, which holds an 18% market share, increased Airwick's total share of the $300 million air freshener category to 30%. Airwick only held a 12% share the previous year, when Airwick introduced Stick-Ups.

The Mushroom, with its time-released Scent-O-Meter system, is part of R&C's increased push that knocked S.C. Johnson & Co.'s Glade and Drackett's Renuzit from 25% in 1985 to 20% last year.

The ad budget for Magic Mushroom was an estimated $10 million, with the bulk of the spending in network TV. New scent line extensions were added in 1987.

Airwick also introduced Airwick Breeze, an air freshener in four scents that is sprinkled inside vacuum cleaner bags. An estimated $5 million is being spent on network TV to promote the new product.

Carpet Fresh rug & room deordorizer put $5.6 million of its $6.2 million into network TV in 1986, garnering a 35% market share—the same as Church & Dwight's Arm & Hammer carpet freshener. Lehn & Fink's Love My Carpet has a 20% share.

Bully Toilet Bowl Cleaners, (Automatic, Foamy, Swish), which spent an estimated $3.6 million on network TV and magazines in 1985, dropped ad spending to an estimated $850,000 million 1986 to concentrate on new product introductions. Bristol-Myers Drackett's Vanish still holds the No. 1 spot in the automatic toilet bowl cleaner category, with a 30% share compared to Bully's 12%.

French's spent an estimated $5.2 million in 1986, predominantly on the introduction of French's Pasta Toss, packaged flavorings for pasta, and on French's regular mustard. That figure is up 63% over last year's $3.2 million, spent almost entirely on TV for French's regular mustard.

Sticking with R&C's long-term plan for new product development, French's launched French's Dip 'n Spread Mustard in spring of 1987. Heavy network and spot TV accompanied.

French's mustards (Regular, Bold 'n Spicy Deli, Vive La Dijon and Dip 'n Spread) hold a 42% market share, up 2% over the preceeding year. Closest competitor is Plochman's with a 12% share.

McCormick Co. maintains a 35% share in both spices and gravies/sauces over Durkee-French's 16% in spices and 25% in sauces/gravies.

Sir James Cleminson, chairman of R&C since 1977, retired in May of 1986. He is succeeded by Sir Michael Colman.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	17	242
Magazines	1,785	1,260
Newsp. supps	0	90
Bus. pubs	686	1,099
Network TV	16,741	13,382
Spot TV	4,563	3,359
Spot radio	2,518	0
Outdoor	5	0
Network cable	609	0
Total measured	26,924	19,431
Unmeasured	25,000	17,000
Total	51,924	36,431

RECKITT & COLMAN PLC
One Burlington Lane
London W42RW

Corporate Personnel

Sir Michael J. Colman, chmn

AIRWICK INDUSTRIES
Carlstadt, N.J.

Marketing Personnel

Doug Wegrin, vp-mktg
Bob Kuhn, group category mgr, air fresheners, scouring prods
Bud Drago, group category mgr, rug & room deodorizers, toilet cleaners
John Gerrie, sr category mgr, laundry care prods
Tina LoPonte, group category mgr, bubble bath, Binaca

Advertising Agencies

Bloom Agency, New York—Jeffrey Fine, chmn; Penny Hawkey, president; Stephen McCloskey, sr vp, dir-acct mgmt; Barry Silverstein, acct super; Susan Aminoff, acct exec.

Drossman, Lehmann, Marino, New York—Magic Mushroom, Snowy bleach, Mister Bubble Bath, Carpet Fresh, Chore Boy scouring prods—Neil Drossman, chmn, co-creative dir; Charles Lehmann, president; Dominick Marino, co-creative dir; Carol Good, Susan Wallendahl, mgmt supers.

DURKEE-FRENCH FOODS
Paramus, N.J.

Marketing Personnel

John Lowrie, vp-mktg & foodservice
Bruce Bye, dir-brand mktg
Hugh Schwartz, dir-brnad mktg
Gerry Schuth, dir-mktg planning & svcs
Geoff Hayday, dir-foodservice

Advertising Agencies

Ketchum/Hicks & Griest, New York—all food prods—Jerry Cutler, exec vp.

Noble & Associates, Springfield, Mo.—Jim Magers, acct super; Renee Simmons, acct exec; Sandy Miller, admin asst.

Rumrill-Hoyt, Rochester, N.Y.—French's mustard—Nick Orloff, president; Bob Carlton, vp-sr acct mgr; Tim Cornin, creative dir.

Reynolds Metals Co.

RANK **180**

Richmond, Va.

($ in millions)

Worldwide	1986	1985	% chg
Sales	3,639	3,416	6.5
Net income	192	(292)	165.8

U.S.	1986	1985	% chg
Sales	3,301	3,214	2.7
Operating profits	204	(163)	225.3
Advertising	43	36	19.7

Division sales	1986	1985	% chg
Aluminum	1,861	1,642	13.3
Finished products	3,639	3,416	6.5

Reynolds Metals Co. boosted ad spending 19.7% in 1986 to push its consumer products as its financial situation rebounded. Both revenues and earnings had been depressed since 1983 when the aluminum industry plunged into recession.

The company's consumer product lineup also got a boost in June 1986 with the acquisition of the Cut-Rite wax paper brand from Scott Paper Co. The product is being marketed under the Reynolds brand name.

Reynolds Wrap, the company's best-known consumer product, in 1986 received the largest portion of the company's $25.5 million in measured media spending. Reynolds Wrap expenditures in the seven media measured by BAR/LNA were $9.7 million, up 14.4% from 1985. Most of the Reynolds Wrap spending went to spot TV.

Reynolds Wrap maintained its dominant position in the market with a share exceeding 50% in 1986.

Two other consumer products also received increased advertising expenditures in 1986. Spending on Eskimo Pie Ice Cream Bars more than doubled to $1.6 million. Reynolds owns 80.6% of Richmond-based Eskimo Pie. A Reynolds spokesman says the huge increase in expenditures reflected increased competition. The company's second largest outlay was for Reynolds Plastic Wrap, jumping 84.4% to $8.3 million.

In the fourth quarter of 1986, the company sold its 40% interest in Robertshaw Controls Co. to Siebe PLC for $189.3 million. The sale boosted net income by $85.5 million, bringing annual earnings to $191.8 million, compared with a loss of $291.6 million in 1985.

Revenues for the first half of 1987 were

$2 billion, up 5.3% from the prior year period. But net income was down 19.6% to $77 million, although the prior-year figure included a $76.7 million credit for accounting changes. The company predicts revenues will exceed $4 billion this year.

Company officials say they hope to double consumer products sales in the next five years, increasing sales to $1 billion a year through product development or acquisitions.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	59	197
Magazines	2,549	3,796
Bus. pubs	423	258
Network TV	1,442	0
Spot TV	20,216	15,578
Spot radio	626	1,430
Network cable	139	0
Total measured	25,455	21,258
Unmeasured	17,961	15,000
Total	43,416	36,258

REYNOLDS METALS CO.
6601 Broad Street Rd.
Richmond, Va. 23261
(804) 281-2000

CONSUMER DIVISION

Corporate Personnel

Scott D. Wyllie, vp-genl mgr

Marketing Personnel

Paul W. Miltenberger, natl mgr-mktg & sales
J. Douglas Mickle, adv mgr

Advertising Agencies

J. Walter Thompson USA, New York—Reynolds Wrap aluminum foil, Reynolds Plastic Wrap, Reynolds Freezer Paper, Reynolds Redi-Pan aluminum foil ware, Diamond foil, new prods—Janet Kaufman, acct exec.

Tucker Wayne & Co., Atlanta—Reynolds Oven Cooking Bags, Cut-Rite wax paper—J.S. Reeder, sr vp-mgmt super.

REYNOLDS ALUMINUM RECYCLING CO.

Corporate Personnel

Charles W. Rayfield, vp-genl mgr

Marketing Personnel

Andrew H. McCutcheon Jr., vp-natl mktg mgr
Robert W. Jones, adv mgr
Walter K. Amacker, mkt svc mgr

Advertising Agency

Martin Agency, Richmond, Va.—Dale P. Brown, vp-acct super; Daniel C. Bartges, sr acct exec.

CONSTRUCTION PRODUCTS DIVISION

Corporate Personnel

John M. Noonan, vp-genl mgr

Marketing Personnel

John A. Shelhorse, mktg dir

Advertising Agency

Admark, Richmond, Va.—Roxanne Heywood, president.

REYNOLDS METALS CO.

Marketing Personnel

Richard L. Krauss Jr., adv mgr of five divs:
Reynolds Aluminum Supply Co.
Mill Products
Extrusion Division
Electrical Division
Corporate Advertising

FLEXIBLE PACKAGING

Corporate Personnel

Robert L. Waldrop, vp-genl mgr

Marketing Personnel

Thomas P. Christino, natl sales & mktg mgr

Advertising Agency

Lawrence Kaplan Advertising, Richmond, Va.—foodservice and flexible packaging—Lawrence Kaplan; president.

CAN DIVISION

Corporate Personnel

Robert D. O'Donnell, vp-genl mgr

Marketing Personnel

Lee R. Gunton, natl mktg mgr

Advertising Agency

Lawrence Kaplan Advertising, Richmond, Va. —Lawrence Kaplan, president.

A.H. Robins Co.

RANK **132**

Richmond, Va.

($ in millions)

Worldwide	1986	1985	% chg
Sales	790	706	11.9
Net income	82	76	7.9
U.S.	**1986**	**1985**	**% chg**
Sales	616	566	8.9
Operating profits	161	135	19.4
Advertising	63	45	38.4
Division sales	**1986**	**1985**	**% chg**
Pharmaceuticals	409	370	10.5
Consumer prods	267	233	14.6

A.H. Robins Co., whose two major products are Robitussin and Dimetagg, pushed forward with strong advertising in 1986 as it sought reorganization through Chapter 11 bankruptcy proceedings resulting from thousands of claims filed against the company relating to the Dalkon Shield intrauterine birth control device.

The company is currently proceeding with plans to merge with Fort Washington, Pa.-based Rorer Group Inc., whose OTC products are Maalox, an antacid, and Ascriptin, an analgesic. The plan must be approved by the U.S. Bankruptcy court in Robins' hometown, Richmond, Va.

Nevertheless, consumer and pharaceutical products marketed by the company have shown continued growth in sales and advertising. Overall advertising of $62.7 million, was up 38.4% over 1985, a year in which advertising dropped from the prior year. In the 11 measured media increased monitored in this issue, Robins' total of $48.9 million was largely in support of its Dimetapp and Robitussin brand franchises.

Dimetapp allergy and decongestant remedies continued to pull the largest ad dollars. The company spent nearly $14 million advertising Dimetapp Allergy and Decongestant Tablets and Liquid, 50% more than in 1985, the year Dimetapp moved from prescription-only to OTC. Spending, almost all in TV, weighed slightly heavier toward network than spot, according to BAR/LNA. Robins introduced Dimetapp PLUS with non-aspirin pain reliever in mid-October 1987 in a print and TV effort created by Scali, McCabe, Sloves.

Robins' No. 1 cough remedy brand, Robitussin, pulled $12.4 million in advertising, largely TV, for an 18.1% increase over 1985.

Chapstick Lip Balm drew the largest increase in Robins' brand advertising expenditures, up 91% to $4.2 million. The company backed Chapstick Petroleum Jelly Plus with $1.8 million.

In 1986, the company spent about $2.8 million in general company promotion, and in January of that year, its in-house agency spent about $5 million on advertising notifying consumers that Dalkon Shield claims had to be filed by April 30, 1986.

Growth, particularly from Robitussin and Dimetapp usage, which boosted sales 12% and operating earnings 18% to $170.2 million in 1986, continued through the first half of 1987, with sales up 8% to $392 million and operating earnings up 14% to $72.2 million.

Net earnings declined in the second quarter resulting from a $6.1 million after-tax charge from an award against the company in a Dalkon Shield trial in Kansas. Costs associated with the company's Chapter 11 case continued to strain net earnings, reducing them by $6.2 million in the first six months of 1987.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	19	0
Magazines	3,054	3,575
Newsp. supps	54	0
Bus. pubs	916	1,032
Farm pubs	349	205
Network TV	16,187	6,592
Spot TV	26,053	23,712
Spot radio	1,809	0
Network cable	461	217
Total measured	48,902	35,332
Unmeasured	13,841	10,000
Total	62,742	45,332

A.H. ROBINS CO.
1407 Cummings Drive
P.O. Box 26609
Richmond, Va. 23261-6609
(804) 257-2000

CONSUMER PRODUCTS DIVISION

Marketing Personnel

John E. Blutenthal, vp-mktg, healthcare prods
Gary L. James, dir-mktg, healthcare prods
Ronnie L. South, vp-sales & mktg, Pet Care
L. Paul Nelson, group prod mgr, Pet Care

PHARMACEUTICALS DIVISION

Marketing Personnel

Gerald K. Wilburn, vp-mktg
W.H. Selberis, group prod mgr
Frank A. Murawski, group prod mgr

Advertising Agencies

Earle Palmer Brown, Richmond, Va.—Ethical Pharmaceutical div—George Woltz, office president; Dave Livesay, vp-acct super.

Jordan, McGrath, Case & Taylor, New York—Sergeant's pet care prods, Donnegal, Chap Stick Lip Balm, Chap Stick, Petroleum Jelly Plus—Jack Taylor, exec vp-acct exec; Mat McNerney, acct exec.

Mil-Mor Media, Richmond, Va.—agency of record, media planning and purchase, all brands—Carl D. O'Hallanan, president; Mary M. Arnold, vp-media dir.

Scali, McCabe, Sloves, New York—cough and cold remedies—Stuart Epstein, vp-group mgmt rep.

Sweeney & Partners, Montvale, N.J.—professional journal work for Dimetane, Robitussin, Dimetapp and vitamin prods—Tom Sweeney, president; Rita Buedden, vp.

Royal Crown Cola Cos.

RANK **149**

Rolling Meadows, Ill.

($ in millions)

U.S.	1986	1985	% chg
Sales	397.6	378.4	5.1
Earnings	41.2	39.3	4.8
Advertising	56	62	(10.8)

Chesapeake Financial Corp. is part of a complex web of companies that comprise the empire of financier Victor Posner. All of CFC's measured-media advertising spending is attributed to its two wholly owned consumer-products companies: Atlanta-based Arby's Inc. and Royal Crown Cola Co., headquartered in Rolling Meadows, Ill. AD AGE titled this profile Royal Crown Cola Cos. to reflect its advertising weight at CFC. Sales and earnings in the box are for Royal Crown only.

Total spending for these two companies declined 16% in 1986 to $52 million. Measured-media spending for the Arby's fast-food chain dropped to $14.5 million in 1986, down 13.7% from 1985. For Royal Crown, measured-media ad spending in 1986 was $9.9 million, up 15.1%.

Although operating in different product categories, Arby's and Royal Crown share similar problems in pursuing sales and market share growth. Both are "second tier" companies that are substantially smaller than the major companies that dominate their respective categories.

Another similarity is the variety of different positionings these two companies have taken in recent years in their attempts to separate themselves from those larger competitors and to carve distinct niches.

Arby's, with $890 million in sales from company- and franchisee-owned stores in 1986, is the 16th largest restaurant chain in the U.S., according to trade publication *Nation's Restaurant News*. It held the same rank in 1985. Its menu mainstay continues to be its line of roast beef sandwiches, which enable it to dominate the fairly small roast beef segment of the restaurant industry. Arby's claims to hold a 54% share of that segment, up from 47% in 1984. Yet, in the total "beef" segment of the industry, Arby's places a distant No. 5, with a 3.3% share in 1986 sales.

Arby's "second tier" position in the fast-food industry is even more evident when advertising expenditures are compared. Arby's $14.5 million measured-media budget for all of 1986 was matched by McDonald's in any given two-week period. Burger King in the first two months of 1986 outspent Arby's annual outlays.

Being outspent by the competition is nothing new for Arby's. For years its marketing strategies have alternated between trying to join the leaders (it tested its own line of hamburgers for a while) and setting itself apart from them. In 1986 and into 1987, Arby's has pursued a separatist policy, with somewhat more success than in the past.

In 1986, Arby's addressed the glut of hamburger restaurants head-on with advertising urging consumers to "Break the burger boredom" by switching to its roast beef sandwiches. In 1987, that approach was augmented with advertising that takes a softer comparative approach, urging consumers to "Taste the difference" at Arby's. Comic Jeff Altman was signed as commercial spokesman.

Arby's has placed most of its advertising focus on its roast beef line and has added new menu options. One, the Philly Beef 'N Swiss sandwich tested in 1986, has become a popular menu staple. In mid-1987, the chain also rolled out the Giant roast beef sandwich, weighing in at 5 oz.

Early in 1987, Arby's made a significant shift in marketing strategy by deciding to end its use of network TV and national sports sponsorships. Last year, it spent $4.3 million on network TV and

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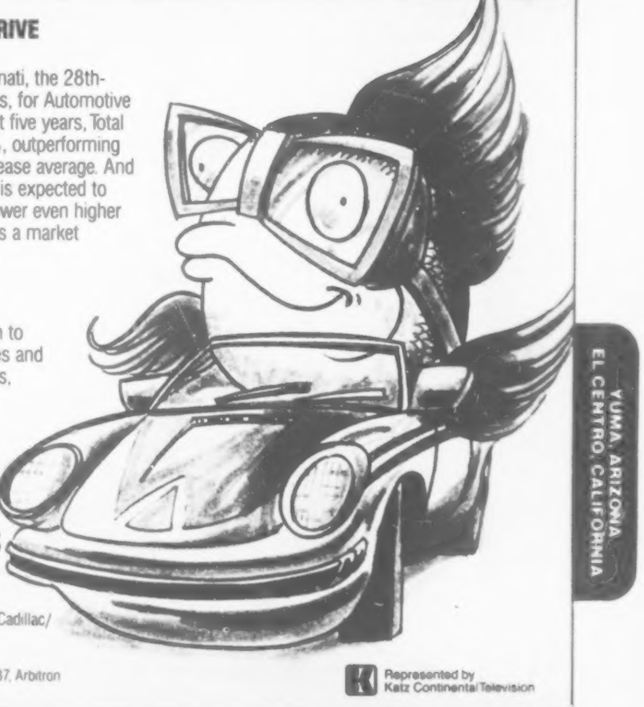

BE A BIG FISH

BEAM COMMUNICATIONS

KYEL-TV, NBC, Yuma, AZ/El Centro, CA
WDAM-TV, NBC, Laurel/Hattiesburg, MS
WPBN-TV/WTOM-TV, NBC, Traverse City/Cadillac/Cheboygan, MI
WCFT-TV, CBS, Tuscaloosa, AL

Source: 1986 Survey of Buying Power May 1987, Arbitron
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Represented by Katz Continental Television

YUMA, ARIZONA EL CENTRO, CALIFORNIA

KYEL-TV NBC
YUMA, ARIZONA-EL CENTRO, CALIFORNIA

$9.6 million on spot TV. This year, Arby's is concentrating TV dollars on local buys and increasing funds for local-store marketing programs. For similar reasons, it terminated its role as an official sponsor of major league baseball.

Arby's lately has been jinxed in its relationships with advertising agencies. In 1985, it lost its national agency, Grey Advertising, New York, to the larger account of General Mills' Red Lobster chain. History repeated itself in 1987 when Backer & Spielvogel (now Backer Spielvogel Bates) resigned in favor of Wendy's $50 million account. Arby's reviewed a number of "mid-size" agencies before assigning its account to W.B. Doner in Baltimore.

Royal Crown Cola Co. is the fifth-largest U.S. soft drink company, although it is in a tier below that of the top two companies.

According to estimates from Montgomery Securities, San Francisco, Royal Crown's 1986 production was 240 million gallons, compared with 2.8 billion gallons for No. 1 Coca-Cola Co. That gives Royal Crown a 3.4% share of the market, behind Coca-Cola's 40.2%, PepsiCo's 29.8%, Seven-Up's 5% and Dr Pepper's 4.5%.

Montgomery Securities estimates that 44.8% of Royal Crown's total gallonage was sold through food stores, 43.4% through other stores, 7.8% through packaged vending and 4% through fountain sales (where other soft-drink companies derive considerably greater percentages of their sales).

Royal Crown's $9.9 million in measured media advertising in 1986 was considerably behind Coca-Cola ($151.8 million) and Pepsi-Cola ($130.1 million), according to BAR/LNA.

Approximately $3 million of Royal Crown's budget went to network TV and $6.7 million to spot TV. Management vowed to increase ad spending in 1987.

Cherry RC Cola, introduced in 1985, and last year's addition of Diet Cherry Cola, have become successful additions to Royal Crown's roster. Montgomery Securities estimates that food store sales for Cherry RC rose to 10.9 million gallons last year from 2.8 million in 1985. Regular RC Cola food store gallonage declined slightly to 66.6 million gallons from 67.6 million in 1985.

Diet Rite Cola represented 22.8% of Royal Crown's food store gallonage total in 1986. Actor Tony Danza replaced Lee Majors as spokesman for the brand in January 1987, and four new flavors of Diet Rite were added this year: tangerine, lemon-lime, pink grapefruit and black cherry. New York Mets pitcher Ron Darling also appeared in some RC Cola advertising, which carries the theme "Some people go out of their way for the taste of RC."

After parting with former agency DFS Dorland (now part of Saatchi & Saatchi DFS), New York, and reviewing its account, Royal Crown moved its business to Hill, Holliday, Connors, Cosmopulos, Boston.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,538	2,811
Magazines	66	528
Bus. pubs	45	0
Network TV	7,169	7,364
Spot TV	16,471	16,910
Network radio	299	0
Spot radio	943	1,038
Outdoor	367	512
Network cable	37	108
Total measured	26,934	29,271
Unmeasured	28,632	33,000
Total	55,565	62,271

CHESAPEAKE FINANCIAL CORP.
P.O. Box Drawer K
Miami Beach, Fla. 33441
(308) 666-7771

ROYAL CROWN COLA COS.
Rolling Meadows, Ill.
Marketing Personnel

J. M. Harrelson, coo
Ronald Conn, vp-mktg

Advertising Agency

Hill, Holliday, Connors, Cosmopulos, Boston—David McPherson, acct super

ARBY'S INC.
Atlanta
Marketing Personnel

Leonard Roberts, president
Frank Bellati, group vp
Lawrence Krueger, sr vp-mktg
Thomas Whitely Jr., vp-mktg

Advertising Agency

W.B. Doner & Co., Baltimore—Mark Westerman, acct super

RANK **164**

Safeway Stores

Oakland, Calif.

($ in millions)

Worldwide	1986	1985	% chg
Sales	20,311	19,651	3.4
Net income	(14)	231	(106.2)
U.S. advertising	50	47	5.9

Safeway Stores was taken private in August 1986 in a $4.2 billion buyout by the New York investment house of Kohlberg, Kravis, Roberts & Co.

The heavily leveraged buyout had a dramatic impact on Safeway's overall earnings picture in 1986, when it reported a net loss of $14.26 million compared with net income of $231.3 million in 1985. Among the factors contributing to the loss were lower operating profits for the domestic operations and interest expenses of $172.3 million that SSI Holding Corp.—the group KKR formed to buy Safeway—owed as a result of the purchase.

The buyout also will have a tremendous impact on the number of operations Safeway will control by the end of 1987, because the company continues to unload assets to pay off the heavy debt incurred in the transaction.

In January 1987, Safeway owned 2,284 supermarkets in the U.S., Canada and the U.K.

To pay off the buyout debt, Safeway this year has sold its Salt Lake division (60 supermarkets), the 131-store Dallas division, the 104-store Liquor Barn operations in California and Arizona and its 7 Save and Pack stores in Florida, and announced agreements to sell its 59-store division in West Texas and New Mexico and its 106-store Oklahoma division. Safeway also disposed of its 132-store U.K. division to the Argyll Group PLC for $900 million.

The company is still opening new stores, however. In 1986 it added 74 superstores in the U.S., compared with 100 new ones in 1985 and 22 to date this year. Unlike conventional stores which average about 26,000 sq. ft., superstores encompass about 42,000 sq. ft., allowing for greater product diversity and specialty departments.

Safeway has lagged behind some competitors in its efforts to enlarge, upgrade and maintain stores. Cincinnati-based Kroger Co. got the jump on Safeway in superstores.

Safeway's public affairs manager, Felicia del Campo, says the company is continuing promotional and marketing efforts for its special food departments including fresh seafood, prepared and take-out foods. The company also is continuing efforts to expand and upgrade its produce departments.

Rather than follow in the footsteps of other competitors—which promote specialized brand meats—Safeway continued its consumer information program for certain meat groups. For example, it prepares consumer information packets and brochures detailing the low-fat method of cooking various meat cuts.

Ron Giglio, VP-ad manager for Safeway, says local divisions will continue to operate fairly autonomously and to develop ad campaigns relative to their markets. However, many of those campaigns hold true to the company's two-year-old national ad theme of "You work an honest day, and you get an honest deal," which was developed by the company's eight-year-old corporate agency, Ketchum Communications, San Francisco.

Safeway's total ad spending in 1986 is estimated to be $50 million, up 5.9% from 1985. That compares with Lucky Stores' spending of $58.7 million in 1986, up 18%. The media mix remained about the same as in 1985. Spot TV accounted for 79% of Safeway's $26.5 million spending in measured media in 1986.

Four ad agencies lost Safeway accounts this past year because of the sale or shuttering of certain assets. That group included Arnold/Foster/Carrithers, Dallas division, Boyd & Farmer Advertising/Marketing, Scottsdale, Ariz., and Mithoff Advertising, El Paso, Tex. Safeway also dropped Phinegan & Agee, Richmond, Va. Mr. Giglio says that work will be taken over by the Bethesda, Md.-based agency, Earle Palmer Brown.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	1,067	1,273
Spot TV	20,930	19,044
Spot radio	1,445	1,325
Outdoor	194	677
Total measured	23,636	22,318
Unmeasured	26,476	25,000
Total	50,112	47,318

SAFEWAY STORES
Fourth & Jackson Sts.
Oakland, Calif. 94660
(415) 891-3000
Marketing Personnel

Donald Smith, vp, dir-mktg
Ronald Giglio, vp-mgr-adv & promo div
Art Patch, vp-mgr-grocery merch div
Rayburn D. Pearce, mgr-meat div
Robert G. Backovich, vp-mgr-produce div
James Whitticom, mgr, variety merch div
Wayne Leader, vp-mgr-specialty foods div
Floyd D. Crowe, vp-mktg mgr-Safeway supply div

Advertising Agencies

Advertising Inc., Oklahoma City, Okla.—Oklahoma div—Todd Van Every, vp-genl mgr; Geri Srite, acct exec; Bill Sammons, adv mgr.

Bernstein-Rein Advertising, Kansas City, Mo.—Kansas City div—Jim George, adv mgr.

DDB Needham, Denver—Denver div—Dave Nusbaum, acct super; Steve Guthrie, adv mgr.

Earle Palmer Brown, Bethesda, Md.—Washington, Richmond divs—Don Zettle, adv mgr; Harry Merrick Jr., Don Ratliff, acct execs.

Frank J. Wills Co., Little Rock, Ark.—Little Rock div—Watty Wills, acct exec; Rex Chaney, adv mgr.

Girvin-Conrad & Girvin, Fremont, Calif.—N. Calif. div—Dwight Becker, adv mgr; Al Neish, Ken Lombardo, acct execs.

Ketchum Communications, San Francisco—corp adv—Diane Snedecker, group dir; Zonda Montgomery, acct super.

Italia Associates, Los Angeles—S. Calif. div—Cal Gunnell, adv mgr; Carmen Italia, acct exec.

Richardson Associates, Portland, Ore.—Portland div—Larry Bohnsack, adv mgr; Shirley Weber, acct & media exec.

Chuck Synder Inc., Seattle—Seattle div—Del Denker, adv mgr; Chuck Suyder, Bob Snyder, acct execs.

Taylor, Brown Barnhill, Houston—Houston div—Kathy May, Candice Goodwin, execs; Barry Linder, adv mgr.

RANK **163**

Sandoz Ltd.

Basel, Switzerland

($ in millions)

Worldwide	1986	1985	% chg
Sales	5,007	4,025	24.4
Net income	324	252	28.6

U.S.	1986	1985	% chg
Sales	1,327	1,240	7.0
Advertising	50	55	(8.8)

Division sales	1986	1985	% chg
Chemicals	1,318	1,003	31.4
Pharmaceuticals	2,322	1,863	24.6
Agri. prods.	410	286	43.4
Seeds	334	339	(1.5)
Nutrition	623	534	16.7

On the financial front in 1986, Sandoz Ltd., maker of Ex-Lax, Gas-X and Ovaltine, had a stagnant year in Swiss francs but a healthy one in dollars, while it ran into hot water on the advertising front.

Sandoz Pharmaceuticals Corp., a U.S. subsidiary, was forced by the FDA to remove consumer advertising for Travist-1 prescription antihistamine addressed to doctors "as an effective alternative for your patients who aren't satisfied with their current allergy medicines."

Though the format of the ads did not violate FDA regulations, the agency asked Sandoz to pull them because of their high visibility. The FDA also raised questions about claims that were made in the ads.

Sandoz's apparent 24.4% jump in total 1986 dollar sales actually is a case of exchange rate legerdemain. In Swiss francs, sales declined 1.1% and net income dropped 2.2%. Swiss francs are converted at the rate of SF2.1 = $1 in 1986 and SF1.67 = $1 in 1985.

The U.S. accounted for approximately 26.5% of Sandoz Ltd.'s total sales during 1986, or about $1.3 billion, down from 30.8% of its total during 1985.

Sandoz's U.S. subsidiaries are divided into four divisions under the umbrella of New York-based Sandoz Corp.: Pharmaceuticals, with 41% of U.S. sales, chemicals 27%, agribusiness 21%, and nutrition 11%. Most consumer products are marketed through the pharmaceutical division's Consumer Health Care Group (including Ex-Lax, Gas-X, and Triaminic cold remedies), and through the Sandoz Nutrition Corp. (Ovaltine).

Last year saw a 9.1% drop in Sandoz's U.S. advertising spending to $50 million. But Sandoz increased measured spending for its Triaminic line 8.2% to $10.9 million, most for cold syrups, the company's most heavily advertised brand, which more than doubled its measured spending to almost $10 million. As in 1985, more than 90% went to network TV.

Spending on Ex-Lax flavored and unflavored laxatives, Sandoz Ltd.'s most heavily advertised brand in 1985, dropped 21.9% to $4.4 million. However, a line extension, Ex-Lax Gentle Nature, received more than $2.3 million in measured spending, mostly on network TV.

Measured spending for Ovaltine, a flavored milk additive that is a mainstay of the Sandoz Nutrition Corp., plunged 76.8% to about $1.2 million in 1986. The drop was particularly acute in network radio; Ovaltine spent more than $1.7 million there in 1985, compared with only $12,500 in 1986. Though spending increases for Ovaltine hot cocoa and Sugar-Free hot cocoa mix were substantial, the dollar ad totals were minor.

In November 1986, Sandoz Consumer Healthcare Group sold its Eclipse line of sunscreen products, which had an estimated 10% share of the sunscreen market, to the Manenti Group, Greenwich, Conn.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	121	0
Magazines	2,421	2,150
Newsp. supps.	22	0
Bus. pubs	708	868
Farm pubs	1,519	1,266
Network TV	18,679	19,853
Spot TV	3,921	3,276
Network radio	13	1,713
Spot radio	195	1,133
Outdoor	7	6
Network cable	0	9
Total measured	27,605	30,272
Unmeasured	22,798	25,000
Total	50,403	55,272

SANDOZ CORP.
608 Fifth Ave
New York, N.Y. 10020
(212) 307-1122
Corporate Personnel

Daniel Wagniere, vice chmn & ceo

SANDOZ PHARMACEUTICALS CORPORATION
East Hanover, N.J.
Corporate Personnel

Fred Hassan, ceo

Marketing Personnel

Tim Rothwell, president, professional business
Archie Coker, vp-mktg operations
Ed Heimers, vp-prod mktg
Anthony Sellner, dir, financial control

Advertising Agencies

Robert A. Becker Inc., New York—mental health and geriatric prods (Mellaril, Hydergine, Restoril, Pamelor)—Edward Maitland, sr vp-mgmt super; Fred Scheel, vp-group super; Len Pepe, vp-acct super.

Hamilton, Carver & Lee, Chicago—Visken, Embolex—James D. Lee, president.

Medical Communications, Woodbridge, N.J.—Parlodel—Tom Rosenwald, sr vp; John Eichert, acct super.

Romann & Tannenholz, New York—Tavist line—Peter Briggs, mgmt super.

Sieber & McIntyre, Morristown, N.J.—Dr. Ian Ferrier, president; Mary Cobb, vp-mgmt super; Joe Lazarich, mgmt super.

SANDOZ CONSUMER HEALTHCARE GROUP
Parsippany, N.J.
Corporate Personnel

Robert Essner, president

Marketing Personnel

Robert G. Donovan, vp-prod mgmt, gastrointestinal
Michael P. Carroll, sr prod mgr
Mary M. Noller, prod mgr
Nancy E. Barnett, dir-prod mgmt, cough/cold
Melanie Lover, prod mgr
Nancy Allison, asst prod mgr
Nancy Hoppe, asst prod mgr
Ernest Haskell, dir-business devel
Rudy Hoeltzel, dir-mktg rsch
R. Louis Schmidt, vp-sales
George L. Varjan, dir-mktg svcs

Advertising Agency

Bloom Agency, New York—Ex-Lax line, Triaminic line—Jeff Fine, chmn; Gail Cerminaro, vp-mgmt super; Paul Magier, vp-sr acct super.

SANDOZ NUTRITION CORPORATION
Minneapolis

Helmut Breuer, president-coo

Marketing Personnel

Neville Pelletier, sr vp
William Rush, vp, clinical nutrition
John Fontana, vp, foodservice
Charles Bohem, vp-consumer sales
David Cooper, mktg dir, new business
Mark Goldberg, prod mgr, snacks
Jim Tierney, prod mgr, beverages

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis—Poppycock, Fiddle Faddle, Screaming Yellow Zonkers—Ron Harvieux, vp-mgmt super.

Campbell-Mithun, Minneapolis—Ovaltine, Featherweight—Howard Liszt, Les Mouser, vps-mgmt supers.

NORTHRUP KING CO.
Minneapolis

George Jones, president-ceo

Marketing Personnel

Chase Cornelius, dir-mktg svcs
Winfred Bowen, dir-consumer mktg

Advertising Agencies

dfs/Wegener, New York—agricultural prods—Al Wegener, president; John Martin, mktg mgr; Neil Calari, creative dir.

Miller/Meester, Minneapolis—consumer prods, vegetable seeds intl—Robert V. Miller, president.

MASTER BUILDERS
Cleveland, Ohio

Edd T. Parker, president
Marketing Personnel

Marketing Personnel

Howard A. Golden, vp-sales & mktg
John Jayme III, dir-comm
John T. Gouskos, mgr-creative svcs
J. Pat Borders, dir-mktg, Admixtures
Woody W. Crawley, dir-sales
William M. Rodgers, genl mgr, set construction prods
Lee E. Smith, dir-mktg, construction prods

Advertising Agency

(In-house) Master Builders Communications.

RANK **131**

Seven-Up Co.

Dallas

($ in millions)

U.S.	1986	1985	% chg
Sales	270	290	(6.9)
Operating profits	6	N/A	N/A
Advertising	63	33	92.0

One year after a change in ownership, Seven-Up Co., Dallas, is on the rebound. When an investment team led by Tom Hicks and Bobby Haas in November 1986 bought Seven-Up from Philip Morris Cos. for $240 million, the lemon-lime soft drink company was losing money and market share. Bottler confidence was at an all-time low. Two of its recent products—Like Cola and Citrus 7—never caught on.

Now the company can boast.

An aggressive new management team expects to see 1987 sales reach $300 million. Seven-Up Co. reported sales of $678 million in 1985 under Philip Morris, but a large percentage of those sales were Seven-Up's international operations which PM sold to Pepsico in 1986. The better news is that the company has gone from a $6 million loss in 1986 to a $30 million operating profit this year.

Led by CEO John Albers, who also is ceo of Dr Pepper Co., and James Harford, Seven-Up president, the company intends to maximize the 7Up trademark through advertising, new soft drink products and licensed merchandise.

To do so, Seven-Up boosted its estimated ad spending in 1986. Seven-Up's estimated advertising of $62.8 million, up 92% over 1985, reflects in part the cancellation of its fourth quarter advertising budget in 1985 because of its impending sale, and low confidence evident among bottlers.

The year's highlight was the successful introduction of Cherry 7Up. The cherry flavored line extension aimed at a younger market also may be Seven-Up's entree to greater play in the fast-food arena. It is being tested in Jack-in-the Box and Burger King locations. Leo Burnett USA, Chicago, continues to handle all Seven-Up advertising.

The company last summer moved its headquarters to Dallas from St. Louis. Certain administrative functions were combined with Dr Pepper Co. to cut costs. Dr Pepper is separately owned but also is under the Hicks & Haas umbrella. Manufacturing for both Seven-Up and Dr Pepper was consolidated at Seven-Up's St. Louis facility—another cost cutting measure. Sales and marketing functions for the two beverage companies remain separate however.

After Mr. Harford was named Seven-Up president, a new marketing team was put in place. Russ Klein, who had supervised the account at Burnett for two years, was named senior VP-marketing. He replaced David Haffner who decided to remain in St. Louis.

Armed with energetic top management, Seven-Up set out to reverse declining market share. The established lemon-lime soft drink leader had begun to feel the effects of Coca-Cola's Sprite and more recently Pepsi-Cola's Slice, a juice-added, lemon-lime soft drink and an overnight success.

For the first time, Sprite nudged out 7Up for the top lemon-lime position in 1986, according to *Beverage Industry* reports. Sprite posted a 3.6% share of total soft-drink volume compared to 7Up's 3.5% share, for the No. 6 position among the top 10 soft drinks.

But 7Up and Diet 7Up combined share of 5% retained the lead over Sprite and Diet Sprite combined share of 4.3%.

Cherry 7Up's acceptance among teens will improve the company's market position in 1987. Initial projections were based on Cherry 7Up reaching a 1.6% share of total soft-drink volume but company officials believe the share will be in excess of 2%.

Cherry 7Up advertising, themed "Isn't it cool in pink," will double to $25 million in 1988 as part of an overall budget the company says will reach $85 million.

Seven-Up in 1988 will air hispanic commmercials for both its flagship brand and Cherry 7Up. Laura Martinez-Herring, Miss USA 1985, will be hispanic spokeswoman for the products in TV spots and outdoor advertising. Radio will support.

Next year a major licensing program will place the 7Up trademark on clothing, toys and other popular teen and young adult items, a new vending machine design will be introduced, and as many as two 7Up brand products will be introduced. New package designs are scheduled for 1989.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,942	1,920
Magazines	80	157
Newsp. supps	0	1,294
Bus. pubs	676	167
Network TV	30,643	12,312
Spot TV	15,331	6,421
Spot radio	2,146	2,427
Outdoor	3,513	1,487
Network cable	1,050	529
Total measured	55,381	26,714
Unmeasured	7,441	6,000
Total	62,822	32,714

SEVEN-UP CO.
P.O. Box 657777
Dallas, Texas 75265-7777
Marketing Personnel

John Albers, vice chmn-ceo
James Harford, president
Russ Klein, sr vp-mktg
Bill Thompson, vp-brand mgmt
Theron Russell, vp-mktg svcs
Rick Burbank, brand mgr, 7Up/Diet 7Up
Jim Trebilcock, brand mgr, Cherry 7Up/Diet Cherry 7Up
Nick Luciano, mgr-media
Victor Ornelas, mgr-promo

Advertising Agency

Leo Burnett USA, Chicago—John Miller, senior vp-client svc dir; Jack Woods, vp-acct dir; Paula McLeod, acct super.

SmithKline/Beckman Corp.

RANK **148**

Philadelphia

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	3,745	3,257	15.0
Net income	521	514	1.3
U.S.	**1986**	**1985**	**% chg**
Sales	2,596	2,342	10.9
Operating profits	532	566	(6.0)
Advertising	57	52	9.6
Division sales	**1986**	**1985**	**% chg**
Pharmaceuticals	1,896	1,654	14.6
Cons. health care	174	146	19.0
Animal hlth care	251	218	15.1
Eye & skin care	433	315	37.6
Instruments	620	582	6.4
Clinical lab	373	342	9.2

SmithKline/Beckman Corp. in 1986 launched new Contac formulations, introduced tamper-proof packaging for some products, fought off encroachment from competitors targeting its ethical drugs and shored up its own house by completing a stock buyback program.

The company's net earnings in 1986 increased only 1.3% on sales growth of 15%. But for the first six months of 1987, SmithKline reported net earnings of $278.6 million, up 16% from the prior year period.

The company reports that "advertising costs" worldwide increased 34% to $236.5 million in 1986. That total includes media spending, promotion, salaries and marketing overhead.

During 1986, SmithKline increased U.S. measured advertising spending to $27.1 million, up 9.6% from 1985. The majority of its measured spending promoted its Consumer Health Care products group, which only accounts for about 4.7% of total sales.

In June 1986, Contac, a cold treatment, and Teldrin, an allergy treatment, were reintroduced in tamper-resistant forms after both had been pulled from the market because of product tampering. SmithKline spent an additional $40 million in promoting Contac's reintroduction to the market.

Contac continues to be the company's most-advertised product, receiving $17.1 million in measured ad dollars in 1986, up 35.6% from 1985, according to spending totals for seven major media tracked by BAR/LNA.

With its reintroduction, the Contac line was expanded with three new formulations. In two 15-second TV spots created by BBDO, New York, Contac is featured with a box of Sudafed or a box of Actifed; the boxes of the two competitors sneeze, but the Contac box doesn't.

Contac, in capsule and caplet forms, finished the 1986-87 cold season tied for the top spot among cold medicines, according to A.C. Nielsen. During the fall of 1986, Nielsen data showed 4.2 million packages of Contac were sold, giving it an 11.8% market share, tied with Burroughs Wellcome's Actifed. Burroughs Wellcome's Sudafed held 11.3% of market sales; A.H. Robins Co.'s Dimetapp held 8.1%.

Other SmithKline products receiving sizable measured media dollars included: $4.9 million on Sine-Off sinus medicine, up 8.8% from 1985; $1.7 million on the Ecotrin aspirin line, up 96%, and $764,600 on Teldrin allergy tablets, which received no measured advertising in 1985.

SmithKline's pharmaceutical business accounted for 50% of total sales. Pharmaceuticals include products regulated by the FDA and promoted to the medical profession.

Tagamet, SmithKline's anti-ulcer drug, has become the most-prescribed ulcer medicine worldwide. Sales of Tagamet in 1986 were $1.1 billion, up 13% from 1985, accounting for 27% of SmithKline's total sales. For the first six months of 1987, Tagamet's U.S. sales were up 14%, and the company says that growth should continue through yearend.

Currently, Tagamet holds about 49% of the U.S. market for anti-ulcer drugs. Glaxo Holding's Zantac holds 45% of U.S. sales. However, some analysts speculate that Zantac's growth is based on Glaxo's advertising claims that the drug prevents the recurrence of ulcers. According to SmithKline, the FDA has made no decision as to Tagamet's or Zantac's ability to prevent ulcer recurrence.

To counter Zantac's rise, SmithKline signed an agreement with Bristol-Myers Co. in 1987 to co-market a nonprescription form of Tagamet, called Cimetidine. The FDA is expected to approve the OTC version within the next three years, and analysts predict this will bring substantial sales increases for SmithKline.

Dyazide, SmithKline's leading cardiovascular drug used to treat hypertension, has experienced sales growth problems related to the August 1987 approval of the drug's generic form produced by Bolar Pharmaceutical. For the six months of 1987, U.S. Dyazide sales were up only 3%. The company estimates that Dyazide will account for about 20% of SmithKline's 1987 earnings.

In September 1987, SmithKline increased the price of Dyazide by 18%, and analysts agree that despite the generic, SmithKline will be able to maintain dollar sales and profitability. Dyazide's 1986 worldwide sales were $359 million, up 15% from 1985.

SmithKline's largest sales growth of the first half of 1987 was in the Eye and Skin Care Division, which increased sales by 34%. The company's eyecare products should continue to grow at a rapid rate and will likely reach a $1 billion sales mark by 1990, according to Stifel, Nicolaus & Co., a St. Louis-based market research company. SmithKline boosted that division in August 1987 when it acquired International Hydron Corp., a contact lens manufacturer, for $155 million. Hydron sales were $40 million for the first six months of 1987. SmithKline's eyecare products had sales of $243 million for the same period.

In 1987, Allergan Optical introduced a line of preservative-free products for cleaning soft contact lenses.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	14	37
Magazines	2,115	2,543
Newsp. supps	479	339
Bus. pubs	486	402
Farm pubs	275	233
Network TV	20,621	17,683
Spot TV	1,359	2,136
Network radio	1,289	535
Spot radio	2	326
Network cable	458	483
Total measured	27,099	24,718
Unmeasured	29,601	27,000
Total	56,700	51,718

SMITHKLINE/BECKMAN CORP.
One Franklin Plaza
Philadelphia, Pa., 19101
(215) 751-4000
SMITH KLINE & FRENCH LABORATORIES
Corporate Personnel

James H. Cavanaugh PhD., president, SK&F-U.S.
John F. Chappell, president, SK&F-Intl

Marketing Personnel

Roger A. Ross, vp-mktg, U.S.
David P. Wright, vp, gastrointestinal business group, U.S.
F. Richard Hammel Jr., vp-cardiovascular & rheumatologic, immunologic business group, U.S.
Munier Z. Kadrie, vp-anti-infective business group, U.S.
James H. Geddes, vp-natl accts, health affairs, U.S.
John Dillon, II, vp-new business devel, U.S.
William A. Packer, exec vp, intl
Paul Goddard, vp-mkt devel, intl

SMITHKLINE CONSUMER PRODUCTS
Philadelphia, Pa.
Corporate Personnel

William E. Learnard, president

Marketing Personnel

Lawrence D. White, vp-mktg & sales
Greg L. Kearl, vp-sales
Richard E. Arnold, vp, prods & business svcs
Frank E. Downing, vp, finance, admin & internal operations

Advertising Agencies

Ally Gargano/MCA Advertising, New York—Sine-Off, Ecotrin—Steve Brounstein, group acct dir; Dick Mullan, vp-acct dir.

BBDO, New York—Contac, and all Contac line extensions, Teldrin, Aqua Care, Citrus Plus, Vital Eyes, Clear By Design, Ornex—David Seal, mgr-acct rep; Kevin Campaign, acct exec.

Lavey, Wolff & Swift, New York—Feosol—Eric Malter, acct super.

SMITHKLINE BECKMAN ANIMAL HEALTH PRODUCTS
West Chester, Pa.
Marketing Personnel

Norman H. Blanchard, president
Martin F. Braun, vp, SmithKline Animal Health Products, worldwide
Robert L. Murphy, vp, Norden Laboratories, worldwide

SMITHKLINE ANIMAL HEALTH PRODUCTS
West Chester, Pa.
Marketing Personnel

Gerald Myers, dir, sales & mktg, US/Canada

Advertising Agency

Marketing Support Services, St. Joseph, Mo.—Kenneth Shearin, creative mgr, mktg mgr.

NORDEN LABORATORIES
Lincoln, Neb.
Marketing Personnel

Daniel P. Hinnah, president, U.S. & Canada
Beverly Blume, mgr-adv & promo support

Advertising Agency

Bozell, Jacobs, Kenyon & Eckhardt, Omaha, Neb.—Omar Dye, Wes Newhaus, Kurt Wullschleger, acct execs.

ALLERGAN, INC.
Irvine, Cal.
Corporate Personnel

Gavin S. Herbert, chmn-Allergan, president-eye & skin care group, SmithKline Beckman Corp
William C. Shepherd, president Allergan Inc
W. Richard Ulmer, president, Allergan Pharmaceuticals
Donald Earhart, president, Allergan Optical
Robert C. Bishop Ph.D., president, Allergan Medical Optics
Robert B. Samuels Ph.D., president, Allergan Humphrey
Rex Bright, president, Herbert Laboratories
David Bruns, president, Allergan Intl

Marketing Personnel

B. Norris Battin, sr vp, group mktg & comm
William Faulds, vp-sales, Allergan Pharmaceuticals
Steven Mitchell, dir-mkt planning, Allergan Pharmaceuticals
A. Thomas Bender, sr vp-domestic mktg, Allergan Optical
Jim Fuller, vp-domestic sales, Allergan Optical
Tim Lindsay, mktg & sales mgr, Allergan Medical Plastics
Keith Ignotz, vp-mktg, Allergan Humphrey
Steve Guida, vp, sales & mktg, Allergan Medical Optics
Gary Wertz, dir-sales, Herbert Laboratories
Retha Ott, dir-mktg, Herbert Laboratories
Mike Donohoe, dir-optical mktg, Allergan Intl
Jane Nugent, dir-pharmaceutical mktg, Allergan Intl

SMITHKLINE BIO-SCIENCE LABORATORIES
King of Prussia, Pa.
Corporate Personnel

Harry C. Groome, president

Marketing Personnel

Richard Novak, vp-sales & mktg

BECKMAN INSTRUMENTS
Fullerton, Calif.
Corporate Personnel

Louis T. Rosso, president
John P. Wareham, vp-diagnostic systems group
Thomas E. Waller, vp-bioanalytical system group

Marketing Personnel

James Quirk, div mgr-scientific instruments div
Roger Novesky, mgr-Spinco div
Robert R. Crittendon, mgr-mktg comm

Advertising Agency

Cochrane Chase, Livingston & Co., Irvine, Calif.—Frank Addis, vp-managing dir, med bioscience group; Gary Cunningham, vp-creative dir; Eileen Goodman, acct rep.

Southland Corp.

RANK **140**

Dallas

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	8,620	8,622	(0.0)
Net income	200	213	(5.7)
U.S. advertising	60	54	10.6
Division sales	**1986**	**1985**	**% chg**
Convenience	7,999	8,055	(0.7)
Food processing	572	518	10.5

Southland Corp. will focus on its 7-Eleven convenience retailing business and sell virtually all non-convenience store operations as a result of its definitive merger agreement with JT Acquisition Corp., an affiliate of the Thompson Co.

Thompson Co., which includes members of Southland's founding family, is taking the company private through a $5.1 billion leveraged buyout—a buyout sparked this past summer by acquisition overtures from Canadian corporate raider Samuel Belzberg.

The leveraged buyout was expected to be set this fall. But the financing by issuing junk bonds and selling $1 billion in assets was delayed in November.

Completion of the buyout will place the company, which the Thompsons' late father Joe C. Sr., founded in 1927, wholly under the family's control. The founder's three sons, John, Jere and Joe Jr., are leading the buyout attempt.

Southland is the world's largest convenience store retailer with 8,250 7-Eleven and other convenience stores, such as Quik Mart, Super-7 and High's Dairy Stores. The retail division is supported by Southland's distribution and food centers. Southland is also the nation's largest independent gasoline retailer, and owns a 50% interest in Citgo Petroleum Corp.

Results for both 1986 and 1985 were restated following the sale of Citgo stock to exclude Citgo's sales from Southland's revenues for both years. In the accompanying box, net earnings for 1986 included 100% of Citgo's loss through the first nine months, but in the fourth quarter only Southland's 50% interest in Citgo's earnings was included. In 1985, however, Southland's net earnings included 100% of Citgo's profits for all of that year.

In the second quarter ended June 30, 1987, Southland reported net earnings of $47.5 million, compared with $81.6 million in the same quarter a year ago. Revenues were $2.45 billion, compared with $2.21 billion for the second quarter of 1986.

Southland operated about 7,764 7-Eleven units in the U.S. and Canada as of June 30, which is more than double the total for the industry's No. 2, Circle K, Phoenix. In Southland's downsizing to repay the debt incurred in the buyout, it plans to sell Chief Auto Parts, its dairy unit and Reddy Ice. It also expects to sell 1,000 7-Elevens and most of the 160 acres purchased for its CityPlace development north of downtown Dallas.

In October, Southland sold its 270 Houston-area 7-Eleven stores to competitor National Convenience Stores, Houston, for $80 million. NCS is the operator of the Stop N Go convenience store chain. NCS operates about 900 convenience stores in six Sunbelt states. Earlier this year, NCS sold 42 Stop N Go stores in the Midland-Odessa area to Southland.

In a separate transaction, Southland sold the assets of its MovieQuik rental division to Cevaxs Corp. for about $52 million. British Columbia-based Cevaxs will operate its movie rental system in about 4,500 7-Eleven stores.

Southland's 1987 marketing strategy departed from its traditional marketing strategy in the last year to position the 7-Eleven units as a destination rather than

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an emergency stop. John Antioco, VP-marketing and retail manager, led the effort.

In May, Southland launched a national TV campaign themed, "Where the good things come easy." The national campaign, via Hill, Holliday, Connors, Cosmopulos, New York, included spot TV, radio, outdoor, print and point of purchase. It was HHCC's first major effort for Southland since replacing Young & Rubicam, New York, last year on the approximately $12 million-plus account.

The national image effort was supplemented by a separate, area-specific campaign from W.B. Doner & Co., Southfield, Mich., airing in Texas and Arizona only.

The company is likely to draw fire from the Baptists this year, a year after making friends with this Dallas establishment by pulling adult magazines off the shelves of 7-Eleven stores. The reason: Southland is pushing for a Texas lottery.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	34	48
Magazines	168	110
Newsp. supps	66	0
Bus. pubs	217	255
Network TV	866	1,297
Spot TV	11,655	11,383
Spot radio	19,962	19,926
Outdoor	2,986	2,908
Network cable	60	3
Total measured	36,015	35,929
Unmeasured	23,642	18,000
Total	59,657	53,929

SOUTHLAND CORP.
P.O. Box 719
Dallas, Tex. 75221
(214) 828-7011

Marketing Personnel

John Thompson, chmn
Jere W. Thompson, president-ceo
S. Richard Dole, exec vp-retail stores
John Antioco, vp-mktg & retail
Fred Bradshaw, adv & comm mgr
Jim Notarnicola, adv mgr
Ken Cason, natl adv mgr
Rod Brehm, natl mktg mgr

Advertising Agencies

Davis, Johnson, Mogul & Colombatto, Los Angeles—specialty retail div—Lee Dick, mgmt super; Linda Ward, acct super.

Hill, Holliday, Connors, Cosmopulos, New York—retail store div—Casey Jones, sr vp; Jim Matthews, vp; Chris Miller, Charlie Decker, exec vps-co mng dirs; Tony Angotti, Joe O'Neill, exec vps-co creative dirs.

Richards Group, Dallas—Southland manufacturing & distributing—Jim McGee, principal; Clark Culbertson, acct super; Pat Kirwan, acct exec.

W.B. Doner & Co., Southfield, Mich.—7-Eleven stores project work—Alan Kalter, exec vp; Jon Katov, account super.

Southwestern Bell Corp.

RANK **120**

St. Louis

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	7,902	7,925	(0.3)
Net income	1,023	996	2.7
U.S. advertising	68	70	(3.4)
Division sales	**1986**	**1985**	**% chg**
Local service	3,148	3,036	3.7
Network access	2,797	2,656	5.3
Long distance	893	891	0.2
Directory ads	824	948	(13.1)
Other	240	394	(39.1)

Despite its regional-sounding name, Southwestern Bell Corp. is reaching well beyond its St. Louis-based telephone operation roots in its quest to become a leading communications marketer.

Just two years into the post-American Telephone & Telegraph divestiture phase, Southwestern scored a major coup when it announced an agreement to buy Metromedia's cellular-telephone and paging operations in 21 markets.

The $1.65 billion purchase approved in October 1987 moves Southwestern from No. 11 into the top spot among cellular phone companies. Siblings Bell Atlantic and Pacific Telesis, serving 16.1 million and 15.9 million customers, respectively, ranked No. 1 and 2 before the Southwestern purchase.

The Baby Bell internecine rivalry was fueled even more when Southwestern announced plans to publish Yellow Page directories outside its traditional five-state territory—in Manhattan, Baltimore, Chicago and Washington, D.C.

Further, it is establishing a global foothold via joint ventures for Yellow Pages sales in Australia and part ownership of Israel's Aurec Information and Directory Systems.

Southwestern plans to continue its expansionist strategy in diverse geographic markets to spread the regulatory rate risk and offset regional economic downturns, improve its efficiency in marketing to national customers and gain a competitive edge for national product rollouts.

In April 1987, Southwestern was granted the right to enter the advertising business (i.e. Yellow Pages ad agency) as long as it did not provide advertising services to its affiliates. No action has been taken since the right was granted.

While measured ad expenditures dropped 4% to $67 million in 1986 from 1985, spot TV continued to dominate measured media with a $28.9 million expenditure, up 19% from the previous year. Among "brand" spending monitored by BAR/LNA, general corporate promotions got a 16.3% boost to $9.3 million. Southwestern Bell Publications, the leading brand category, got $11 million, down 27%.

The directory unit at Southwestern posted $824 million in revenues in 1986 a 14% share of the $6 billion directory business. It purchased Gulf Printing Co., a full-service printer with four plants in Houston and Oklahoma City, which publishes 1,100 White Pages, Yellow Pages and special directories in 46 states.

For its Manhattan launch, Southwestern bypassed TV in its introductory campaign that used radio, print and outdoor, touting an "all in one" business-to-business and consumer directory which rival Nynex coined "the clone book" in initial advertising. Southwestern offered a 60% discount to advertisers who bought both business and consumer directories and 40% to those buying single books.

In September 1986, it launched an ad campaign in Chicago with TV and radio spots as well as newspapers featuring people wearing blinders, a reference to the partial information available in other directories (such as Ameritech's). Gardner Advertising handled the creative.

Southwestern Bell Telephone Co. which contributed 90% of the corporation's revenues in 1986, received $2.8 million in measured advertising. It established a sales and agency network to market products and services via telephone equipment vendors and tested quick-stop service kiosks.

Southwestern Bell Telecom's Freedom Phone division, which received only $28,500 in measured spending in 1986, in September 1986 added the FF 1250, a new pocket-size cordless phone. Direct mail catalogs and retail stores carried the Freedom line which includes answering machines and decorator phones.

Southwestern Bell, the last Baby Bell to restructure, established a four-man office of the chairman in 1986. John E. Hayes Jr. was named ceo and is joined by three vice-chairmen: Gerald Blatherwick, vice-chairman of human resources and corporate communications (formerly VP-pr); Robert G. Pope, vice-chairman of corporate development, and Edward E. Whitacre Jr., vice-chairman-cfo.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	7,259	7,286
Magazines	2,760	2,266
Newsp. supps	0	595
Bus. pubs	211	384
Spot TV	20,887	24,295
Spot radio	10,317	7,977
Outdoor	98	192
Network cable	0	5
Total measured	41,531	43,000
Unmeasured	26,078	27,000
Total	67,609	70,000

SOUTHWESTERN BELL CORP.
One Bell Center
St. Louis, Mo. 63101
(314) 235-9800

Corporate Personnel

Donald Lottmann, vp-corp comm

Advertising Agency

D'Arcy Masius Benton & Bowles, St. Louis—Edward C. Barnidge Jr., sr vp-acct group dir; William Miller, acct super; Michele Fite, acct exec.

SOUTHWESTERN BELL TELEPHONE CO.

Marketing Personnel

John Atterbury III, vp-mktg
Larry Alexander, vp-pr

Advertising Agency

D'Arcy Masius Benton & Bowles, St. Louis—Edward C. Barnidge Jr., sr vp-acct group dir; Gail Foster, vp-mgmt super; Gary Shipper, vp-acct super; Tim Lawlor, acct exec.

SOUTHWESTERN BELL PUBLICATIONS

Marketing Personnel

Al Parsons, president-ceo, Ronald Jennings, exec vp-sales
Robert Seyler, vp-publishing & admin svcs
Marty Berg, asst vp-corp comm
Peter Martin, vp-mktg

Advertising Agency

Gardner Advertising, St. Louis—Yellow Pages—Doug Herrman, acct super; Kevin Reardon, acct exec. Silver pages/corp recruitment—Doug Herrman, acct super; Carol Perry, acct exec.

SOUTHWESTERN BELL TELECOM

Marketing Personnel

Dave Gallemore, vp-mktg
Todd Gurley, vp-pr

Advertising Agency

D'Arcy Masius Benton & Bowles, St. Louis—Edward C. Barnidge Jr., sr vp-acct group dir; William Mund, vp-group super.

SOUTHWESTERN BELL MOBILE SYSTEMS

Marketing Personnel

Steve Millstein, vp-mktg
Lisa Hughes, dir-adv & promo

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, Dallas—Dallas mkt—George Landis, vp-mgmt rep; Peter Lempert, acct exec; Jennie Smith, acct super; Anne Byerhof, asst acct exec.

Gardner Advertising, St. Louis—north region—Ray Ward, acct super; Chris Schlarman, acct exec.

Squibb Corp.

RANK **161**

Princeton, N.J.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	1,785	1,404	27.1
Net income	396	227	74.9
U.S.	**1986**	**1985**	**% chg**
Sales	1,017	812	25.2
Operating profits	365	237	53.6
Advertising	51	49	4.1
Division sales	**1986**	**1985**	**% chg**
Pharmaceutical	1,521	1,192	27.6
Medical products	264	212	24.4

With the sales of its personal care product group—Charles of the Ritz Group—to Yves Saint Laurent S.A. on Dec. 31, 1986, Squibb Corp. entered a new calendar year without its biggest advertiser and with a reduced product line encompassing only pharmaceuticals and healthcare products.

Year-to-year figures in the accompanying box do not include returns for Charles of the Ritz. In 1985, the last year the division was included in the Squibb returns, it had operating profit of $50.6 million on sales of $432.2 million.

Advertising expenditures for Squibb's Charles of the Ritz Group historically have accounted for 65% of Squibb's measured advertising. In 1986, Squibb spent $15 million advertising its personal care products, which included Krystle perfume, Opium perfume, Jean Nate toiletries and Bain de Soleil sun products. Total measured advertising spending in 1986 was $24.9 million, according to brand spending in seven major media tracked by BAR/LNA.

Theragran vitamins received the balance of 1986 measured advertising, or $4.9 million, up 23% from 1985, according to BAR/LNA.

The agency also is designing the advertising for Proto-Chol, Squibb's fish-oil capsule that the company introduced in late 1986. Squibb is spending about $10 million to market Proto-Chol with a campaign that stresses that fish-oil capsules are a supplement to cholesterol maintenance, as opposed to being the answer for people who have high cholesterol. Squibb's print ad for Proto-Chol tells consumers to exercise, eat a low-fat diet and regularly visit their physician.

U.S. fish-oil sales reached about $30 million in 1986, and analysts estimate that Squibb holds about 22% of this growing market.

For the six months ended June 30, 1987, Squibb reported net income of $231.7 million, up 28% from the year-earlier period. Total sales for 1987's first six months were $1 billion, up 24% from 1986.

Fueling Squibb's continued growth are ethical drugs marketed directly to physicians. The second quarter 1987 sales of Squibb's pharmaceutical products were $456.5 million, up 27% from the year-earlier period.

In July 1985, the U.S. Food & Drug Administration approved the U.S. sale of Squibb's Capoten (captopril) for treating high blood pressure and congestive heart failure. During June 1986, the "New England Journal of Medicine" published a study that said Capoten provided patients with better quality of life in work performance, well-being and sexual function. The study said that the product was more effective than Merck & Co.'s Aldomet and American Home Product's Inderal. Capoten sales for the first half of 1987 were $353.9 million, up 56% from the first half of 1986.

In February 1987, Squibb penetrated another drug market, monobactam antibiotics, with the introduction of Azactam (aztreonam). Squibb hopes Azactam will become the major drug used to battle hospital infections contracted by many elderly patients. Analysts speculate that Azactam will have annual sales of about $100 million by 1990.

Tests continue with Squibb's pravastatin, a cholesterol synthesis inhibitor, and Squibb will start seeking worldwide regulatory approval to market the anticholesterol drug during the first quarter of 1988.

In April 1986, Squibb divided up its pharmaceutical group into four distinct segments, including prescription drugs, OTC and patent-expired drugs, diagnostic pharmaceuticals and physician computer communications. At the end of 1986, Squibb combined three of its medical electronics units—Advanced Technology Laboratories, Spacelabs Inc., and Squibb Medical Systems—into Westmark International Inc., which is 10% owned by Squibb.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,053	0
Magazines	5,457	5,923
Newsp. supps	606	31
Bus. pubs	735	483
Network TV	11,620	9,000
Spot TV	3,697	6,229
Network radio	1,629	1,837
Spot radio	58	71
Outdoor	0	3
Network cable	0	293
Total measured	24,854	23,870
Unmeasured	26,030	25,000
Total	50,884	48,870

SQUIBB CORP.
P.O. Box 4000
Princeton, N.J. 08543-4000
(609) 921-4000

Corporate Personnel

Richard M. Furland, chmn-ceo
Jan Leschly, exec vp
Charles A. Sanders, MD, exec vp

PHARMACEUTICAL PRODUCTS GROUP
Princeton, N.J.

Marketing Personnel

S.L. Barker, president-ceo, Squibb USA
R.D. Metique, vp-mktg devel, Squibb Intl
J. Weinstein, vp-mktg planning, E.R. Squibb & Sons
D.J. Murphy, dir-mktg svcs, Squibb USA
R.D. Samples, vp-sales, Princeton Pharmaceutical Products
J. Keith, dir-mkt planning, Princeton Pharmaceutical Products
K.F. Anderson, business area dir-consumer prods, Squibb
R.A. Angello, dir, anti-infective mktg, Squibb
R.E. Scott-Edwards, dir, cardiovascular mktg, Squibb
S. Reese, new prods planning dir, Squibb
J.A. McClintic, vp-sales, Squibb

Advertising Agencies

Botto, Roessner, Horne & Messinger, New York—Squibb Diagnostics—Bob Botto, president; Tricia Morgan, acct exec.

Bozell, Jacobs, Kenyon & Eckhardt, New York—Squibb-Novo, Prolixin—Robert Leverte, president;Wes Hostetler, group acct super.

Saatchi & Saatchi DFS, New York—Theragran multivitamin, Proto-Chol fish oil gel caps—Rich Prunder, mgmt dir; Chris Zimmerman, acct super; Christopher Willis, asst acct exec.

Sieber & McIntyre, Morristown, N.J.—anti-infectives—Joe Mastracchio, acct staff.

MEDICAL PRODUCTS GROUP
Princeton, N.J.

Marketing Personnel

J.G. Solari, sr vp-Weck Companies
K.B. Grealey, president, Richard Weck & Co.
R.M. Goffredo, president, Weck Medical Instruments

Advertising Agencies

Gross, Townsend, Frank, Hoffman, New York—Ostomy & specialty prods—Charlene Prounis, acct exec.

Hall Decker McKibben, Englewood, N.J.—Weck Medical—Joe Ryan, vp-acct svcs.

Penchina, Selkowitz, New York—Humanicare—Bob Morgan, acct mgr.

Simms & McIvor, Bound Brook, N.J.—Wound mgmt—Pat Storm, acct exec.

State Farm Mutual Auto Ins. Co.

RANK **196**

Bloomington, Ill.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Total income	11,664	9,863	18.3
Net income	N/A	N/A	N/A
U.S. advertising	33	26	24.9

Multiple insurance needs for the family market continue to be the "sole purpose" and chief advertising thrust of State Farm Mutual Automobile Insurance Co. In 1986 the company pushed its life insurance coverage to compensate for an industry-wide slump in the casualty business. And it continued an aggressive push into the women's market begun in 1985.

Otherwise, the company followed much the same marketing course that for many years has made it the nation's No. 1 automobile and homeowners insurance carrier, as well as a leading carrier in life insurance.

State Farm revenues remained stable in 1986, totaling $11.7 billion in premiums and membership fees, up 18.3% from 1985. Income from all sources was $1 billion after dividends. Total assets at the end of 1986 were $23.7 billion, up 20.2% from 1985.

Using the same ad slogan it has relied on since 1971, as well as the same agency (DDB Needham, Chicago) it has worked with since 1939, State Farm increased its spending in measured media by 32.4% to $24.1 million in 1986. The increase does not indicate a significant change in marketing strategy, says R.S. Bugajski, advertising director. An additional $8.4 million in unmeasured media for 1986 is attributable to the 50-50 program State Farm conducts with its agents for newspaper, TV, radio and billboard ads and direct mail, Mr. Bugajski says.

Along with its longtime theme, "Like a Good Neighbor, State Farm is There," the company continues to use (or refer to) actual State Farm agents in its ads.

In 1986 the biggest share of State Farm's advertising dollars, $15.7 million, went into promoting the company's all-forms coverage—auto, life, home and health insurance. This is a 50% increase over 1985 spending in this category. TV sports and popular women's progams drew much of the spending.

Radio drew $5.5 million of the all-forms budget, some $3.5 million for network, drivetime and the remainder to sponsor statewide sports programming at 37 universities.

In the first quarter of 1986, State Farm conducted a $5.9 million life insurance campaign, timed to coincide with a similar nationwide campaign by local agents. Most of this money, $3.6 million, went into network TV. It was aimed specifically at younger viewers through NCAA basketball coverage. This new marketing strategy continues in 1987. In 1985 State Farm did not separate its advertising for life insurance.

Another new direction, begun in 1987, is the push through newspapers and TV for the 50-plus market.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	200	371
Magazines	1,462	1,451
Bus. pubs	218	32
Network TV	11,694	8,722
Spot TV	1,871	1,892
Network radio	7,036	5,618
Spot radio	1,243	917
Outdoor	146	206
Network cable	274	352
Total measured	24,144	19,559
Unmeasured	8,400	6,500
Total	32,544	26,059

STATE FARM MUTUAL AUTOMOBILE INSURANCE CO.
One State Farm Plaza
Bloomington, Ill. 61710-0001

Marketing Personnel

Daniel McNertney, vp-adv
Don Bittner, adv dir
R.S. Bugajski, adv dir
Robert L. Denny, dir-agency sales & devel promo svcs

Advertising Agency

DDB Needham, Chicago—auto insurance, homeowners insurance, life insurance, health insurance, all forms insurance—Jack Copher, group acct dir; Donald Putzier, mgmt rep; Rick Fobes, acct super; Jack Davidoff, acct exec.

Levi Strauss & Associates

RANK **106**

San Francisco

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	2,600	2,570	1.2
Net income	82	N/A	N/A
U.S. advertising	77	71	7.6
Division sales	**1986**	**1985**	**% chg**
Jeans	N/A	1,500	N/A
Sportswear	N/A	512	N/A
Int'l	N/A	558	N/A

Diversified apparel manufacturer, Levi Strauss & Co., now a subsidiary of Levi Strauss & Associates Inc., continues to place heavy emphasis in advertising 501 Blues line, although positioning itself as a broader sportswear purveyor. The company also is experimenting with computerized buying and catalog sales.

Since the company was taken private in a $2 billion leveraged buyout engineered by the founding family last September, Levi Strauss has found its once undisputed position as the leading jeans marketer being challenged.

Serious contention in the $6 billion domestic jeans industry comes from the vastly expanded VF Corp., Wyomissing, Pa., whose purchase of No. 3 Blue Bell Holding Co. last year placed it on equal footing in the marketplace. The purchase gave VF several of Blue Bell's lower-priced jeans brands, including Wrangler and Rustler.

Industry analysts now rank Levi and VF about even in the overall U.S. jeans market, each with about a 25% share, while some give the advantage to VF. Both Levi and VF project sales of $2.7 billion this year, up only slightly from 1986.

Levi leads the measured spending in the seven media monitored by BAR/LNA, with $29.5 million in 1986, with $24.6 million of that spent on jeans and closely related separates, up 16.1%. VF spent $25.1 million on all brands, although most of that was for Lee and Wrangler jeans. Levi also spent $4.8 million on its sportswear lines.

International ad spending adds another $30 million to Levi's total estimated 1986 expenditures, bringing them to about $106 million. This also includes $44.7 million in unmeasured costs. The unmeasured expenditures account for a substantial amount of cooperative advertising with retail distributors. The extent of the company's massive involvement in the co-op effort varies from 50% to as much as 65%.

In its latest reorganization, which resulted in the dismemberment of the unprofitable Battery Street Enterprises, Levi took the women's and men's sportswear operations from that group and placed them in a new division called Levi Strauss Sportswear. The company has singled out the women's market, dominated in recent years by rival VF's Lee Co., as its next big growth area. All women's apparel has been reorganized into a division within Levi Strauss Sportswear.

Levi also divested the end of 1986 its Oxxford Clothes Inc., a maker of hand-tailored men's suits, to a group of executives and investors. Levi also sold sportswear maker, Fashion Portfolio, and women's clothing company, Koret of North America, giving it an estimated $110 million from the three sales.

But Levi surprised some industry analysts in early 1987 when it reversed its corporate pruning in acquiring Brittania jeans, a struggling competitor with about $50 million in annual sales. The deal also opens the way for Levi to import a large quantity of jeans from the Far East, where labor costs are lower. Levi is counting on Asian Pacific to boost its women's wear sales, a potentially lucrative area that lags behind jeans and menswear. Asian Pacific also markets jeans and sportswear under the Brittasport, Pentimento and 2022 labels.

Levi reentered the sportswear arena this year with a new line of casual menswear called Levi's Dockers. The brand rolled into department stores nationally this April.

Designed to be an alternative to jeans, Dockers are aimed for the same consumer base (men ages 25 to 49). The line includes all-cotton, pleated slacks in soft, garment-washed twill and chambray, and knit and woven shirts. Sport coats will be added this fall. Unlike Levi's unprofitable Battery Street venture, Dockers represents an extension of its core jeans business. There are Dockers shops in 45 of the nation's top department stores.

Levi gave the new line strong ad support during its introduction last year and again in 1987. This fall Dockers will be promoted with TV spots produced by the same team from Foote, Cone & Belding, San Francisco, that produced Levi's award-winning 501 Blues commercials.

The 501 Blues spots, aimed at men, women and kids, rolled on in 1986-87. Released each July since 1984, the Levi's 501 campaign is now in its fourth year, with a total budget outlay of $100 million being spent over the four years to market this single apparel product. The message is "Levi's 501 jeans give you a uniquely personal fit." Newest series of 501 Blues ads continues to blend urban street scenes with original music ranging from blues to bluegrass.

Another series of TV spots, also out of FCB, is aimed at kids aged seven to 11 who, the company hopes, are ready to begin a lifelong tradition of Levi's jeans. Internationally, a new pan-European TV and movie house campaign for the 501 five-pocket jeans showed signs of becoming a cult classic. Two 501 spots, with sound tracks by famous '60s pop stars—Sam Cooke singing "Wonderful World" and Marvin Gaye with "I Heard it on the Grapevine"—brought about the re-release of both songs and sparked sales of the Levi's 501s.

On other marketing fronts, Levi teamed up with Designs Inc., a Boston-based retailer selling Levi's apparel exclusively, to test a four-color catalog that also sells only Levi Strauss products. First tested in a small geographic sample mailing in winter 1985, a second catalog was mailed last fall to 1.5 million consumers, followed by a holiday issue of 1 million. Issues track the seasons.

Levi experimented with new selling techniques and technologies. Last fall the company introduced a multifaceted electronic data interchange (EDI) program called Levi-Link, which ties the manufacturer's sales and shipping departments directly to retailers via computer.

In mid-1987, Levi's also inaugurated a video purchase system for electronic shopping, with plans to introduce video kiosks in 10 unidentified retail stores around the country this year. Customers can view the full Levi's line of pants on the video display and order their selections, which are delivered to them within two weeks.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	132	39
Magazines	5,173	5,974
Newsp. supps	253	123
Bus. pubs	4	15
Farm pubs	161	0
Network TV	17,106	11,407
Spot TV	1,274	3,926
Network radio	1,256	734
Spot radio	2,186	2,708
Outdoor	72	68
Network cable	4,381	4,749
Total measured	31,999	29,743
Unmeasured	44,756	41,600
Total	76,755	71,343

LEVI STRAUSS & CO.
Levi's Plaza
1155 Battery St.
P.O. Box 7215
San Francisco, Calif. 94120
(415) 544-6000

THE JEANS CO.

Marketing Personnel

John Ankeny, vp-mktg
Linda Aletto, consumer mktg dir
Maureen Moriarity, consumer mktg dir, men's jeans
Larry Ruff, adv dir
Sandi Sullivan, adv mgr
Julie Klee, adv mgr

LEVI STRAUSS SPORTSWEAR
San Francisco, Calif.

Marketing Personnel

Steve Goldstein, consumer mktg dir, menswear
Jim McCarthy, sr adv mgr, menswear
John Chappell, consumer mktg dir, women's jeans

BRITTANIA SPORTSWEAR LTD.

Marketing Personnel

Jim Criss, vp-mktg & sales

Advertising Agency

Foote, Cone & Belding, San Francisco—Mike Koelker, exec vp; Pat Sherwood, group mgmt super; Barbara Pauley, mgmt super; Alan Jewett, Laurel Hollis, Cathy Kirk, acct supers; Lisa Shenson, acct exec; Leslie Caldwell, sr vp-asst creative dir; Tim Price, group creative dir.

Tambrands Inc.

RANK **175**

Lake Success N.Y.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	487	420	15.7
Net income	69	58	19.4
U.S.	**1986**	**1985**	**% chg**
Sales	334	313	6.7
Operating profits	54	46	17.8
Advertising	45	44	1.7

Tambrands Inc., a marketer of feminine hygiene products, spent a quiet year holding on to its commanding market share for its flagship Tampax product line, bought the manufacturer of two of its most successful new products, and ended its operations in South Africa.

The payoff in the first six months of 1987 was an 8.7% increase in sales to $263 million, and earnings of $40 million, up 11.1%.

During 1986, the Tampax line of tampon products continued to perform well, while Maxithins, an external feminine hygiene product, loosened further its fragile hold in that highly competitive category.

The Tampax tampon product line, which is marketed in some 136 countries, held an impressive 60% share of the $500 million U.S. tampon market in 1986, according to Value Line Investment Survey analyst, Marilyn M. Royce. Through the first quarter of 1987, Tampax tampons continued to lead the category with a 56.5% share, says industry analyst Diana Temple of Salomon Bros., who tracks supermarket sales. By comparison, Beatrice Cos.' Playtex brand holds a 30.3% share, while Kotex from Kimberly-Clark held a 3.7% share during the same period.

Tampax tampons were backed by $13.4 million in measured spending, the company's largest budget for a single product.

The strong showing by Tampax tampons at home was juxtaposed against a less encouraging performance for Maxithins feminine pads, whose share actually declined from 9.1% in the first quarter of 1986, to 6.1% for the same period this year, Ms. Temple says. By contrast, Procter & Gamble's Always brand led the segment with 23.6% of the market, followed by K-C's Kotex and New Freedom entries with a combined 23.3% share, and Johnson & Johnson's 22.2% share for its Stayfree product. Maxithins received $7.5 million in media support last year.

More than $9.3 million in measured spending supported Tambrands First Response brand, including $4.8 million for the ovulation and pregnancy predictor—No.1 in its market segment—and $4.5 million for the pregnancy test, No. 3 in the larger category to market leader e.p.t.-Plus from Warner-Lambert, and Johnson & Johnson's Advance brand, according to Pipeline Research, a service of the IMS Consumer Products Division. Recently, Tambrands won an injunction against Warner-Lambert, prohibiting that competitor from advertising its pregnancy test as the "fastest one-step home pregnancy test ever."

In February 1987, Tambrands acquired the maker of its at-home diagnostic tests, Hygeia Sciences of Newton, Mass., for $46.4 million.

Tambrands plans to introduce a series of kits that diagnose infectious diseases, but because the FDA has not approved the new product line, the kits have been put on the back burner. Tambrands hopes to introduce the products by the end of this year.

Analyst Ms. Royce speculates that Tambrands' surplus cash and lack of debt could lead to a major acquisition as the company continues to diversify. One such diversification was the December 1985 acquisition of the Physicians' Formula line of hypo-allergenic cosmetics, which is being tested in about 10% of the country.

This January, Tambrands ended its investment in South Africa with the sale of its South African tampon subsidiary to local management.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	11,784	7,158
Bus. pubs	43	72
Network TV	16,108	20,371
Spot TV	410	748
Network radio	1	0
Spot radio	321	661
Network cable	1,860	994
Total measured	30,528	30,004
Unmeasured	14,244	14,000
Total	44,772	44,004

TAMBRANDS INC.
One Marcus Ave.
Lake Success, N.Y. 11042
(516)-775-1800

Corporate Personnel

J.F. Bard, exec vp, feminine protection div
M.R. Wadley, vp-feminine protection div
Edward Covell, vp, diagnostics div

Marketing Personnel

Douglas B. Fox, vp-mktg
Harry W. Rowe, vp-sales
Ronald Zwicke, dir-adv svcs
Jan Rock, mktg mgr, diagnostics
Sharon Shaw, mktg mgr, tampons
Cynthia Harvey, mktg mgr, Maxithin pads
Stephen Radcliffe, genl mgr, Physicians' Formula Cosmetics

Advertising Agencies

Ally Gargano/MCA Advertising, Westport, Conn.—Maxithins—Bob Lepre, exec vp; Victor Sandham, vp.

Carrafiello Diehl & Associates, Irvington, N.Y.—First Response home diagnostic tests—Robert Morias, acct super; Patricia Facey, acct exec.

Castor Spanish Intl, New York—domestic hispanic mkts for Tampax, Maxithins—Castor Fernandez, president-creative dir; Jorge Reynardus, vp-genl mgr; Julia Talavera, acct exec; Al Cruz, media mgr.

William Esty Co., New York—Tampax—Geoffrey L. Clarkson, sr vp-mgmt super; Diane Buckley, acct super; Laurine Garrity, acct exec; Donna Bernstock, asst acct exec.

Hyundai 'leans' to Fats

Hyundai matched its price tag ($5,000-plus) with the '50s both in fact and image when it launched its new models Oct. 1, 1986, with a showcase TV spot featuring Fats Domino and his music.

"I told you we should've advertised our cruise in the Register."

156,000 Orange County residents have taken a cruise during the past three years and The Orange County Register MetroGroup carries more steamship advertising than all but 12 newspapers in the nation. (Scarborough's 1987 Newspaper Ratings Study; Media Records, 1986)

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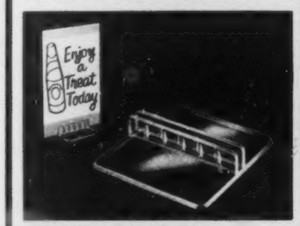

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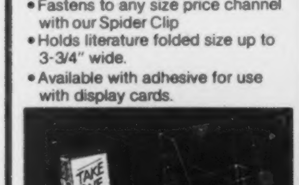

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Fasteners For Retail
36 Alpha Park, Cleveland, Ohio 44143
(216) 473-6919

Thompson Medical Co.

RANK **199**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	120	137	(12.4)
Net income	7	11	(36.4)
U.S.	**1986**	**1985**	**% chg**
Sales	117	133	(12.0)
Operating profits	12	19	(36.8)
Advertising	32	40	(21.4)
Division sales	**1986**	**1985**	**% chg**
Meal replacements	20	35	(42.9)
Appetite suppres.	53	70	(24.3)
Other healthcare	47	32	46.9

Thompson Medical expanded its product lines into new markets during 1986 and 1987 in the wake of declining market share and sales for its major business line, appetite suppressants.

The company suffered a decline of 12% in sales and 32.1% in net income in 1986 from 1985 as sales of appetite suppressants dropped 24% during the period.

The category at Thompson, which includes Dexatrim and Appedrine, accounts for 44% of the company's net sales, down from 50.8% in 1985. That is a drop in market share to about 49% from 65% (1984), according to the company. Analysts estimate that Dexatrim alone holds about 33% of the market; its primary competitor is Ciba-Geigy's Acutrim, with about 15%.

The loss in appetite suppressants has been somewhat offset by entries into new categories. Thompson recently has added an athlete's foot ointment NP-27, Fiber Full, a fiber dietary supplement, and the analgesic, Ibuprin, all of which combined helped boost sales by $15 million.

New products in fiscal 1987 include Tempo, a chewable antacid acquired from Procter & Gamble earlier this year, Cardi-Omega 3, a fish-oil dietary supplement that may contribute to a reduced risk of heart disease, Tribiotic and Tribiotic Plus, topical antibiotic creams, and Diar-Aid, an anti-diarrheal.

During 1986, Thompson Medical spent $26.1 million in 11 measured media, down 21.4% from the previous year. Spending was down 36% to $11.1 million for Dexatrim, its most heavily advertised brand; the decrease was primarily because of a 38% drop in network TV spending. In 1986, the company changed its ad strategy to emphasize 15-second spots.

Thompson threw $3 million in ad spending behind its Fiber Full high fiber dietary supplement, introduced in fiscal 1986. The company credits Fiber Full sales with a "significant" contribution to its healthcare product sales increase, but says the current market for fiber supplements is "very soft." Fiber Full's main competition is Schering-Plough's Fibre-Trim.

Aspercreme and Sportscreme, Thompson's two entries in the topical analgesic category, together received almost $3 million in ad support in 1986, down 44.7% from 1985. The company introduced two line extensions for Aspercreme: Aspercreme Ice and Aspercreme Hot.

Thompson Medical has overhauled its agency relationships since last year, when Saatchi & Saatchi DFS Compton handled all of the company's major brands. Laurence, Charles, Free & Lawson now handles most of Thompson's larger brands, including Dexatrim, Aspercreme, Sportscreme, and Fiber Full.

Rosenfeld, Sirowitz, Humphrey & Strauss handles new products, Tribiotic, Ibuprin, Tempo, and Cortizone-5, a topical hydrocortisone cream.

Thompson is starting a personal care division to introduce skincare and fragrance products in 1988. Peter Beatus, formerly of Revlon, has been hired to head the division.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	6	136
Magazines	1,864	4,144
Bus. pubs	205	35
Network TV	15,809	18,378
Spot TV	5,652	4,048
Network radio	764	0
Spot radio	14	0
Network cable	1,819	6,495
Total measured	26,132	33,236
Unmeasured	5,504	7,000
Total	31,635	40,236

THOMPSON MEDICAL CO.
919 Third Ave.
New York, N.Y. 10022
(212) 688-4420

Marketing Personnel

S. Daniel Abraham, chmn-ceo
Frank DiPrima, exec vp-coo
Paul Craniotes, vp-creative
Ron Stern, vp-mktg
Harold Verschlieser, dir-sales promo
Joel Appel, exec vp-sales
Dean Siegal, dir-pr

Advertising Agencies

Laurence Charles Free & Lawson, New York—Dexatrim, Aqua-Ban, Cardi-Omega 3, Aspercreme, Sportscreme, Fiber Full, Diar-Aid, Sleepinal, NP-27—Al Magnane, exec vp-mgmt super; Cheryl Rego, Robin Coval, Tom Weiss, acct supers.

Rosenfeld, Sirowitz, Humphrey & Strauss, New York—Cortizone-5, Tribiotic and Tribiotic Plus, Slim Mint, Tempo, Ibuprin—Linda Srere, exec vp-dir acct mgmt; Veronica Heitbrink, vp-mgmt super; Fran Albin, acct exec

3M Co.

RANK **168**

St. Paul, Minn.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	8,602	7,846	9.6
Net income	779	664	17.3
U.S.	**1986**	**1985**	**% chg**
Sales	5,383	5,252	2.5
Operating profits	897	818	9.7
Advertising	49	38	27.1
Division sales	**1986**	**1985**	**% chg**
Ind. & consumer	3,159	2,848	10.9
Electronic & info	2,322	2,266	2.5
Life sciences	1,707	1,437	18.8
Graphic tech.	1,411	1,292	9.2

Industrial giant 3M Co., which started as a sandpaper marketer in 1902 and has matured to a maker of a diverse lineup of 50,000 industrial and consumer products worldwide in 1986, intends to further expand its international recognition in the coming year as the lone worldwide industrial sponsor of the 1988 Olympics.

Analysts say increased market penetration overseas and growth in healthcare and consumer product lines are key growth areas for 3M.

The marketer of abrasives, adhesives, electronics and healthcare products increased by 27.1% to $48.9 million its total U.S. ad spending in 1986, estimates AD AGE. The company, however, experienced only minor growth in measured media of 2% to $23.9 million. The difference is the unmeasured advertising representing such items as promotion and direct mail. A 3M executive estimates worldwide media spending in 1986 as high as $36 million. AD AGE in this report estimates only U.S. ad activity.

Spending will jump again this year because of the start of 3M's $10 million-plus Olympic campaign, themed "Supporting the dream." The campaign is the first worldwide promotion by 3M.

3M continued to churn out new products in 1986 and early 1987. They include Thintech fabric; Soft-Scour cleaning pans for non-stick pans; Super VHS video tape; 3.5-inch computer disks; factory applied Scotchgard Wood protector; durable pavement markings; a stapler to help set fractured bones; and Tambocor, a drug to control irregular heartbeats.

Expansion abroad boosted 3M's 1986 net income by an estimated $79 million, largely because of favorable exchange rates. International sales surged 23.1% to $3.3 billion, compared to a 2.6% gain in domestic sales.

First-half worldwide sales for the period ending June 30, 1987 totaled $4.59 billion, up 7.9%.

3M has more than 40 divisions—each with its own marketing director—that belong to larger product groups that operate in four main business "sectors."

Sales growth was led by the life sciences sector, which grew 18.8% to $1.7 billion. The industrial and consumer sector continued as the No. 1 sales sector, with a 10.9% increase to $3.2 billion. New industrial and consumer sector products included improved Scotchgard Carpet Protector and a document binding system for businesses.

Electronic and information technologies sector sales rose 2.5% despite the late 1985 transfer of photocopying and facsimile machines to a joint venture with Melbourne, Fla.-based Harris Corp. and low prices for video tape and electronic components.

1986 was the first year of operation for Atlanta-based Harris/3M Document Products Inc. Harris/3M declined to reveal sales figures, but Dataquest, a San Jose, Calif. marketing research firm, estimated that 53,000 Harris/3M photocopying machines were delivered in the U.S. last year.

Scotch brand video cassettes lead the $1 billion-plus consumer blank video tape segment with a 13% market share. Chief competitors are Maxell and TDK. 3M also is marketing improved color print film under private brand names, including K mart's Focal; Boots in the United Kingdom and Target; and Scotch brand at Wal-Mart and other stores.

Official 3M Olympic products are Scotch and 3M brand audio, video and data-recording products; Thinsulate insulation; Thintech fabric and Scotchgard fabric protectors; and 3M adhesive tapes.

Nearly 75% of 3M's 1986 measured ad spending was in magazines or business publications. Virtually all the rest of measured spending was in network or spot TV, with overall measured TV spending dropping 10.8% to $5.9 million in 1986.

TV spending will increase this year after the debut of 3M's introduction of its Olympic TV campaign—the first image TV ads not to feature a 3M product.

3M has 27 ad agencies nationwide, ranks that may decrease because of cost control measures. For example, in 1986 seven divisions of 3M's tape, adhesives & decorative products group were consolidated at Kerker & Associates, Bloomington, Minn. Previously five agencies handled the seven divisions.

The company also expanded services to the cosmetics industry by becoming the first provider of lipstick samples in print ads in February 1987 via its Color Burst process.

Chairman-CEO Lewis W. Lehr retired in 1986. He was replaced by Allen F. Jacobson, previously president of U.S. operations. In February, 1987, James A. Thwaits, president of international operations, retired. Exec VP M.J. Monteiro now oversees international operations.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	9,071	7,781
Newsp. supps.	0	14
Bus. pubs	8,722	8,936
Network TV	2,623	2,389
Spot TV	3,266	4,219
Outdoor	9	8
Network cable	193	123
Total measured	23,883	23,469
Unmeasured	25,000	15,000
Total	48,883	38,469

3M COMPANY
3M Center
St. Paul, Minn. 55144-1000
(612) 733-1110

Corporate Personnel

Allen F. Jacobson, chmn-ceo
L.D. DeSimone, exec vp-industrial and consumer sector
Allan J. Huber, exec vp-electronic and info technologies sector
M.J. Monteiro, exec vp-intl operations
Jerry E. Robertson, exec vp-life sciences sector
Kenneth A. Schoen, exec vp-graphic technologies sector
Stanley W. Thiele, sr vp-admin svcs

INDUSTRIAL AND CONSUMER SECTOR
Corporate Personnel

L.D. DeSimone, exec vp

ELECTRONIC INFORMATION AND TECHNOLOGIES SECTOR
Corporate Personnel

Allan J. Huber, exec vp

LIFE SCIENCES SECTOR
Corporate Personnel

Jerry E. Robertson, exec vp

GRAPHIC TECHNOLOGIES SECTOR
Corporate Personnel

Kenneth A. Schoen, exec vp

Marketing Personnel
(all sectors)

Donald Osmon, vp-mktg & public affairs
C.M. Eldridge, vp-staff mktg svcs
J.R. Kendall, dir-staff mktg, rsch & info systems
Steven Schmaltz, dir-mktg comms & intl mktg
M.A. Tita, dir-planning svcs & mktg devel

Advertising Agencies

Ashley-Wayne Advertising, San Diego—3M/International Tapetronics, broadcasting and related prods div—Nate Kositsky, president & acct super; Alan A. Ames, pr dir.

Associates & Larranaga, Minnetonka, Minn.—Medical & surgical prods—Robert Larranaga, president; Sheila Wood, Kim Clark, acct execs.

Baron Advertising, Cleveland—Associated Electronics/3M—Tom Pope, acct super; Joe Drenik, acct exec.

Baxter, Gurian & Mazzei, Beverly Hills, Calif.—Orthopedic prods & vision care prods—Gail Dearing, acct super; Jennifer Huffer, acct exec.

Beaumont-Bennett, Bloomington, Minn.—Magnetic media—Paul Hines, Dick Wray, exec vps.

Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis—Ceramic mats, energy control systems, automotive trades, staff mktg systems, audio visual svcs—Terry Gruggen, sr vp-mgmt super; Gordon Simanton, vp-acct super; David Randall, acct exec.

Campbell-Mithun, Minneapolis—Commercial graphics, corp adv, home prods, imaging systems, photo color systems, protective chemical prods—Bruce Sutherland, exec vp; Corp—Joe Carpenter, sr vp-mgmt super. Imaging systems—Dick Moberg, vp-mgmt super. Photo color systems—Dick Moberg, vp-mgmt super; Dick Lynch, vp-acct super. Protective chemicals—Dick Moberg, vp-mgmt super. Home prods—Steve Gordon, sr vp-mgmt super; Larry Buntin, vp-acct super.

Carmichael Lynch, Minneapolis—Leisure time prods—Lisa Meyer, vp-acct super; Karen Casey, acct exec.

Chiat/Day, San Francisco—Magnetic media—Al Moffatt, Matt Crisci, John Martini, acct supers.

Colle & McVoy Advertising, Bloomington, Minn.—Printing & publishing systems, insulation & specialty fabrics, printing & publishing—Tom Engquist, vp-industrial group mgr. Insulation & specialty fabrics—John Hovanec, vp-consumer group dir; Laurie Radmer, acct exec.

Communications Management, Minneapolis—Automotive repair mgmt systems—Jon Fryxell, dir sales & mktg; Jon Swenson, vp.

Corporate Creativity Group, Lake Forest, Calif.—3M-Comtal (image processing computers)—Laer Pearce, president.

Fellers & Gaddis, Austin, Texas—TelComm Prods, test & measurement systems—Greg Wortman, sr vp; Steve Wuertz, acct exec.

Girgenti, Hughes, Butler & McDowell, New York—Riker Laboratories (various pharmaceutical prods)—Bill Butler, exec vp; Steve Girgenti, president.

Kamstra Communications, St. Paul, Minn., and Austin, Texas—Consumer specialties (encapsulated prods), electrical prods, industrial abrasives, microfinishing systems, static control systems, Tartan Tooling Prods/3M, traffic control materials—Don Finlayson, sr vp; Mark Hugunin, vp-acct super; John Warner, sr vp-acct super, Austin Tex.; Tracy Wells, Terry Puckett, acct execs.

Ken Schmidt Co. Milwaukee—Animal care prods—Steve Krog, acct mgr.

Kerker & Associates, Bloomington, Minn.—Adhesives, coatings & sealers, audio visual, automotive industry center/Detroit, automotive specialties, industrial chemical prods, converter specialties, industrial tape, packaging systems, safety & security systems, structural prods, protective chemicals—Chuck Kelley, vp-dir client svcs; Martha Sozansky, Todd Siebell, Bill Pederson, acct execs.

Kolesar & Hartwell, Minneapolis—AVI Inc., health care specialties, medical/surgical prods, occupational health & safety prods (except Thinsulate), AVI, medical/surgical and occupational health & safety prods—Kathy Van Vliet, acct super. Health care specialties—Pam Rusten, acct exec.

Mars Advertising, Southfield, Mich.—Magnetic media—Ken Barnett, exec vp; Sheila Sasser, vp; Don Kurta, sr acct exec; Karen Thomas, acct mgr.

Martin/Williams Advertising, Minneapolis—Commercial office supply, document systems, dental prods, health-care specialties (design of drug-delivery systems), home prods, commercial graphics, commercial office supply, home prods, commercial graphics—Steve Collins, vp-mgmt super; Susan King, acct super; Eric Simon, acct exec. Document systems, dental prods, health care specialties—Ronald Counton, vp-mgmt super; Earl Wilcox, acct super; Julie Bunda, Janet Jones, acct execs.

Miller Meester Advertising, Bloomington, Minn.—Broadcast & related prods, optical recording, equipment svcs & support—Dan Starkey, vp-acct super; Lewis Melamed, acct exec.

J. Patrick Moore & Co., Minneapolis—Aviation safety systems—James Moore, president & acct super; Claire Cunningham, acct exec.

Nationwide Advertising Services, Minneapolis—Recruitment advertising—Julie Valine, regional dir.

The Quest Business Agency, Houston—Textool test & interconnect prods, electronic prods, micro interconnect systems, Associated Electronics/3M, electronic specialties—Alan D. Vera, president-ceo; Jim Shelby, sr vp-mktg svcs; Richard Baron, sr vp-comm dir; Lina Gallardo, sr acct exec.

Seagram & Singer, Ann Arbor, Mich.—Sarns Inc./3M—Linda Bruining, acct exec.

Trunk, Shea & McCaffrey, Clifton, N.J.—Riker Laboratories—Paul Trunk, president; Tom Shea, vp-acct super.

Domino theory: Go upmarket

Domino's Pizza, founded in 1960, concentrated on college towns and military bases before moving in earnest into suburbia and urban markets in the '80s.

Trans World Airlines

RANK **104**

New York

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	3,145	3,725	(15.6)
Net income	(106)	(193)	44.9
U.S.	**1986**	**1985**	**% chg**
Sales	2,064	2,115	(2.4)
Operating profits	(76)	(122)	37.5
Advertising	79	67	17.8
Division sales	**1986**	**1985**	**% chg**
U.S. routes	2,064	2,115	(2.4)
Foreign routes	1,082	1,610	(32.8)

After two years of losses, Trans World Airlines appears to be headed back toward profitability in 1987. Though it's doubtful the nation's fifth largest air carrier will hit the record profit Chairman Carl C. Icahn predicted midway through the year, TWA is still expected to finish in the black.

That achievement goes a long way toward backing up Mr. Icahn's contention that a lean management team can whip a bloated money-loser into shape by using a less-is-more management approach.

After a first-quarter loss of $54.8 million, TWA came back in 1987 with second quarter net earnings of $52.8 million and a third quarter profit of $57.1 million. For the first nine months, the carrier earned about $55 million. An expected fourth quarter loss will not likely wipe out this headstart toward profitability. The current year could be the first profitable one since 1984 when TWA posted net income of $29.8 million, the first profitable year in several years.

TWA lost a record $193 million in 1985, the year Mr. Icahn began accumulating shares in his unfriendly takeover bid. In 1986, his first year at the helm, the losses were reduced, but remained a staggering $106 million.

TWA says its improved fortunes are linked to labor cost reductions and other costs controls. Among them was the decision to drop all unprofitable routes and to add new destinations. TWA began service to Honolulu and Anchorage, in mid-1986 and significantly increased service to Florida in the fall. The latter dovetailed with the carrier's entry into the Caribbean market two years ago and is part of Mr. Icahn's effort to make TWA less subject to the cyclicality in travel. Wintertime traffic is currently the airline's least profitable period.

To help build its money-losing domestic system which has operated in the red for 15 years, the airline bought Ozark Air Lines for $250 million in 1986 and integrated it into its domestic system during the last quarter of the year. TWA's international activity traditionally has turned a profit.

The airline competes with a number of domestic carriers but sees Pan American World Airways as its main U.S. competition for transAtlantic flights. TWA claimed a 14.3% share of the market in 1986, about even with Pan Am.

Another move to improve profitability was TWA's heavier emphasis on marketing under Mr. Icahn. TWA Marketing Services Inc. began operating the 24-hour Travel Channel on cable TV this February. It offers home-shopping services, as well as entertainment and commercial time to promote discount air fares, tours and travel-related goods and services.

The airline also has been aggressive with traditional tie-ins with other companies. Last winter, General Motors Corp. provided round-trip plane tickets on TWA to its buyers of Buick Riviera models.

Young & Rubicam, which gained the account in 1986, continued to position TWA as a full-service, value-oriented airline. The agency's "Today's TWA" campaign was boosted by a healthy increase in advertising budget. Total spending was estimated at $78.8 million in 1986, up 17.8% from 1985. Measured totals were $48.8 million, up 11.2%.

Of the measured totals, national newspapers continued to claim the lion's share with $29.3 million, up 40%. Of the other major media participants, spot TV grew 25.3%, but spot radio dropped 16.3%.

Also of significance in the past year was Mr. Icahn's unsuccessful attempt to take over US Air Group. The bid ended in

March, when Mr. Icahn sold his 15% holding. He also called off his tender offer to take TWA private this October, following the stock market crash. He holds 73% of the carrier's stock.

The market crash made it financially unwise to proceed with the plan to boost his holdings to 90% as the stock dropped from $31.75 to $14 on Black Monday in the financial markets. Mr. Icahn's tender offer was for $45 a share.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	29,329	20,870
Magazines	2,027	7,537
Newsp. supps.	179	732
Bus. pubs.	1,343	685
Network TV	61	0
Spot TV	11,857	9,478
Spot radio	3,593	4,247
Outdoor	422	228
Network cable	0	125
Total measured	48,811	43,902
Unmeasured	29,971	22,998
Total	78,782	66,900

TRANS WORLD AIRLINES
605 Third Ave.
New York, N.Y. 10158-0039
Marketing Personnel

Peter T. McHugh, president, TWA mktg svcs
Tim Brier, vp, passenger mktg
Tracy T. Britton, dir-adv
Lynda Withiam, mgr-adv
Earl Quenzel, sr vp-mktg, TWA mktg svcs
MaryAnn Boyhan, mgr-tour mktg
Kathleen A. Trepper, dir-promos & rsch

Advertising Agency

Young & Rubicam, New York—Robert Donahoe, sr vp-mgmt super.

Triangle Publications

RANK **170**

Radnor, Pa.

($ in millions)

Worldwide	1986	1985	% chg
Sales	730	720	1.4
Net income	N/A	N/A	N/A
U.S. advertising	48	49	(0.6)

Triangle Publications concentrated its 1986 advertising on building business for the revived *Good Food* and keeping *TV Guide* and *Seventeen* on an even keel.

In promoting subscription and newsstand sales of its three magazines, Triangle's total ad spending fell 0.6% in 1986, to $48.4 million.

BAR/LNA placed the value of Triangle's 1986 measured consumer-media advertising at $35.4 million, slightly higher than the 1985 figure of $35.2 million. About 94% of that is attributable to advertising aimed at building circulation. With $2.04 million diverted into circulation advertising for *Good Food*, *TV Guide* consumer ad media totals dropped 5.2% from 1985, to $33.3 million. That represents the largest consumer ad spending among all magazines monitored by BAR/LNA.

Being the No. 1 advertiser among magazines befits *TV Guide*, the nation's largest-circulation magazine. In 1987, the weekly's total paid circulation rose 2.4% to 17,281,955—almost evenly divided between subscriptions and single-copy sales, according to Audit Bureau of Circulations' FAS-FAX report for the six months ending June 30. Circulation for No. 2 *Reader's Digest*, which had held the top slot for five years, fell 2.6%, to 16,849,551.

TV Guide's ad pages, which declined 2.8% in 1986, rose to 2,644 through the first three quarters of 1987 vs. 2,557 for the same period last year.

Of *TV Guide's* $33.3 million BAR/LNA consumer media advertising, 81.9% was channeled into TV. Publisher Eric Larson says, however, that Triangle does not actually buy most of this TV time, but receives it through trade agreements with local TV stations.

The magazine and its agency, N W Ayer, New York, produce television commercials every week. The current campaign has been executed by Mel Sharpe's Man on the Streets Productions, Berkeley, Calif. The ads feature spontaneous comments from *TV Guide* readers.

TV Guide supplements its TV spots with direct-response advertising, handled by Ellentuck & Springer, Princeton, N.J.

Mr. Larson says the magazine—with circulation nearly 1 million higher than the current 16.4 million rate base—has curtailed circulation promotion in 1987.

In 1986, Triangle spent an additional $2 million promoting *TV Guide* in advertising and retail-industry trade publications, according to Rome Reports. Like its occasional newspaper ads, the trade ads alternate between what Mr. Larson calls "image ads promoting our good writing or the fact that we care about TV" and numbers-oriented ads.

Found next to *TV Guide* at many supermarket checkout counters is the monthly *Good Food*, re-introduced in February 1986 after a 12-year hiatus. Circulation for *Good Food* doubled through Triangle's July 1986 acquisition of *Great Foods*. After shutting down the latter title and merging subscription lists, *Good Food* claimed a circulation of 946,031, according to ABC's June 30 FAS-FAX report. Group Publisher Frank Wolf says perhaps 15% of *Great Foods* subscribers were converted to *Good Food* lists. Of total circulation, 41.4%, is newsstands sales, primarily at supermarket checkout counters.

When *Good Food* was discontinued in 1974, its circulation averaged 1.3 million. Mr. Wolf says Triangle's goal is a circulation of 1.5 million.

Good Food's $2.04 million consumer ad spending was divided almost equally between network and spot TV. Ads prepared by Bozell, Jacobs, Kenyon & Eckhardt, New York, use the theme "The indispensible kitchen utensil."

Good Food is in the middle of a three-month flight of spot TV buys aimed at building single-copy sales. During September, October and November—and again during the spring—the magazine runs ads for 10 days at the end of each month in 17 major markets, according to Mr. Wolf. The campaign is put on hold when supermarket sales fall off in winter and summer months.

In September, *Good Food* hired Direct, Inc., New York, the direct-marketing arm of D'Arcy Masius Benton & Bowles, to handle circulation solicitations previously developed in-house or by outside consultants.

After racking up a disappointing 100.24 ad pages, representing $1.1 million, in 1986, *Good Food* watched first quarter 1987 ad pages increase 33.4% and ad dollars rise 35.3%. Mr. Wolf expects to end the year with approximately 180 ad pages.

Finally, Triangle spent $19,800 on consumer advertising and $388,810 in trade publications for *Seventeen* magazine. The monthly's total circulation rose 3.1%, to 1,859,840, according to ABC figures for the first six months of 1987.

Effective Jan. 1, 1988, William Dietch will replace Eric G. Larson and will hold the title of general manager, *TV Guide*. Robert G. Baumler will replace Thomas McDonough as director of advertising.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,005	1,555
Magazines	0	65
Newsp. supps.	20	18
Bus. pubs.	2,018	1,810
Network TV	3,429	1,535
Spot TV	24,954	24,389
Network radio	6,017	7,523
Spot radio	97	157
Network cable	947	1,678
Total measured	38,488	38,730
Unmeasured	9,938	10,000
Total	48,426	48,730

TRIANGLE PUBLICATIONS
4 Radnor Corp. Center
Radnor, Pa. 19088
(215) 293-8500
Marketing Personnel

Eric G. Larson, publisher, *TV Guide*
Thomas McDonough, dir-adv, *TV Guide*
Fred Jervis, promo dir, *TV Guide*
Frank G. Wolf, group publisher, *Good Food, Seventeen*
Robert S. Bunge, assoc group publisher, *Good Food, Seventeen*
Robert Young, publisher, *Good Food*
Arthur Brenner, mktg dir, *Good Food*
Carol R. Campbell, adv dir, *Good Food*
Ira S. Garey, publisher, *Seventeen*
Barbara Doljack, mktg dir, *Seventeen*
Lori Zelikow, adv dir, *Seventeen*
Michael P. Sandler, publisher, *Daily Racing Form*

Advertising Agencies

N W Ayer, New York—*TV Guide*—Howard Stoner, acct dir; George Malcomson, mgmt super; Ted Regan, exec creative dir; Jim Murphy, Howard Rieger, group creative dirs; Dave Lemkuhl, group media dir; Debbie-Lisa Brown, assoc media dir, Larry Miller, media super.

Bozell, Jacobs, Kenyon & Eckhardt, New York—*Seventeen, Good Food*—Ron Benza, sr vp-group acct dir; Gay Wasserman, sr vp-mgmt rep; Celia Visconti, acct super, *Seventeen*; Fred Morris, acct super, *Good Food*.

Tri-Star Pictures

RANK **178**

New York

($ in millions)

Worldwide	1986	1985	% chg
Sales	254	259	(1.7)
Net income	14	2	771.4
U.S.	**1986**	**1985**	**% chg**
Sales	210	232	(9.3)
Operating profits	N/A	N/A	N/A
Advertising	43	25	70.8

Tri-Star Pictures, whose primary focus until 1986 was the production of motion pictures, began producing and acquiring programming for television, distributing programs for TV syndication and joined the growing trend of film production companies buying movie theaters.

Although only five years old, Tri-Star is among the elite group of studios that can finance 12 to 15 films at a cost of $15 million each, the industry average. With its financial base, the company also has been able to compete in the high-priced world of top creative talent.

In 1986, Tri-Star's line-up included five very successful releases and heavily advertised films—"Peggy Sue Got Married," "About Last Night," "Short Circuit," "Iron Eagle" and "Nothing in Common."

The company spent $25.9 million in measured advertising in 1986, up 74% over 1985. Magazine and network cable spending declined, but network TV hit $14.8 million, up 59%, and spot TV reached $10.2 million, up 122%, for films.

The company is estimated to have spent an additional $17.5 million on unmeasured advertising—promotions, special events, trade publicity, etc.

Tri-Star posted its best year ever in 1986, earning $13.8 million in net income on $254 million in revenues. That compares with net income of $1.58 million on revenues of $258.9 million in 1985. The company showed net losses in 1984 and 1983.

In addition to its feature films—which in 1987 include Bruce Willis' "Blind Date," Sylvester Stallone's sequel to the 1985 blockbuster, "Rambo: First Blood Part II," and Dudley Moore's hit "Like Father, Like Son"—Tri-Star is securing commitments from networks for programming. Tri-Star was able to enter the field of TV production and distribution in 1986 following the sale by CBS Inc. of its interest in the company.

Tri-Star bought the Loews Theaters Corp. for more than $200 million in December 1986.

Coca-Cola Co. and Tri-Star Pictures Inc. in September 1987 negotiated a merger of Coca-Cola Co's Entertainment Business Sector, which includes Columbia Pictures, and Tri-Star Pictures Inc. creating Columbia Pictures Entertainment Inc. Under the proposal subject to approval by the two companies' boards, Coca-Cola Co. will increase its ownership of Tri-Star from 30% to approximately 80%.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	96	110
Network TV	14,810	9,314
Spot TV	10,194	4,611
Spot radio	87	281
Network cable	790	832
Total measured	25,976	15,148
Unmeasured	17,500	10,300
Total	43,476	25,448

TRI-STAR PICTURES INC.
711 Fifth Ave.
New York, N.Y. 10022
(212) 758-3900
Corporate Personnel

Victor Kaufman, chmn-ceo

Marketing Personnel

David Rosenfelt, exec vp-mktg

MOTION PICTURE/ TELEVISION DIVISION
Marketing Personnel

Mark Cristol, vp-adv
Shawna Reininger, sr vp-publicity & promo
Allyson Kossow, vp-publicity
David Lobel, dir-publicity
Ellen Kroner, dir-field promo & publicity

HOME VIDEO DIVISION
Marketing Personnel

Saul Melnick, president

Advertising Agencies

AC&R/DHB & BESS, New York—media placement—Larry Frieman, vp-acct exec; Ted Cossky, acct exec.

All creative handled in various local agencies as well as other media placement.

Turner Broadcasting System

RANK **195**

Atlanta

($ in millions)

Worldwide	1986	1985	% chg
Sales	557	352	58.3
Net income	(187)	1	N/A
U.S. advertising	33	34	(2.6)
Division sales	**1986**	**1985**	**% chg**
Broadcasting	204	186	9.8
Cable productions	167	123	36.0
Program synd.	135	10	N/A
Professional sports	24	22	9.6
Real estate	24	8	190.1
Other	3	3	7.1

Even though Turner Broadcasting System Inc. finished 1986 with a loss of more than $185 million and was forced to sell off 35% of the company earlier this year to a group including 26 cable TV operators, its top executives insisted the company was not in trouble.

The person hurt most directly by those losses was R.E. "Ted" Turner, the flamboyant founder, chairman and president.

The 1986 results were dragged down by the dual weight of a disaster with the Turner-sponsored, Olympic-style Goodwill Games held in Moscow last summer and a huge debt left over from the acquisition of the MGM film library.

MGM/UA Entertainment, a TV-motion picture production company, was acquired in March 1986, but the game plan—to sell off all of MGM/UA except the film library

WHY BE A LITTLE FISH IN A BIG POND?

FASHION BUSINESS IS BIG BUSINESS IN TRAVERSE CITY/CADILLAC/ CHEBOYGAN.

Traverse City/Cadillac outspends Nashville, Tennessee, the 31st ranked HH ADI in the United States, for Apparel and Accessory sales-per-household. In just five years, Effective Buying Income has leaped up 78%, outpacing Michigan and the East North Central Region by a midwest mile. Total Retail Sales have jumped up 39%, again beating increases in Michigan and the East North Central Region and proving that apparel and accessory sales are always big sales in Traverse City/Cadillac/Cheboygan.

WPBN-TV/WTOM-TV DELIVERS THE HEART OF THE TRAVERSE CITY/CADILLAC MARKET.

We've got the facts, figures and programming to help your sales dominate the Midwest's fashionable new market.

BE A BIG FISH

BEAM COMMUNICATIONS

WPBN-TV/WTOM-TV, NBC, Traverse City/ Cadillac/Cheboygan, MI
KYEL-TV, NBC, Yuma, AZ/El Centro, CA
WDAM-TV, NBC, Laurel/Hattiesburg, MS
WCFT-TV, CBS, Tuscaloosa, AL

Source: 1986 Survey of Buying Power
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Represented by Katz Continental Television

WPBN-TV/ WTOM-TV NBC

TRAVERSE CITY-CADILLAC-CHEBOYGAN, MICHIGAN

TRAVERSE CITY CADILLAC CHEBOYGAN, MICHIGAN

to pay for the acquisition, made by issuing preferred stock and various debt instruments—did not pan out. While TBS has succeeded in selling all but the film library, it has had to pay continuous dividend payments on the company's preferred stock still outstanding by midyear.

To pay for this, Turner sold 562.5 million shares of common stock. This diluted Mr. Turner's personal holdings to just over 50%.

If nothing else, the acquisition of MGM/UA's motion picture production companies—even if only for a short time—boosted the company's total advertising expenditures significantly. Of TBS's total $33.4 million in 1986 advertising expenditures, down 2.6% from 1985, some $16 million was spent on various MGM/UA projects. The largest ticket items included $4.1 million for promotion of the movie "Running Scared" and $3.6 million in advertising for "Poltergeist II." Advertising figures for MGM/UA in 1985 are included in Turner totals in 1985 in order to compare continuing operations from year to year. TBS advertising does not include the $9.24 million in 1986 the company spent in intra-company advertising. TBS logs as an ad expense the $2.8 million CNN advertises on WTBS, the $2.3 million CNN advertises on Headline News, the $2.5 million WTBS places on CNN, and the $1.64 million WTBS advertising on Headline News. The expenditures are book transactions.

TBS produces and places virtually all of its own advertising through its in-house agency, RET Advertising. About $600,000 in 1986 billings went through Atlanta-based Communication Trends Inc., the only outside agency the company uses.

Although, TBS won't be advertising any new movie productions in 1987 after selling off the movie production company, it does have continuing advertising expenses for home video tapes of the film library, which amounted in 1986 to $4.3 million.

The home video library is now under the control of the newly formed Turner Entertainment Co., the division of TBS responsible for the controversial "colorization" of such classic black-and-white movies as "The Maltese Falcon."

TBS reported that the Goodwill Games lost $26 million. To push the games, about $2.8 million was spent on advertising. Undaunted by the experience, the company announced this May that it will go ahead with another round of Goodwill Games in Seattle during the summer of 1990. TBS announced it had commitments to carry the 1990 games from cable systems representing 21.5 million cable households.

Despite its heavy losses, TBS continues to survive through strong cash flow from its base cable television business. WTBS, the Turner "Superstation" continues to be the No. 1 rated cable offering in claiming a 1986 A.C. Nielsen rating of 2.1, or 654,000 households nationwide for a 93% share of cable households and 45% of total TV households. WTBS generated ad revenues of $185.3 million in 1986.

CNN and CNN Headline News combined drew a rating for basic cable services of 0.9 in 1986, which represents 326,000 cable homes. Together, they generated more than $70 million in advertising revenue.

Aside from its film library and cable TV operations, TBS owns two of Atlanta's sports franchises—the Major League Baseball Atlanta Braves and the National Basketball Assn. Atlanta Hawks. Both franchises suffered losses at the gate—the Braves losing $12 million and the Hawks $1.7 million.

As minor portion of its business, Turner also produces some original programming—the occasional Jacques Cousteau specials and a continuing series profiling all 50 states hosted by Hal Holbrook. In addition, some of CNN's original programming is sold to local stations.

During 1986, TBS bought the Omni International complex in Atlanta, including a hotel, two office towers and retail space, and promptly renamed it CNN Center. It moved its Cable News Network into the facility earlier this year.

Mr. Turner has said he would like to start another cable network using the MGM film library as the base programming.

Early in October, published reports speculated that TBS might purchase the science-nature cable television Discovery Channel. Some of the cable service's current owners are among the cable operators given seats on the TBS board of directors as a result of the stock buy-in.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,455	1,805
Magazines	8,932	2,849
Newsp. supps	39	0
Bus. pubs	1,148	1,004
Network TV	5,407	14,130
Spot TV	6,752	6,238
Network radio	867	11
Outdoor	276	86
Network cable	3,378	4,130
Total measured	29,251	30,252
Unmeasured	4,100	4,000
Total	33,351	34,252

TURNER BROADCASTING SYSTEM
One CNN Center
P.O. Box 105366
Atlanta, Ga. 30348-5366
(404) 827-1700

Corporate Personnel

R.E. "Ted" Turner, chmn & president
William C. Bartholomay, vice chmn
Robert Wussler, exec vp
William C. Bevins, Jr., vp-finance & secretary
Henry L. "Hank" Aaron, vp-community relations

Marketing Personnel

Ronald J. Harris, vp-adv & promo

TURNER PROGRAMMING SERVICES

Marketing Personnel

Russ Berry, president
Ken Christensen, vp-adv
John Walden, vp-sales & mktg

TURNER CABLE NETWORK SALES

Marketing Personnel

Terrence F. McGuirk, president
Robert Thalman, dir-mktg

TURNER BROADCASTING SALES

Marketing Personnel

Farrell Reynolds, president
Dave Williams, vp-mktg

TURNER ENTERTAINMENT CO.

Marketing Personnel

Roger L. Mayer, president

ATLANTA NATL LEAGUE BASEBALL CLUB

Marketing Personnel

Stanley H. Kasten, president
Wayne Long, dir-mktg

ATLANTA HAWKS LTD.

Marketing Personnel

Stanley H. Kasten, president & genl mgr
Lee Douglas, vp & dir-mktg

Advertising Agency

(In-house) RET Advertising.

Tyson Foods

RANK **171**

Springdale, Ark.

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,504	1,136	32.4
Net income	50	35	44.4
U.S. advertising	48	20	137.9

As nutrition-minded Americans opt for more chicken, Tyson Foods is making sure its product has high visibility. It more than doubled its total advertising budget from 1985 to 1986 while experiencing substantial growth in sales and income.

Tyson also is making sure there's a chicken in every pot—or microwave—by increasing its product offerings. Company production potential also was expanded in 1986 through acquisition of two other poultry-related operations.

Tyson is the world's largest fully integrated producer, processor and marketer of poultry-based food products as well as a dominant force in the further-processing of poultry products for both retail and foodservice markets. Further-processing involves deboning, marinating, seasoning and pre-cooking to enhance value. Tyson processes approximately 13 million chickens each week and over 2 billion pounds per year. Tyson has an estimated 15% market share in the frozen poultry category, second to ConAgra's Banquet brand, which leads the $1.05 billion category with a 25% share.

Total measured ad spending in 1986 increased 104% to $23.1 million, and overall advertising rose 138% to $48.3 million. According to BAR/LNA, network TV expenditures in 1986 were almost 2.5 times greater than 1985. Tyson frozen entrees commanded $11 million worth of network time in 1986 compared with no network buys in 1985. Tyson's frozen entrees are upscale prepared meals—such as Chicken Oriental and Chicken Jambalaya—that can be prepared in either conventional or microwave ovens.

This line of premium dinners was increased from six to 12 during 1986, with the original six going into national distribution. British actor Robert Morely, of Christian Broadcasting Network "Celebrity Chef" fame, was tapped as the spokesman for the entrees' network TV and print media campaign, "Your passport to great taste."

New products include Chicken Originals, which hit national store shelves in July 1987. This eight-item line of entrees offers uncooked, prepared frozen chicken—a new concept in the poultry market.

Other products currently in test markets include Tyson Flyers, a five-item line of fully cooked chicken wings similar to the popular "buffalo wings" served in restaurants, and Oven-Roasted Classics, a fully cooked oven-roasted chicken that can be served hot or cold.

Tyson acquisitions in 1986 that helped fuel the company's increased production and sales included Lane Processing Inc., the seventh-largest poultry processor in the country prior to the acquisition.

In the foodservice category, Tyson bills itself as the world's largest supplier of further-processed poultry products with a line that includes 300-plus items.

Current advertising strategies for the company are in limbo after Tyson severed its 10-year ties with Noble & Associates of Springfield, Mo. Tyson said it had outgrown the agency and that there were "ongoing problems involving differences in creative approaches." Noble will continue to handle the estimated $5 million foodservice account.

Tyson's final Noble-run consumer campaign is the $12 million Chicken Originals undertaking, which the Missouri agency will continue until year-end.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	126	0
Magazines	1,581	158
Bus. pubs	3,528	2,142
Network TV	16,690	6,796
Spot TV	668	2,190
Network radio	16	0
Spot radio	454	0
Network cable	1	2
Total measured	23,065	11,288
Unmeasured	25,200	9,000
Total	48,265	20,288

TYSON FOODS
2210 W. Oaklawn Drive
Springdale, Ark. 72764
(501) 756-4000

Marketing Personnel

Donald "Buddy" Wray, sr vp-sales & mktg
Dick Stockland, group vp-retail sales & mktg
Bob Sanks, vp-retail mktg

Advertising Agencies

Noble & Associates, Springfield, Mo.—Jon Baker, president.

Saatchi & Saatchi DFS Compton, New York—Gary Susenjara, chmn; Ed Wax, president; Eric Weber, exec creative dir; Craig Miller, Terry Gallo, creative dirs.

United Biscuits Holdings PLC

RANK **115**

London

($ in millions)

Worldwide	1986	1985	% chg
Sales	2,837	2,799	1.3
Shareholder profit	121	104	16.3
U.S.	**1986**	**1985**	**% chg**
Sales	1,147	1,077	6.5
Trading profit	65	53	23.4
Advertising	69	62	11.0

United Biscuits Holdings PLC, the U.K.-based conglomerate that is the largest cookie and cracker producer and marketer outside the U.S., is expanding that business line in the U.S. with new entries at subsidiary Keebler Co., including a foray into frozen baked goods.

Total measured media for 1986, was $69.3 million, up 11.1% from 1985. About half the total was unmeasured advertising for both years.

UB Foods US, created in October 1986 and encompassing Keebler Co. and Specialty Brands, had sales of $1.15 billion, up 6.5%. Trading profit grew 23%, to $65.4 million.

However, the U.S. operations were the culprit in UB's overall poor sales performance. In pounds, U.S. sales translated into a loss of 10% to £681.5 million from £757.5 million. The dollar equivalents are based on exchange rates of £1=$1.68 in 1986 and £1=$1.42 in 1985. The two exchange rates, which were used to translate pounds to dollars in the accompanying chart, represent an appreciation of 18% for the pound against the dollar.

Of the UB Foods US total, Keebler, the second biggest U.S. cookie and cracker producer, represented 90.9% of sales and 75% of trading profit. Keebler's share of the U.S. biscuit market rose slightly to 16% from 15% in 1985.

Through July 1987 Keebler Co. reported a trading profit of $29 million, up 20% over the corresponding period in 1986. By concentrating its marketing efforts on its key brands, Keebler's growth rate for traditional cookies was nearly three times the market's 4% growth rate. Keebler introduced a national rollout of E.L. Fudge Sandwich Cookies.

Keebler Co. continues to claim the biggest portion of UB's U.S. advertising expenditures—85.2% of the U.S. measured ad total in 1986, down from 87.6% in 1985, according to BAR/LNA.

In salty snacks, Tato Skins continues to demonstrate satisfactory growth and Cheez 'n Chips, a light texture corn chip, is being introduced.

Specialty Brands had an increase in sales of 60% and trading profit of $16.8 million, up 71% from 1985. These increases were virtually all attributable to the acquisition of the Olive division of Early California Industries during the fourth quarter of 1985. While Spice Islands had an 8% decline in sales, the introduction of a line of twelve new seasonings in the second half of 1987 will improve volume.

In 1986 Shaffer, Clarke & Co., food importers and marketers, rose 14% to $34.7 million in sales, and trading profit fell 9.7% to $2.8 million in 1986. At the end of 1986 Shaffer, Clarke & Co. acquired Trebor Confections, Inc.

Shaffer, Clarke, based in Old Greenwich Conn., is the U.S. importer and distributor of UB Biscuits products from Britain, Wasa Ideal and Finn crisp breads from Scandinavia; Apolinaris mineral water from Germany; KA-ME (ka-may) oriental foods; a line of frozen game meat, and confectionery products from Holland, Britain and Switzerland; Carr's Crackers and Roses Marmalade, orange and lime from England; Bonne Maman jams & preserves from France.

Marking its initial entry into the frozen foods arena, Keebler's broker sales network is launching Elfin Loaves, a line of four individual-serve homestyle frozen bread snacks. National rollout for frozen baked goods will be complete by the end of 1987, the company claims.

Keebler's biggest brand expenditure for 1986 was $9 million for Keebler Cookies, mostly in network TV. Keebler Town House Crackers rose from $1.9 million in 1985 to $4.5 million in 1986, again largely on network TV. Measured ad support for Specialty Brands remained the same as 1985, $2.1 million.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	4	0
Magazines	5,033	3,389
Bus. pubs	397	0
Network TV	22,204	19,822
Spot TV	1,681	3,216
Outdoor	18	0
Network cable	1	0
Total measured	29,338	26,427
Unmeasured	39,967	36,000
Total	69,305	62,427

UNITED BISCUITS (UK) LTD.
P.O. Box 40 Syon Lane
Isleworth, Middlesex TW7 5NN
London
011-44-01-560-3131

KEEBLER CO.
Elmhurst, Ill. 60126
(312) 833-2900

Marketing Personnel

William T. Hanna, sr vp-mktg
Charles L. Shemely, sr vp-dir, warehouse businesses, new prod devel
Roy E. Koeckrits, dir-merch
Robert Dillon, group dir-new prods mktg & mkt rsch
Darrel Splithoff, sr vp-retail sales

Advertising Agency

Leo Burnett USA, Chicago—Keebler cookies, crackers, salty snacks, brokered prods, Elfin Loaves—Joe McGowan, vp-acct dir; Jim McNitt, super, salty snacks, brokered consumer prods, nonbiscuit new prods; Bill Buchanan, super, biscuit prods.

SHAFFER, CLARKE & CO.
Old Greenwich, Conn.

Marketing Personnel

G. Korper, president
Peter Martorano, natl sales mgr
Roy Peterson, mktg mgr

Advertising Agency

(In-house).

SPECIALTY BRANDS
San Francisco

Marketing Personnel

Richard L. Marcantonio, president-ceo
Meade Ames-Klein, vp-mktg
Ed Parker, vp-operations
Mike Pommer, mgr-mktg, Marie Brand
Connie Linehan, mktg mgr-Spice Island brand
Teresa Cooper, mktg mgr-Early Calif. Foods brand

Advertising Agency

Geers Gross Advertising, New York—Chris Ebner, group acct dir.

US West

RANK **166**

Englewood, Colo.

($ in millions)

Worldwide	1986	1985	% chg
Sales	8,308	7,813	6.3
Net income	924	926	(0.2)
U.S. advertising	50	52	(4.4)
Division sales	**1986**	**1985**	**% chg**
Local service	3,259	3,059	6.5
Intrastate	1,108	1,005	10.2
Access charges	2,595	2,590	0.2
Other	1,613	1,591	1.4

The 1986 purchase of the 54-story Mountain Bell Center, believed to be the biggest real estate building transaction in the Rocky Mountain area, may be a fitting symbol of US West's vow to stand head and shoulders above other telecommunications marketers.

But the company pledge to be "procompetitive" may be an uphill struggle as the 1986 revenues increased only a modest 6.3% over the previous year while profits of $924 million were the lowest of any of the seven regional Bell operating companies. Total advertising spending dipped 4.4% to $50 million.

"A sluggish economy in our region and increasing competition in all our markets reminded us that there's no such thing as business as usual," noted the company's letter to its shareholders. Net income was reduced by a one-time $52 million charge because of a "major restructuring" of US West Information Systems, the business communications equipment unit which received $3.1 million in measured spending in 1986, compared to $449,000 in 1985.

While the company decided to cut its losses in Information System's efforts and regrouped to concentrate on its original 14-state territory, US West Cellular purchased a cellular system in San Diego (outside its turf) and its Landmark Publications moved into new areas and acquired 11 companies in its continuing quest for new directory business. It now publishes more than 850 telephone directories in 45 states. US West Direct, which published 300 of those directories, received $3.3 million in measured media spending in 1986—second only to ad spending for Mountain Bell Telephone Co., the locomotive that pulls the US West revenue train.

All three of US West's telephone companies, Mountain Bell, Northwestern Bell and Pacific Northwest Bell, are testing Integrated Services Digital Network, a new technology that lets customers send voice, data, facsimile and video simultaneously over the same line.

In media usage, spot TV and outdoor spending almost doubled in 1986, while newspaper and magazine advertising declined from the previous year.

US West selected Tracy-Locke, Dallas, in mid-October 1987 to be the first agency of record for its long-distance business, which commands an ad budget of about $7 million. The company's operating companies have their own agencies.

US West's Northwestern Bell information technologies division, Minneapolis, a transmitter of electronic data to businesses, moved its estimated $1 million business-to-business advertising account to Bozell, Jacobs, Kenyon & Eckhardt, from Cole & McVoy Advertising, Bloomington, Minn., in early 1986.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	3,144	5,722
Magazines	2,475	3,634
Bus. pubs	539	48
Network TV	555	0

($ in thousands)	1986	1985
Spot TV	13,613	12,205
Network radio	17	0
Spot radio	6,149	5,406
Outdoor	427	331
Network cable	6	0
Total measured	26,925	27,346
Unmeasured	23,108	25,000
Total	50,032	52,346

US WEST
7800 East Orchard
Englewood, Colo. 80111
(303) 793-6500
Corporate Personnel
Jack A. MacAllister, president-ceo
Richard D. McCormick, exec vp
John C. Willemssen, vp-strategic planning
Judi Servoss, vp-pr
Sharon Vercimak, dir-adv & events mktg
Advertising Agency

Fallon McElligott, Minneapolis—Fred Senn, mgmt super; Mary Weber, acct super; Kathy Spraitz, acct exec; David Leslie, asst acct exec.

FIRST TELEPHONE COMMUNICATIONS
Englewood, Colo.
Marketing Personnel
James Harrison, vp-mgmt
Steve Lang, dir comm
Mickey Clark, adv mgr

MOUNTAIN BELL
Denver, Colo.
Corporate Personnel
Gary Ames, president
Marketing Personnel
Robert C. Hawk, vp-mktg
Linn A. Wallace, vp-pr & public affairs
S.C. Kanewske, adv mgr
Advertising Agency

Tracy-Locke, Denver—John McLagan, exec vp-dir client svcs; John Putney, vp-mgmt super; Jan Wondera, Megan Miller, acct execs.

NORTHWESTERN BELL
Omaha, Neb.
Corporate Personnel
Sharon Carr, president-ceo
Marketing Personnel
Janice D. Stoney, adv mgr
Advertising Agency

Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis—Dennis Sullivan, mgmt super; Ray Hathaway, acct exec; Sue Perkins, acct controller.

PACIFIC NORTHWEST BELL
Seattle, Wash.
Corporate Personnel
Andrew V. Smith, president
Marketing Personnel
Mike Breda, mgr-adv
Stan Thompson, mgr-adv
Dennis Stamaris, mgr-adv
Diana Couture, mgr-adv
Jim Moznette, dir-pr
Advertising Agency

Saatchi & Saatchi DFS, San Francisco—Brian Burns, mgmt super; Charles Skuba, acct super; Tom Shymanski, Carol Valentine, acct execs.

Van Munching

RANK **176**

New York

($ in millions)

Worldwide	1986	1985	% chg
Sales	454	414	9.7
Net income	N/A	N/A	N/A
U.S. advertising	45	93	(52.0)

Van Munching & Co. held tight to its position as the nation's top beer importer in 1986, but not without a major fight. Foreign exchange losses influenced a dollar drain of more than 50% from the company's advertising budgets. And increased competition, particularly from Corona, the trendy Mexican lager, threatened to topple Heineken, VM's flagship brand, from its long-standing position as the top imported beer in the U.S.

Despite the pressure, VM manage to increase total beer sales about 11% to 39.6 million cases in 1986 over 1985, according to *Market Watch*, a beer, wine and liquor industry trade publication. VM's combined sales represented 1.6% of the total domestic and imported beer market and 33% of the imported beer market.

What didn't grow was advertising spending, which dropped from $93 million in 1985 to an estimated $44.6 million last year, according to AD AGE. Of that total, measured spending accounted for $27 million in 1986, down from $56.4 million in 1985.

Corporate spokesman Philip Van Munching blamed reductions "of at least 30%" on weakening of the U.S. dollar in international markets—a trend that continues to influence ad spending this year.

Heineken, which has been the nation's top beer import for more than 10 years, held onto its position and boosted sales to 35.7 million cases from 34.5 million cases in 1985, according to *Market Watch*. But the increase was one of the smallest in recent history and reduced Heineken's share of the imported beer market to 29% from 31.7%. The No. 2 brand, Corona Extra, imported by Barton Brands, Chicago, multiplied sales eightfold to 26 million cases. It was distributed in only 35 states.

"There's no doubt about it. Corona is hot," Mr. Van Munching says, "and the fact that we had to increase the Heineken case price by $1.25 to account for the exchange rates was no help."

VM decreased network TV spending from $6.5 million in 1985 to only $1.5 million in 1986 and reduced spot TV spending $6.5 million to only $2.5 million. Magazine spending fell from $7.8 million to $3.9 million.

Amstel Light, VM's second largest brand, also posted sales gains—to 3.3 million cases from 2.4 million cases—but saw new competition. Once the only imported light beer, Amstel Light was joined in the category by Canadian import Molson Light, and German import, Dry Beck's Light.

Advertising support for Amstel Light virtually dried up in 1986. VM pulled the brand completely out of network TV, where it had spent over $2 million in 1985, and spent only $142,000 on spot TV in 1986. Magazine spending dropped from about $1.8 million in 1985 to $116,000 in 1986.

Grizzly Canadian Lager, VM's only Canadian import, was the company's biggest problem. Its sales were flat at 600,000 cases, according to *Market Watch*.

Though Lintas: New York (formerly SSC&B) handles all three brands, VM reportedly is reviewing its beer accounts and is expected to hear presentations from several shops. Sources say VM ordered new creative for Heineken last spring, but no new Lintas ads have been used.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	0	375
Magazines	3,880	7,842
Newsp. supps.	221	338
Bus. pubs.	161	160
Network TV	1,538	6,503
Spot TV	2,504	9,166
Network radio	145	284
Spot radio	18,670	31,724
Total measured	27,119	56,392
Unmeasured	17,631	36,900
Total	44,750	93,292

VAN MUNCHING & CO.
1270 Avenue of the Americas
New York, N.Y. 10020
(212) 265-2685
Corporate Personnel
Leo Van Munching Jr., president
Marketing Personnel
John McAna, vp-natl sales mgr
Alvin Nilson, adv mgr
Philip Van Munching, corp comm
Advertising Agency

Lintas: New York—Heineken, Amstel Light, Grizzly Canadian Lager—John Grogan, exec vp-acct mgr; John van der Kieft, vp-mgmt super; Steve Amos, acct super, Heineken; Brian McCabe, acct exec, Heineken; Tim Franklin, acct super, Amstel, Grizzly; Craig Martin, acct exec, Amstel, Grizzly.

VF Corp.

RANK **133**

Wyomissing, Pa.

($ in millions)

Worldwide	1986	1985	% chg
Sales	1,545	1,481	4.3
Net income	129	139	(7.2)
U.S. advertising	62	60	4.5

Division sales	1986	1985	% chg
Jeanswear	906	942	(3.8)
Sportswear	309	248	24.4
Intimate apparel	261	240	8.8
Other	68	51	34.2

VF Corp., which has diversified through acquisition since 1984—including the $762 million buyout of Greensboro, N.C-based Blue Bell in 1986—recorded its first profit decline in nine years last year, but is on the rebound in 1987.

For the first six months of 1987, earnings have climbed 35.5% from the 1986 period that suffered from a weak performance by its Lee division, a downturn in the jeans' market, costs associated both with the Blue Bell purchase and the closure of Troutman Co., a small maker of casual slacks and shorts.

Strength this year is coming from Wrangler, which is at the forefront of the stone-washed denim trend, and Lee, which has dropped two poorly selling lines and hired agency, Fallon McElligott, Minneapolis, to give its marketing sharper focus.

Last spring, the company broke a $20 million jeans promotion that included a print and TV campaign for Lee Relaxed Rider jeans, shifting emphasis and addressing slightly older customers—women 18-35 years old instead of those 12-24. More sophisticated and understated than past campaigns, the new approach focused on how jeans fit. The campaign also included advertising for men's jeans and Lee's first TV spots for children's jeans.

Another success at VF in 1987 has been Marithe & Francois Girbaud, a division that produces street-styled clothes. VF picked up the brand through Blue Bell. It has succeeded in standing out from the pack with two hot products—torn and destroyed jeans. Retailing for between $52 and $62, torn jeans are simply jeans with holes in them, while destroyed jeans are faded and frayed.

In support of American-made products, VF Corp. began advertising, via BBDO, a new line of Pepsi Apparel America casual clothing carrying the "America" tag to convey that the clothes are American-made. Coca-Cola apparel is made abroad.

VF also is expanding its factory outlets into western states, where it still is a relatively new concept. There are VF outlets in malls in Mesa, Ariz., Draper, Utah, and Tucson, Ariz. Most outlets offer prices 35% to 50% below retail. Other VF mall locations are on the Eastern seaboard.

During the early 1980s jeans accounted for 80% of sales. Diversification has left VF less vulnerable to trends. With Bassett-Walker and Blue Bell non-jeans' lines, jeans now are just 60% of sales.

VF also makes Vanity Fair women's apparel and Bassett-Walker jogging suits and sweatshirts. The company owns H.D. Lee, which makes the nation's third most popular brand of jeans.

The Blue Bell deal provided VF entry into the swimwear and sportswear market through Jantzen and Jansport; and into industrial laundry and occupational apparel products through Red Kap. VF now has four national brands of jeans—its Lee line, Wrangler, Rustler and Sedgefield brands—and about a 25% share of the national blue jeans market, virtually the same as Levi Strauss & Co.

Prior to the Blue Bell purchase, its share was 15%. The purchase also gives VF strength throughout the U.S. Wrangler is strongest in the West. Lee's strength is in the Midwest, Northeast and Southeast. The company expects to increase the combined Lee/Wrangler market share in jeans to 30% in five years.

In building market share in what is regarded as a mature jeans market, VF aimed Lee jeans ads at the overlooked women and children segment and helped move Lee from less 3% of the market in 1981 to more than 13% of the market today.

VF advertising is trying to give the same sort of push to Wrangler jeans. Wranglers have about a 10% share of the jeans market.

U.S advertising expenditures for all VF lines, estimated at $62 million in 1986, were up 9.6% over 1985. Totals include an estimated $6 million in Blue Bell spending.

The Lee jeans brand accounted for some $13 million in measured media spending in 1986, up 23% over a year earlier with most of that in spot TV and magazines. Wrangler jeans also got a needed boost, receiving $4.5 million, up from $457,000 in 1985, according to BAR/LNA. Wrangler sportswear got the lion's share, a substantial $5.8 million.

Lee sportswear, as tracked by BAR/LNA in 1986, recorded a measured outlay of $1.4 million, down from the $5.1 million spent on the brand in 1985. Spot and network TV and magazines represented the principal media used in Lee brand advertising.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	800	255
Magazines	8,124	6,131
Newsp. supps.	518	312
Network TV	5,982	7,993
Spot TV	5,992	5,244
Network radio	2,329	1,637
Spot radio	0	9
Outdoor	634	583
Network cable	1,530	2,089
Total measured	25,909	24,253
Unmeasured	36,300	35,300
Total	62,209	59,553

VF CORP.
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Robert E. Gregory, president-coo
JEANSWEAR GROUP
LEE APPAREL
Merriam, Kansas
Marketing Personnel
David Lowe, vp-adv
WRANGLER
Greensboro, N.C.
Marketing Personnel
L. Steven Leonard, vp-adv & promo
Bill Green, dir, business devel
GIRBAUD

REBATE
FULFILLMENT
SERVICES?
C & C Information Systems
54 Willow Park Center
Farmingdale, New York 11735
516 - 752-0881
• FAST QUOTES •
• COMPETITIVE FEES •

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YUMA, ARIZONA
EL CENTRO, CALIFORNIA
TRAVERSE CITY, CADILLAC
CHEBOYGAN, MICHIGAN

If you're not advertising on Beam Communications' TV stations, you're missing a big share of several rich new markets.

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BEAM COMMUNICATIONS

WDAM-TV, NBC, Laurel-Hattiesburg, MS
KYEL-TV, NBC, Yuma, AZ-El Centro, CA
WPBN-TV/WTOM-TV, NBC, Traverse City - Cadillac - Cheboygan, MI
WCFT-TV, CBS, Tuscaloosa, AL

Represented by Katz Continental Television

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Greensboro, N.C.
Marketing Personnel
Joni Fiori, adv & pr dir, in-house agency
Advertising Agencies

Fallon McElligott, Minneapolis—Lee Apparel—Steve Sjobold, acct exec.

Saatchi & Saatchi DFS Compton, New York—Wrangler brands—Susana McDermott, acct exec.

SPORTSWEAR GROUP
Bassett-Walker
Martinsville, Va.
Marketing Personnel
Cecil Robbins, adv dir
JANTZEN
Portland, Ore.
Marketing Personnel
Roger Yost, adv & promo dir, menswear
Bob Wirtz, adv & promo dir, womenswear
JANSPORT
Appleton, Wis.
Marketing Personnel
Skip Yowell, adv dir
Rhonda S. Lewis, asst promo & adv dir
PEPSI APPAREL AMERICA
Merriam, Kansas
Marketing Personnel
Barbara Wells, vp-mktg
Advertising Agencies

Babb-Perry, Charlotte, N.C.—Bassett-Walker—Joe Babb, acct exec.

BBDO, New York—Pepsi Apparel America—Richard Flaskegaard, acct exec.

Elgin Syfert, Seattle, Wash.—Jansport—Skip Yowell, adv & promo dir.

INTIMATE APPAREL GROUP
VANITY FAIR
New York
Marketing Personnel
Carole Stewart, adv super
MODERN GLOBE/LOLLIPOP
North Wilksboro, N.C.
Marketing Personnel
Tom Gorman, vp-mktg.
Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, New York—Vanity Fair—Gay Wasserman, acct exec.

Price/McNabb, Asheville, N.C.—Modern Globe/Lollipop—Buzz Gikens, acct exec.

OCCUPATIONAL APPAREL GROUP
RED KAP
Nashville, Tenn.
Marketing Personnel
Barbara King, mktg comm dir
Advertising Agency

Bill Hudson & Assoc., Nashville, Tenn.—Susan Andress, Tom Mays, acct execs.

Visa International

RANK
192

San Francisco

($ in millions)

Worldwide	1986	1985	% chg
Volume	129,800	110,596	17.4
Net income	N/A	N/A	N/A
U.S. advertising	35	42	(14.9)

In a major push for a share of the business travel and entertainment dollar, Visa, generally used for retail purposes, is butting heads with American Express and going after the competition through sponsorship of the Winter and Summer Olympics in 1988.

Visa USA's head-knocking aggressiveness has shown results: In the first half of 1987 ended June 30, Visa's total U.S. dollar charge volume was $43.66 billion, up 12.6% from the first half of 1986. Its worldwide total in the first quarter (worldwide figures lag by a quarter domestic results) of $35 billion, was up 18.5% from the same period in 1986.

Visa laid out $14.5 million to be the sole financial services sponsor of both 1988 Olympic games and is planning [illegible] million for Olympics-oriented media buys, marketing and promotion. As an encore, Visa, which sees the Olympics as providing a rallying point for its diffuse membership of 19,000 banks, continued the momentum by snapping up sponsorship of the U.S. ski team.

Visa is putting the Olympics logo on credit cards and will use it on T-shirts, tote bags and other items for new card applicants.

Visa's ad campaign by agency BBDO, New York, with the theme "Visa, it's everywhere you want it to be," hit travel and entertainment leader American Express head-on. In a Cleo-winning commercial, couples dine at Rosalie's, a quaint Italian restaurant in Marblehead, Mass., where course after course of food is served. The clincher: "But if you go there, remember, bring a big appetite and bring your Visa card, because at Rosalie's they don't take no for an answer and they don't take American Express."

In one print ad, Visa's "they don't take American Express" campaign for travel checks went too far for American Express' taste. Visa said its name was on four times as many shops as American Express, but later backed down and eliminated the reference to American Express. In a second ad, Visa backed off wording that was perceived to indicate American Express cards would not be accepted in Calgary. Only Visa will be accepted at the games, but other cards will be accepted as usual in other parts of the city.

In a major breakthrough, Visa and MasterCard were successful in breaking into a market estimated at $6 billion by convincing 16 major department store chains such as Bloomingdales to accept their cards.

Visa continues to dominate the U.S. credit card business. As of June 30, 1987, out of 215.15 million cards outstanding, up 14.1% from year-end 1986, Visa held a 47.9% share, MasterCard 34.8%, American Express 8.5%, Discover 7.4% and Citicorp (Diners Club) 1.4%.

Visa has had only minor erosion in its market share in card purchase volume. Out of $212.17 billion in charges in the U.S., as of June 30, 1987, Visa held a leading 42.1% share, MasterCard 28.4%, AmEx 25.9%, Diners Club 1.6%, Discover 1.9%.

Worldwide, Visa held nearly half of the cardholders and 44% of the dollar volume in the payments card business at the end of 1986. In traveler's checks, Visa is second with a 19% share, compared with AmEx's 60%. MasterCard is a distant third with 5%.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	9,229	5,581
Bus. pubs.	786	347
Network TV	12,422	16,549
Spot TV	2,342	1,476
Network radio	0	2,466
Spot radio	4	3,047
Outdoor	6	185
Network cable	535	217
Total measured	25,322	29,768
Unmeasured	10,123	11,900
Total	35,445	41,668

VISA USA
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Marketing Personnel
John H. Bennett, sr vp-mktg
Vince La Paglia, vp-paper prods
Jan Soderstrom, vp-adv
David Roberts, mgr-adv
Advertising Agency

BBDO, New York-all prods-Gary DePaolo, vr-sr mgmt dir; Richard Kronengold, acct super; Kevin Roddy, acct exec; Mike Hedge, assoc media dir; Charles Meismer, sr creative dir; Art Millor, creative dir.

Volvo AB

RANK
185

Goteborg, Sweden

($ in millions)

Worldwide	1986	1985	% chg
Sales	12,240	12,119	1.0
Net income	577	630	(8.4)
U.S.	**1986**	**1985**	**% chg**
Sales	3,019	3,200	(5.7)
Operating profits	N/A	N/A	N/A
Advertising	41	49	(16.0)

Volvo North America Corp., the Rockleigh, N.J.-based subsidiary of Sweden's AB Volvo, looks toward the spring 1988 entry of its lower-priced Volvo 480 to continue to build sales in the U.S. By August 1987 sales had dropped 5% compared with the same period in the previous year.

Volvo reported sales of 111,100 cars in the U.S. and 7,500 in Canada in 1986. Total unit sales in North America were up 7.5% from 1985 and represented 28% of Volvo worldwide car sales of 419,500 units.

In the last 10 years, Volvo has more than doubled its share of the U.S. car market, which stood at 1% in 1986.

Volvo is the No. 1 European exporter to the U.S. in the "upscale family-car segment" and is the No. 2 European exporter to the U.S. overall, second only to Volkswagen AG.

Volvo attributes the sales slump so far in 1987 to heavy market competition and problems with supply. The company still expects to finish the year with 110,000-112,000 sales, with the model mix remaining about the same as last year—50% for the 740 model, 38% for the 240, 10% for the 760 and 2% for the 780 coupe.

Volvo predicts it will sell 200,000 units annually in the U.S. by 1995. A great deal of that extra volume will come from the turbocharged, front-wheel-drive 480 ES coupe, built by Volvo Car BV in the Netherlands. U.S. introduction of the 480 has been delayed, mainly because Volvo hasn't been able to produce enough cars to satisfy demand in Europe. Industry observers in Europe add that the weakness of the U.S. dollar has been another cause of the delay.

The 480 should account for 15,000-20,000 unit sales in its first full year beginning next spring. Volvo eventually expects to sell about 50% of the plant's capacity—20,000-25,000 units—annually in the U.S. The 480's price range is $11,000-$15,000.

At the other end of the price spectrum is the Bertone-styled, $38,000 Volvo 780 coupe, which hit dealer showrooms last summer.

Although Volvo officials are close-mouthed about ad budgets, one spokesperson says ad spending for 1988 will be split 40% print, 40% broadcast, 20% other (including outdoor, promotions and other tie-ins). Broadcast will consist mainly of dealer cooperative advertising.

Magazines will continue to get the lion's share of print spending. Print ads by Scali, McCabe, Sloves, New York, Volvo's agency for 20 years, will bear the tagline, "Volvo. A car you can believe in.".

Volvo also will spend roughly $3 million this year on its long-running tennis sponsorship. About half of that will go to professional events—for media advertising, promotion and prize money. The rest will be split between Volvo's collegiate and recreational tennis programs. Volvo also will sponsor the first World Equestrian Games in Stockholm in 1990.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	5,768	8,970
Magazines	11,624	11,099
Newsp. supps.	395	596
Bus. pubs.	1,025	931
Network TV	3,987	436
Spot TV	4,937	7,714
Spot radio	378	3,969
Outdoor	1	20
Network cable	637	478
Total measured	28,753	34,213
Unmeasured	12,606	15,000
Total	41,359	49,213

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Gerald Dudzik, natl adv mgr
VOLVO AUTOMATED SYSTEMS
Marketing Personnel
Ralph Daulton, vp-genl mgr
VOLVO GM HEAVY TRUCK CORP.
Marketing Personnel
Larry Oliphant, vp-sales & mktg
VOLVO-PENTA OF AMERICA
Marketing Personnel
Alan Revington, president
Advertising Agency

Scali, McCabe, Sloves, New York—John Slaven, sr vp-mgmt super; Gloria Wood, Doug Pease, Dean Beals, acct supers; John Fiscella, acct exec; Tom Stacey, acct super, eastern region; Peter Gottfried, acct super, western region.

Hiram Walker-Gooderham & Worts

RANK
197

Toronto

($ in millions)

Worldwide	1986	1985	% chg
Sales	N/A	3,403	N/A
Net income	N/A	538	N/A
U.S.	**1986**	**1985**	**% chg**
Sales	N/A	1,174	N/A
Operating profits	N/A	93	N/A
Advertising	33	41	(21.1)
Division sales	**1986**	**1985**	**% chg**
Distilled spirits	N/A	1,516	N/A
Natural resources	N/A	482	N/A
Gas utilities	N/A	1,767	N/A

After an attempted takeover and subsequent court battle, Hiram Walker-Gooderham & Worts found itself under new leadership last October, split from the holding company, Hiram Walker Resources, whose oil and gas holdings had made it a target for raiders.

Allied-Lyons PLC, London, owns 51% of Hiram with a two-year option to purchase the 49% held by Gulf Canada Corp., Toronto, which took over the gas and oil divisions of Hiram Walker Resources. Gulf Canada itself is 75.6% owned by Olympia & York Developments, Toronto, a real estate company.

Hiram Walker has benefitted from its new relationship with Allied-Lyons. Detroit-based Hiram Walker Inc., the U.S. sales company, picked up U.S. marketing rights to Lyons brands formerly under Heublein. Walker officials expect to market more Lyons brands in the U.S.

Walker also acquired Brooklyn-based Joseph Victori Wines Co. in June 1987. Victori brands include Calvin Cooler and Paradise Springs Seltzer. This purchase marks Walker's entry into the lucrative cooler market, growing with the national movement toward lighter, sweeter drinks. The nation's sixth-ranked cooler, Calvin had 1986 sales of 5.7 million cases or about $116 million, according to *Market Watch*, a monthly publication on wine and liquor published by M. Shanken Communications Inc.

The company has begun a search for an ad agency for the brand, says Tim Dorr, marketing director for Calvin Cooler. Warwick Advertising, which formerly had the account, resigned it recently.

Accounts for other Walker brands are also up in the air. McCaffrey & McCall, New York, recently resigned Canadian Club, Haagen-Dazs Cream Liqueur and the company's line of cordials and schnapps, estimated at $8-$12 million in business. M&M left after merging with its sister firm, Rumrill Hoyt, New York, in the Saatchi & Saatchi network. Rumrill Hoyt handles Bacardi Imports, Miami.

Canadian Club, Walker's flagship brand, ranked 12th among Canadian whiskies nationwide, with 2.5 million case depletions in 1986. Although this represented an 8% drop, the brand held onto its 13% share of the category, according to Frank Walters, director of research for *Impact*, a wine and spirits newsletter. Mr. Walker also provided the market information for this article. Measured advertising for the brand fell about 23% in 1986, to just under $6.3 million, according to BAR/LNA.

Although measured advertising for Kahlua liqueur, Walker's second biggest brand, fell 6% to slightly more than $6.9 million, sales were static at 1.7 million case depletions. Kahlua draws 9% of sales in the liqueur category.

Hiram Walker cordials, third-ranked on the company's product list, performed better, increasing sales 3% to 1.65 million case depletions. Walker spent 19% less, or about $1 million, on advertising for the brands, according to BAR/LNA. The cordials have an 8% share of category.

Courvoisier cognac maintained its 7% share of category despite a 4% drop in sales and 17.5% cut in promotional spending to about $6.5 million in 1986. A new print and outdoor campaign began in October.

Now a private company, Hiram Walker no longer releases sales or profit figures.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	1,846	2,430
Magazines	17,208	21,421
Newsp. supps.	235	302
Bus. pubs.	31	0
Outdoor	5,000	7,073
Total measured	24,319	31,226
Unmeasured	8,200	10,000
Total	32,519	41,226

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Gerald Simpson, vp, dir-intl mktg
William P. Wilde, vp, dir-mktg
Stephen Eskoff, vp, natl sales mgr
WINE & SPECIALTIES GROUP
Marketing Personnel
Elio L. Marcon, president
Martin W. Gold, president, Fredrick Wildman & Sons
Stephen Nadelberg, president, Hiram Walker-Consolidated Intl Brands
John J. Harcarufka, president, W.A. Taylor & Co.
T. William Samuels Jr., president, Maker's Mark Distillery
Terrence Clancey, president, Callaway Vineyard & Winery
KAHLUA GROUP
Marketing Personnel
Roy W. Stevens, president
Bill Blue, vp, dir-intl mktg
James T. Flaherty, vp-sales, Maidstone Wine & Spirits
David P. Boyle, vp-mktg, Maidstone Wine & Spirits
Advertising Agencies

Advertising to Women, New York—Harvey's ports and sherries—Phillip Garaci, exec vp.

N W Ayer, New York—Ballantine scotch, Canadian Rich & Rare—Stuart Brown, media super.

Eisaman, Johns & Laws, Los Angeles—Maidstone Wine & Spirits, Kahlua—Dean Laws, president, mgmt rep; Andrea Giambrone, sr vp-assoc creative dir; Rick Sale, vp-acct super; Wendy Silver, acct exec.

Lockhart & Pettus, New York—Canadian Club, black adv—Keith Lockhart, president; Theodore D. Pettus, exec vp; Ronn D. Harris, sr vp, dir-client svcs.

Poppe, Tyson, New York—Canadian Club Classic—Phil Moore, sr vp, dir-client svcs; Bill Giacalone, acct super.

Simons Michelson Zeive, Troy, Mich.—Royal Canadian—Dennis Zinzhook, vp-acct super.

J. Walter Thompson, New York—Courvoisier, Drambuie, Tia Maria, Cockburn's Port—Tim Arnold, sr vp-mgmt dir; Doug Foster, vp-sr acct super; Linda Kaplan, sr vp-creative dir.

Waring & LaRosa, New York—Babycham—John Cassano, vp-acct exec.

Wal-Mart Stores

RANK
107

Bentonville, Ark.

($ in millions)

Worldwide	1986	1985	% chg
Sales	11,910	8,451	40.9
Net income	450	327	37.4
U.S. advertising	76	40	87.3

Wal-Mart Stores Inc., one of the country's fastest growing retailers which by tradition has begrudged its spending on advertising and promotions, nonetheless put that image to rest in 1986 by boosting total advertising 87.3% to $75.5 million.

Charles Self, Wal-Mart vp-finance, says Wal-Mart advertising has always been less than 1% of total sales. Of the total, measured spending was $30.5 million, up from only $16.3 million in 1985.

The largest increases in measured advertising during 1986 were reported in men's apparel, up 365% to $1.4 million; miscellaneous, up 269% to $10.1 million; automotive, up 233% to $1 million; and sport, toy and hobby, up 131% to $6.6 million.

Advertising expenditures still mirror Wal-Mart's reputation for maintaining low overhead, some say the lowest of any mass merchandiser in America. With its well-run, no-nonsense approach, Wal-Mart also is maintaining the competitive heat on other discounters.

Wal-Mart continues to ascend the ranks of America's retail giants. In terms of 1986 sales, it placed No. 2 among mass merchandising discount chains (behind K mart), No. 4 among mass merchandisers and No. 7 among all retailers.

The first two quarters of 1987 ending July 31 demonstrated strong growth. Revenues hit $6.9 billion, up 36% from 1986, and net income, $244.4 million, a rise of 44% over the same period a year earlier.

Wal-Mart, with an extensive presence in the Oil Belt states, is cruising through the region's economic slump in good standing, a fact observers credit to its sales of non-durable goods and discount brand name items.

J.D. Simpson III, VP-corporate finance and research analyst at the Little Rock, Ark., investment firm of Stephens Inc., believes Wal-Mart will maintain 30%-35% annual growth at least into 1990.

The corporation is continuing the strategy of expansion from its mid-Sun Belt base, across the South, Midwest and Southwest—now 24 states all told. A total of 1,050 Wal-Mart stores were operating on July 31, 1987, compared with 915 a year ago.

Wal-Mart continues to enjoy positive feedback from its Middle America constituency for its "Buy America" program instituted in 1986 by founder and chairman Sam M. Walton, who is reported to be the richest man in America. Officials tout the program as being responsible for the purchase of more than $1 billion of domestically produced goods.

Sam's Wholesale Club, a subsidiary, became the largest operation of its kind in the nation during 1986. On July 31, 1987, 73 outlets were generating sales of $615.9 million. That compares with 37 wholesale clubs producing $400.8 million a year ago. Wal-Mart gained the club through its purchase of Super Saver Warehouse Club Inc., Monroe, La., in May 1987. The deal involved 20 wholesale clubs in 12 states.

Within its general merchandise outlets, Wal-Mart added 144 pharmacies in 1986, and plans call for an additional 160 during 1987. Under consideration is the addition of grocery stores to some existing Wal-Mart stores of 100,000 sq. ft.

The corporation has experimented on a limited basis with deep discounting and retail health-and-beauty-aid operations. Officials expect to enter the $240 billion retail food market within a year when the first Hypermart U.S.A. opens in Garland, Texas, as part of a joint venture with Dallas-based Cullum Cos. The hypermart features a one-stop shopping approach in 220,000 sq. ft.—general merchandise, apparel, dry cleaning, shoe repair, fast-food restaurants, financial services and grocery items. Additional hypermarts are planned.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	85	0
Spot TV	30,445	16,322
Outdoor	0	2
Total measured . . .	30,529	16,324
Unmeasured	45,000	24,000
Total	75,529	40,324

WAL-MART STORES
702 S.W. Eighth St.
Bentonville, Ark. 72716
(501) 273-4000
Marketing Personnel
Dwight Carney, vp-adv & sales promo
Bob McCurry, dir-adv
Joe Chappelle, dir-sales promo
Advertising Agency
Bernstein-Rein Advertising, Kansas City, Mo.—Skip Rein, exec vp.

RANK **128**

Wellcome PLC

London

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	1,468	1,473	(0.4)
Net income	93	87	7.2
U.S.	**1986**	**1985**	**% chg**
Sales	624	656	(4.7)
Operating profits	N/A	N/A	N/A
Advertising	65	51	26.2
Division sales	**1986**	**1985**	**% chg**
Human healthcare	1,231	1,205	2.2
Animal healthcare	237	260	(9.0)

Wellcome PLC, British-based pharmaceuticals manufacturer, in September started selling the only AIDS drug on the market, a drug one analyst predicts will reach $100 million in sales this year.

Even though Retrovir (trade name for azidothymidine or AZT) is considered a palliative—alleviating symptoms and extending life—rather than a cure, "there's nothing else out there," says Hemant Shah, analyst for Normura Securities International in New York.

At a cost to the customer of $11 million to $12,000 per year's supply, Retrovir should overtake Zorivax, the company's treatment for genital herpes that in fiscal 1986 became its top-selling product, says Mr. Shah. (Wellcome sources put customer cost of AZT at $8,000 yearly, with a bottle of 100 tablets selling wholesale for $188.)

Zorivax, which like AZT is advertised to physicians in a campaign run by Rolf Werner Rosenthal of New York, had worldwide sales of $153 million in fiscal 1986. Rumrill-Hoyt, a division of McCaffrey & McCall, advertises Zorivax to consumers, but not by name. They are told to ask their doctor about a prescription drug for herpes. There is no similar consumer advertising for AZT.

Wellcome's FDA application to market Zorivax in the U.S. as a treatment for shingles is pending. Potential competition looms ahead. Bristol-Myers is close to receiving government permission to conduct tests on two AIDS drugs, DDA and DDI. Without competition, Retrovir will be a $150 million-$200 million business next year, says Mr. Shah. The company's U.S. arm, Burroughs Wellcome Co. in Research Triangle Park, N.C., is manufacturer not only of Retrovir and Zorivax but of the company's popular OTC cold remedies, Actifed and Sudafed, and its topical antibiotic Neosporin. Actifed and Sudafed together had 18% of the U.S. market in 1986, estimates Kline & Co., a research firm in Fairfield, N.J. Separately, Actifed accounts for a 9.5% share and Sudafed for 8.5%. This was a slight drop from 1985, when Actifed had 10% and Sudafed 9%, but still the combined share was above Procter & Gamble Co.'s Nyquil (12% share) and SmithKline Beckman Corp.'s Contac (8%).

BAR/LNA service says Wellcome spent $13 million in measured media on Actifed and $8 million on Sudafed in 1986. Actifed spending dropped from $15 million in 1985, and Sudafed expenditures stayed the same. The company advertised Neosporin on network TV for the first time, spending $5.4 million. The three products accounted for 90% of Wellcome advertising as measured by BAR/LNA. Network TV claimed 90%.

Because 43% of sales and 67% of profits come from the U.S., Wellcome has been adversely affected by a steadily declining U.S. dollar.

Despite the dollar's 74.% decline against the pound, Wellcome closed fiscal '87 ending Aug. 30 with sales of $1.79 billion and retained profit of $111 million based on the 1987 average annual exchange rate of 1£=$1.5764.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	2,435	271
Newsp. supps	142	0
Bus. pubs	670	1,388
Network TV	26,454	22,236
Spot TV	198	80
Network cable	348	455
Total measured . . .	30,245	24,430
Unmeasured	34,655	27,000
Total	64,900	51,430

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Research Triangle Park, N.C. 27709
(919) 248-3000
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Theodore E. Haigler, president-ceo
Peter A. Reckert, vp-mktg & sales
Jerry Arnold, vp-prod mktg, new prods
Ron Wilson, dir-adv & comm
Advertising Agencies

Fones & Mann, New York—Actifed, Alkeran, Cardilate, Cortisporin Ophthalmics, Cortisporin Otics, Cortisporin Topical, Flolan, Imuran, Leukeran, Marezine tablets, Myleran, Neosporin Ophthalmics, Neosporin Topicals, Nix, Polysporin Ophthalmic, Polysporin Topicals, Polytrim, Purinethol, Sudafed, Thioguanine, Tracrium/Anectine, Viroptic, Wellbutrin, WellcovorinWellferon, Pediotic—Doug Wicker, Dave Callahan, acct supers.

Rolf Werner Rosenthal, New York—Retrovir, Zovirax—Howard Reiss, sr vp-mng dir; Carol Krugman, vp-project dir; Donna Moccio, vp-editing & programming dir; Joanne Jablonski, dir-operations & admin.

Rumrill-Hoyt, New York—consumer promo-Actifed prods (otc), Neosporin Topicals (otc), Polysporin Topicals (otc), Sudafed prods (otc) —Herbert Warren, exec vp-mgmt super; James Scanlon, sr vp-mgmt super; Walker Lewis, Doug Heimbigner, John Edwards, acct supers; Connie Gore, acct exec.

Hard sales projected

The Department of Commerce projects total retail hardlines sales to hit $116.1 billion by 1992, with hardware stores at $17.4 billion, home centers $55.3 billion, and DIY lumberyards $43.4 billion. Projections are based on a total hardlines industry compounded annual growth rate of 9.57% for 1986-92. In 1986, growth rate of hardware and home centers was 15.8% vs. 5.2% for all retailers.

RANK **135**

Whirlpool Corp.

Benton Harbor, Mich.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	4,009	3,475	15.4
Net income	200	182	9.9
U.S. advertising	62	62	(0.5)
Division sales	**1986**	**1985**	**% chg**
Laundry appliance	1,353	1,301	4.0
Refridg, air cond.	1,391	1,228	13.3
Home appliances	920	690	33.3
Other prods.	344	255	34.9

Whirlpool Corp., building on its market leadership in many appliances, focused on kitchen products while selling its central heating and air-conditioning unit in 1986.

In the process, the company remained a major appliance supplier to Sears, Roebuck & Co., [illegible] provided 37% of its revenue during the [illegible].

Chairman Jack [illegible] Sparks, who retires this year, reported the company realized $156 million cash from the sale of the heating and AC company, Heil-Quaker Corp., to Inter City Gas of Canada.

A major thrust for Whirlpool is the conversion of KitchenAid Inc., which it bought in 1986, to a full-line, high-end supplier targeting trade-up replacement business. The KitchenAid product line was expanded and given a $3.5 million advertising push during the year, most in magazines.

New KitchenAid products include dishwashers, ovens, ranges, microwave ovens, refrigerators, freezers and laundry equipment. Whirlpool already is a market leader in some of these categories. *Appliance* magazine reported that Whirlpool in 1986 had a commanding 65% of the trash compacter market in unit sales, 54% of gas dryers, 53% of electric dryers, and 50% of washers. Whirlpool also is the leader in freezer unit sales with a 37% share, and holds 28% of the refrigerator market, 20% of dishwashers, 15% of electric ranges, and 2% of microwave ovens.

The 1986 acquisitions of Mastercraft Industries Corp. of Denver and St. Charles Manufacturing Co. of St. Charles, Ill., fit the thrust of the Whirlpool Kitchens Inc. subsidiary formed at the end of 1985. The purchases add various types of cabinets to the line, which Whirlpool Kitchens began marketing this year through company-owned retail operations called "Design Works Kitchen Centers."

Although advertising spending didn't rise in 1986, BAR/LNA monitored substantial shifts in the distribution of the spending—mainly toward brands and away from general promotion. The company gave its biggest push to Whirlpool dishwashers, increasing spending more than 51% to $7.3 million. Whirlpool ranges were given $5.2 million in advertising, up 62%.

The increases for the specific products were largely at the expense of advertising for general promotion, down 59%, and for major appliances, down 55%.

Company sales for the first six months of 1987 were 7.8% higher than the year before. But profits were down 5.4% for the same period, which Mr. Sparks attributed to increased production costs and the expense of making and marketing the KitchenAid line.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Newspapers	4,140	1,750
Magazines	12,445	12,365
Newsp. supps	56	0
Bus. pubs	448	536
Network TV	13,925	14,477
Spot TV	2,638	2,317
Network radio	7,930	6,605
Spot radio	0	2
Outdoor	13	3,721
Network cable	291	306
Total measured . . .	41,887	42,079
Unmeasured	19,909	20,000
Total	61,796	62,079

WHIRLPOOL CORPORATION
Benton Harbor, Mich. 49022
(616) 926-5000
Marketing Personnel
Hank W. Bowman, exec vp-mktg
Robert W. Paul, vp, Whirlpool sales
B. David Allen, div vp-mktg comm
Herbert A. Rose, natl adv mgr
Advertising Agencies

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.—washers, dryers, refrigerators, dishwashers, conventional cooking prods (ranges, ovens), microwave ovens, vacuum cleaners, corp adv—R.P. Monley, exec vp-mgmt super; Tom Hayden, vp-acct super; J. Ryckman, K. Ayala, acct execs; S. Kopcha, exec vp-exec creative dir; G. Howell, vp-group creative dir.

The Netedu Co., Benton Harbor, Mich.—sales promo, prod literature, contests—Mike Kosinski, vp-acct super; Bill Sherrington, Cyndi Marquardt, Shari Hansel, acct execs.

KITCHENAID INC.
St. Joseph, Mich.
Marketing Personnel
Kenneth W. Kaminski, president
Glenn L. Zerler, div vp-sales
Walter C. Layton, dir-mktg comm
Robert R. Boatman, natl adv mgr
Advertising Agencies

N W Ayer, New York—Mark Bollman, sr vp-mgmt super; Charles Meding, sr vp-exec acct dir; Victoria Squires, vp-acct super; Kate Zobel, acct exec; John Walsh, sr vp-exec creative dir; Jim Murphy, Howard Rieger, sr vps-group creative dirs; Rees Behrendt, vp-creative super; Frank Campana, sr art dir.

Creative Advertising, St. Joseph, Mich.—sales promo, prod literature—Richard J Radke Jr., vp-acct super.

WHIRLPOOL KITCHENS
Englewood, Colo.
Marketing Personnel
Dennis D. Finch, president
Robert C. Russell, sr vp-mktg
Charles "Gus" Gustafson III, vp-contract sales
Steven W. Hammons, vp-retail sales
Timothy Gardner, corp dir-mktg svcs
Colleen Travis, super-adv & promo
Advertising Agency

Karsh & Hagan Advertising, Englewood, Colo.—all company activities—Tom Hagan, co-chmn; Hank Schaller, acct super; Melissa Steinberg, acct exec.

RANK **167**

Wickes Cos.

Santa Monica, Calif.

($ in millions)

Worldwide	**1986**	**1985**	**% chg**
Sales	4,770	2,806	70.0
Net income	84	76	10.0
U.S.	**1986**	**1985**	**% chg**
Sales	4,231	2,537	66.7
Operating profits	207	127	62.3
Advertising	50	50	(0.1)
Division sales	**1986**	**1985**	**% chg**
Building matls	2,164	1,602	35.1
Wall covering	492	248	98.7
Apparel	915	451	103.0
Auto products	1,199	506	137.0

Wickes Cos., operating in four distinct product categories, is moving to reduce its exposure in its consumer-oriented businesses and concentrate on the industrial and high technology centers of activity.

In late October, Wickes put on the market three of its operating units—Wickes Lumber, Kayser-Roth Apparel and Kayser-Roth hosiery. Wickes is seeking more than $600 million for the units that had cumulative operating earnings of $80 million on sales of $1.8 billion in 1986.

The divestiture follows an acquisition binge in which Wickes spent about $2.5 billion since its emergence from a corporate reorganization under the protection of the Bankruptcy Code in early 1985.

Before it emerged from its Chapter 11 proceedings, Wickes Cos. was primarily a retailing operation. The company has since diversified into manufacturing, especially with the $1.16 billion purchase in late 1986 of Collins & Aikman Corp., a leading commercial and industrial textile manufacturer.

The acquisitions pumped up Wickes Co.'s sales by 70% to $4.77 billion for its fiscal 1986 ended Jan. 31, 1987, compared to $2.81 billion in the previous year. Net profit for the company edges up to 10.1% to $83.8 million.

In the first half of fiscal 1987 ending Aug. 1, Wickes had net sales of $3 billion, up from $2.1 billion in the corresponding period. Operating income was $185.5 million, up 47.2%.

Wickes Cos. spent a total of $150 million on advertising and sales promotion in 1986, according to Michael Sitric, senior VP-corporate communications. The bulk of that money, however, is spent on local newspaper and regional direct mail campaigns. Wickes spent $34.7 million in measured spending in 1986, up 4.2% from the previous year.

About 84% of Wickes measured spending went to TV advertising; $13.5 million in network TV and $5.3 million in spot buys. Wickes spent $2.3 million, or 7% of its total budget, on network and spot radio.

With 1986 fiscal year sales of $2.16 billion for the building materials and home improvement division, Wickes currently ranks as the No. 2 competitor in the home improvement center industry, trailing only Lowe's Inc. Despite its dominant position, Wickes claims only about 3% of the $68 billion industry. However, it is trying to sell the 241-store Wickes Lumber chain.

Wickes Lumber contributes an estimated 50% of the division's sales. About 60% of Wickes Lumber's revenues come from contractors, although the company has taken steps, including boosting consumer-oriented advertising, to lessen its reliance on this professional market.

Don Hunter, publisher of *Home Center* magazine, Lincolnshire, Ill., described Wickes' plan to sell Wickes Lumber as ironic. "Wickes Lumber is the grandfather of the home center industry," he says. "They were selling to consumers before there was a consumer market (for home improvement products)."

In a highly regionalized industry, Wickes Lumber, operating in 36 states, represents the closest thing to a national chain, Mr. Hunter says.

The sale of Wickes Lumber will leave the company's Builders Emporium chain intact. Wickes boosted that chain's presence with the 1986 acquisitions of Grace Home Centers West and Orchard Supply Hardware from W.R. Grace & Co. for $186.6 million.

The purchases created the largest network of home improvement centers in California.

In early 1987, Wickes decided to merge the advertising efforts of Builders Emporium and all California-based Ole's outlets, picked up in the acquisition.

As the largest of Wickes' four divisions, the building materials and home improvement segment contributed 41% of Wickes sales and 22% of its operating profit. With the acquisitions, the division boosted measured ad spending 65% to $14.9 million in 1986, compared to $9 million in the previous year.

Wickes entered the apparel and hosiery industries in July 1985, when it acquired Kayser-Roth Apparel and Kayser-Roth

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Hosiery as part of a $1 billion purchase of the Consumer and Industrial Products Group from Gulf + Western Industries. Wickes' apparel and hosiery division contributed 16% of the company's fiscal 1986 sales and 14% of its operating profit.

Kayser-Roth Hosiery ranks No. 2 behind Hanes Hosiery as the leading marketer of hosiery and socks. In the food, drug and mass merchandise stores, K-R's No Nonsense brand of women's hosiery competes primarily against L'eggs, from Hanes. Within the No Nonsense brand, K-R introduced two line extensions in 1986: Sheer & Silky and Light Support. No Nonsense holds about 30% of the $2.5 billion branded hosiery market, compared to Hanes' 40%. Wickes also competes in the hosiery market through department and specialty stores under such licensed brands as Calvin Klein, Liz Claiborne and Leg Looks. Through that distribution channel, Wickes ranks third behind Hanes and Pennaco Hosiery, a subsidiary of International Playtex. In 1986, Wickes introduced the Burlington brand to mass merchants.

About 90% of the Kayser-Roth division's $16.7 million ad spending, or $15.1 million, backed the No Nonsense brand, even outspending rival Hanes in the food, drug and mass merchandise outlets. The remaining $1.6 million supported K-R's apparel and other hosiery brands.

Kayser-Roth Apparel markets clothes under the Cheryl Tiegs, Calvin Klein, Cole of California and Catalina brands.

Sales of Wickes' automotive and industrial products division more than doubled in 1986 to $1.2 billion, and with Wickes' divestiture plans, the division should play an even more important role for the company. While the division's sales represented 27% of Wickes' revenues, the division accounted for 40% of Wickes' operating income. Although primarily a wholesaler, the division includes APS Inc., which operates 100 company-owned and 1,500 independently owned Big A Auto Parts Stores. Wickes spent $1.9 million in 1986 to advertise its Big A stores.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	2,497	2,473
Newsp. supps.	213	156
Bus. pubs.	300	0
Network TV	13,545	14,078
Spot TV	15,258	13,899
Network radio	1,931	2,337
Spot radio	445	397
Outdoor	221	204
Network cable	285	198
Total measured	34,694	33,741
Unmeasured	15,000	16,000
Total	49,694	49,741

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Corporate Personnel
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Michael S. Sitric, sr vp-comm
BUILDERS EMPORIUM
Marketing Personnel
Jack Edwards, president-ceo
Dennis Albert, vp-adv
KAYSER-ROTH APPAREL
Marketing Personnel
Charles Gessner, president
Maurice Forman, vp-strategic planning
Harvey B. Hoffman, president, Calvin Klein Underwear, Sleepwear
Robert A. Cordova, president, Catalina
George P. Green, president, Cole of California
KAYSER-ROTH HOSIERY
Marketing Personnel
P. Frederick Kahn, president
Michael C. Proies, president, No Nonsense Fashions
Terry Waltz, vp-mktg, No Nonsense Fashions
Terry L. Johnson, president, ladies hosiery div
Richard L. Hall, president, sock div
LEATH FURNITURE
Corporate Personnel
Robert C. Feuerhaken, chmn
ORCHARD SUPPLY HARDWARE
Marketing Personnel
Maynard Jenkins, president-ceo
Joseph DiRocco, vp-mktg
WICKES FURNITURE
Marketing Personnel
Robert C. Feuerhaken, chmn
John A. Klein, president-ceo
WICKES LUMBER
Marketing Personnel
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William Hensler, sr vp-genl merch mgr
WICKES MANUFACTURING CO.
Marketing Personnel
Neil J. Feola, president
Susan Williams, mktg dir
APS INC.
Marketing Personnel
Fred Pisciotta, president
YORKTOWNE
Marketing Personnel
Sam Palazzolo, president
John Stephenson, mktg dir
Advertising Agencies

Foote, Cone & Belding, Chicago—No Nonsense brands—Malcolm Campbell, Rhonda Shumway, acct execs.

(In-house) Wickes Advertising, Santa Monica, Calif—all adv except No Nonsense brand—Joseph Sollish, vp-mng dir.

Western International Media, Los Angeles—all media buying—Jack Silver, acct exec.

Winn-Dixie Stores

RANK **155**

Jacksonville, Fla.

($ in millions)

Worldwide	1987	1986	% chg
Sales	8,804	8,225	7.0
Net income	112	116	(3.5)
U.S. advertising	53	45	17.1

To counter unyielding competition, Winn-Dixie Stores Inc. is lowering prices, building larger stores and closing smaller ones, increasing its produce offerings by 20% and boosting advertising. W-D is the fourth largest U.S. grocer and the largest supermarket chain in the Sun Belt.

During its fiscal 1987, which ended June 24, Winn-Dixie opened 84 "superstores" (about 37,000 sq. ft. each) and closed 68 stores, averaging 20,800 sq. ft. The company also added one more Table Supply, its warehouse-type, bag-your-own grocery outlet, bringing that division to six stores, averaging 73,000 sq. ft.

Ambitious plans in the next 12 months call for the closing 40 small stores and building the same number of larger ones. The company hopes to increase sales 8% to $9.5 billion in fiscal 1988.

One-third of W-D's 1,260 stores are in Florida; the rest are scattered though 12 states, from Texas to Virginia.

The chain's biggest competitor in Florida is the Publix chain, which has a total of 331 stores, all in Florida. It is slightly more upscale than W-D.

The company faces the toughest competition in the Tampa-Orlando belt. According to *Progressive Grocer*, the combined Tampa-Orlando area has had a 25% increase in stores since 1980, ranking it the second hottest area of activity in the nation, next to Charlotte, N.C.

Kroger, the nation's largest grocer, opened its Florida Choice division in 1985 and now has 44 stores, most of them in the Tampa-Orlando area.

Earlier this year, Kroger opened two Welcome Super Warehouse stores in Winn-Dixie's backyard, Jacksonville. In August, North Carolina-based Food Lion also opened four stores in Jacksonville. The company plans 20 additional store openings in Florida in the next 12 months.

Last year, however, Winn-Dixie claimed the No. 1 spot in Jacksonville and Orlando, with 30% and 35% market shares, respectively, compared to Publix, 28% and 29%, respectively. However, Publix won with a 27% market share in Tampa to Winn-Dixie's 16%.

The heavy competition has forced W-D to lower prices, which has cut into margins and contributed to W-D's 3.5% earnings decline in fiscal 1987.

Burdensome trucking costs prompted the company to make its first major divestiture in recent years. Sixteen small stores in Nashville, Tenn., were sold in October 1987 to Malone & Hyde, a Memphis food wholesaler.

In addition to competitive pressures, the company has suffered from the depressed economies in the oil producing states of Louisiana and Texas, where it operates 90 and 86 stores, respectively.

W-D spent $52.5 million on advertising in 1986, up 17.1% from 1985, according to AD AGE estimates. The majority of spending fell in spot TV. W-D's most recent theme, was "At Winn-Dixie, we're right for you." The company also touts the epithet, "The Beef People" in most of its ads.

All print advertising is handled in-house in each of its 12 divisional headquarters.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Network TV	5,098	2,199
Spot TV	16,874	17,330
Spot radio	834	196
Outdoor	523	50
Network cable	0	86
Total measured	23,329	19,861
Unmeasured	29,200	25,000
Total	52,529	44,861

WINN-DIXIE STORES
5050 Edgewood Court
Jacksonville, Fla. 32205
(904) 783-5000
Marketing Personnel
G.E. (Mickey) Clerc, adv dir
Advertising Agencies

William Cook Advertising, Jacksonville, Fla.—William W. Cook, chmn; Bernard C. Schramm Jr, prsident; Carson Eddings, exec vp.

Zubi Advertising, Miami—hispanic adv—Maritere Fuarez, acct exec.

F.W. Woolworth Co.

RANK **108**

New York

($ in millions)

Worldwide	1987	1986	% chg
Sales	6,501	5,958	9.1
Net income	214	177	20.9
U.S.	**1987**	**1986**	**% chg**
Sales	3,876	3,650	6.2
Operating profits	299	283	5.7
Advertising	74	65	14.8
Division sales	**1987**	**1986**	**% chg**
General merch.	1,954	1,938	0.8
Specialty	1,922	1,712	12.3

F.W. Woolworth continued in 1986 what worked so well in '87: Expansion into the specialty retail business. In fiscal 1987 ending Jan. 31, Woolworth's specialty stores contributed slightly more than half of the companies pre-tax operating profit, compared with 39% five years ago.

The company's top brass recently predicted that figure would jump to 65% by 1992. In fact, by the early 1990s, Woolworth's will have become a chain focusing on shoes and children's clothing.

The transformation is taking place rapidly. Woolworth's aggressively expanded into retail marketing five years ago; this year the chain will add 600 specialty units for a total of 5,100 stores, or about 75% of its total number of stores. The expansion in fiscal 1988 will cost the company $225 million.

Specialty stores produce higher sales per square foot and have a higher return on investment than the traditional merchandise store. Woolworth's has about 28 specialty divisions, including Kinney, Foot Locker, Richman Bros., Anderson-Little and Little Folk Shops.

The change is also likely to affect Woolworth's advertising and media expenditures. The company virtually ceased network advertising in 1986, pumping more money into local media, including spot TV and magazines. Woolworth's expansion into specialty units has mostly focused on footwear.

Kinney also continued heavy specialty development last year. Foot Locker added 130 stores, for a total of 765. Lady's Foot Locker added 40 units for a total of 130. Foot Locker began its 1987 marketing program in 1987 via the Super Bowl.

In 1986, non-footwear specialty stores represented 9% of total sales. That is expected to grow to 19% of sales and 23% of profits by 1991.

Woolworth's has pushed most aggressively Afterthoughts, a chain of costume jewelry, handbag and earring boutiques. The company also introduced Face Fantasies last year, a cosmetic and beauty product boutique.

Richman Bros. added eight Anderson-Little and four Richman stores last year, in bringing the total to 319. Targeted at working women, Richman's introduced the Richman Woman apparel line.

Little Folk Shop, which has been a troubled Woolworth division, had a $7 million loss last year on revenues of $131 million.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	4,690	760
Newsp. supps.	4,254	4,422
Network TV	370	2,036
Spot TV	14,079	9,942
Network radio	0	132
Spot radio	2,610	6,194
Outdoor	44	126
Network cable	2,124	931
Total measured	28,171	24,543
Unmeasured	45,912	40,000
Total	74,083	64,543

F.W. WOOLWORTH CO.
233 Broadway
New York, N.Y. 10279
(212) 553-2000
Corporate Personnel
Harold E. Sells, chmn-ceo
Frederick E. Hennig, president-coo
C. Jackson Gray, vp-corp planning & devel
Joseph F. Carroll, vp-public affairs
U.S. WOOLWORTH
New York
Corporate Personnel
Robert L. Jennings, president-ceo
Charles H. Hullhorst, sr exec vp-coo
Marketing Personnel
Gary Fuller, vp-adv
Charles Worley, dir-sales promo & adv
Frank A. Bonacci, vp-sales, adv, visual merch
Advertising Agency

AC&R/DHB & BESS, New York—Donald Patrick, exec vp.

KINNEY SHOE CORP.
New York
Marketing Personnel
Cameron I. Anderson, president
John K. Aneser, vp-comm
Spencer Joyner, vp-intl mktg
Kurt Janke, vp-visual merch
Advertising Agency

AC&R/DHB & BESS, New York—Donald Patrick, exec vp; William Hallenbeck, sr vp-mgmt super, Footlocker, Lady's Footlocker; Doug Fidoten, sr vp-mgmt super, Kinney Shoes.

RICHMAN BROTHERS CO.
Fall River, Mass.
Marketing Personnel
William H. Gaudreau, president-ceo
Anthony Carosella, vp-sales
Advertising Agency

Harold Cabot & Co., Boston—Mark Grace, acct exec.

ANDERSON-LITTLE CO.
Fall River, Mass.
Marketing Personnel
William H. Gaudreau, president-ceo
Anthony Carosella, vp-sales
Advertising Agency

Harold Cabot & Co., Boston—Mark Grace, acct exec.

Zayre Corp.

RANK **157**

Framingham, Mass.

($ in millions)

Worldwide	1986	1985	% chg
Sales	5,350	4,030	32.8
Net income	89	95	(6.0)
U.S. advertising	52	34	54.5
Division sales	**1986**	**1985**	**% chg**
Discount stores	3,040	2,630	15.6
Specialty stores	1,390	1,140	21.9
Warehouse clubs	909	248	266.5

The past year and a half has been a period of turmoil and change at Zayre Corp., culminating in a possible hostile takeover bid and the dissolution of Zayre Discount Department Stores' 18-year relationship with its Boston ad agency.

Zayre's problems are seen in its net income, which dropped 6% in 1986 over the previous year despite a 32.8% increase in sales. The drop is attributed to poor performances by the company's warehouse club and discount department stores divisions, including the disappointing performance of the Louisiana Gaylords stores which were converted to Zayre units. By the end of 1986, Zayre operated 362 discount department stores in 25 states in the eastern half of the country. In 1987, Zayre plans to add 25 more stores.

In mid 1987, Zayre department stores chairman Malcolm Sherman resigned. He has not been replaced. At the same time, Zayre Corp. chairman Maurice Segall announced that Zayre would liquidate dated merchandise and get the stores moving in a new direction, says David Snell, senior VP-marketing for Zayre stores.

By the end of September, the discount store's ad agency of 18 years, Boston-based Ingalls, Quinn & Johnson, was dismissed from the account, which bills about $17 million for major media, according to Mr. Snell. "We wanted to do things differently. We are making major strategic marketing changes," he says. IQ&J will continue to handle Zayre's public relations.

Ironically, the agency's dismissal came shortly after the agency broke what many industry observers consider the best creative Zayre ever showed, although the results were less than expected, concedes Mr. Snell.

After quietly talking with ad agencies throughout the summer, Zayre picked AC&R/DHB & BESS, New York.

As part of the strategic marketing and ad agency change, Zayre will test a new frequent purchaser program similar to the frequent flyer programs operated by the airlines, says Mr. Snell. The program will allow Zayre shoppers to accumulate credits and incentives for future purchases.

A major spot TV advertiser, Zayre runs no network TV and virtually no radio. The company will reduce its already minimal use of magazines. Zayre has used CATV in the past to reach the Hispanic market and is "exploring more uses for cable," says Mr. Snell.

T.J. Maxx, an off-price apparel chain of 226 stores in 35 states, was the star performer for Zayre Corp. in 1986. T.J. is part of the company's specialty store group, along with Hit or Miss and Chadwick's of Boston, a mail-order operation. While sales in this specialty group increased 21.9%, operating income rose 18.2% to $104 million.

T.J. ended 1986 with 226 stores, of which 35 opened during the year. The company expects to open another 35 in 1987.

Hit or Miss ended the year with 461 stores and expects to add 50 stores during 1987, including some penetration into California.

IQ&J continues to handle the T.J. Maxx advertising account, which was not affected by the pullout from the agency of the Zayre department store account.

The specialty stores spend approximately $6.4 million on major media, up 23.1% from the previous year, almost all in spot TV.

The warehouse club group of Zayre is another problem area, running up a $12 million loss for 1986. The warehouse club group is composed of BJ's Wholesale Club and HomeClub, a West Coast home building supplies discounter.

BJ's was operating 15 stores in New England, New York, and Illinois at the end of 1986 and expects to add six stores in 1987. HomeClub, which was acquired in January 1986, operated 28 stores at the end of 1986, and intends to add eight more in 1987. Neither BJ's nor HomeClub are substantial advertisers.

This past October, Zayre was notified by Edward DeBartolo Jr., owner of the San Francisco 49ers football team, that he is increasing his stake in the company and may move to acquire a controlling interest in the company. Zayre executives are preparing to resist it, according to published reports.

ADVERTISING EXPENDITURES

($ in thousands)	1986	1985
Magazines	37	0
Bus. pubs.	9	4
Spot TV	17,000	13,431
Spot radio	8,298	3,400
Outdoor	9	45
Total measured	25,353	16,880
Unmeasured	27,000	17,000
Total	52,353	33,880

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Framingham, Mass. 01701
(617) 620-5000
Corporate Personnel
Sumner Feldberg, chmn, exec committee
Maurice Segall, chmn & president
ZAYRE DISCOUNT DEPARTMENT STORES
Marketing Personnel
David A. Snell, sr vp-mktg
Advertising Agencies

AC&R/DHB & BESS, New York—Karen Amorelli, vp-mgmt super; Lorraine Linton, acct super.

Burrell Advertising, Chicago—Donald Coleman, sr vp-mgmt super; Robert Jackson, acct super.

T.J. MAXX STORES
Natick, Mass.
Marketing Personnel
Peter Maich, sr vp-genl merch
Gary Stuart, asst vp, mktg mgr
Advertising Agency

Ingalls, Quinn & Johnson, Boston—Carol Trifone, mgmt super; Charlie O'Brien, acct super; Catherine Ferrigno, asst acct mgr; Mimi Donovan, acct coord.

HIT OR MISS SHOPS
Stoughton, Mass.
Marketing Personnel
Glenn Lyon, exec vp, genl merch mgr
Advertising Agency
Under review.
BJ'S WHOLESALE
Natick, Mass.
Marketing Personnel
Robert Dugan, vp-store operations
HOMECLUB
Fullerton, Calif.
Marketing Personnel
Brad Tukey, sr vp, genl merch mgr

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Marketing to Hispanics
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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Nielsen strikes back

IRI alternative

By VERNE GAY

A.C. Nielsen Co. will announce shortly it is putting a massive consumer and television research project back on the front burner following the collapse of plans to buy Information Resources Inc.

The unnamed project, formerly called the SCANTRACK Household Panel, is huge even by Nielsen standards, with $70 million earmarked for it. By contrast, Nielsen's recent conversion to people meters—another high priority project—has cost an estimated $50 million.

Nielsen had announced formation of the project back in July, when it paid $20 million for a stake in Port Washington, N.Y.-based NPD, the 10th-largest marketing research company in the U.S. (AA, June 15).

Now, the concept is turning into Nielsen's reaction to parent Dun & Bradstreet's withdrawal of its attempted purchase of IRI for $572 million. D&B had planned to merge Chicago-based IRI with its Nielsen Marketing Research unit.

The offer to buy IRI was withdrawn when the Federal Trade Commission decided to seek a court order restraining the deal (AA, Nov. 23).

IRI's program would have formed the basis for Nielsen's foray into single-source consumer research, expected to be the wave of the future in the research business.

In single-source research, advertisers measure TV viewership and product purchase simultaneously and—theoretically—derive an accurate estimate of how much advertising weight stimulates buying habits. Ideally, advertisers then would buy TV time not based solely on a program's ratings, but also on its ability to sell products.

The Nielsen project calls for the placement of audience meters in 15,000 TV households by the end of 1988 along with hand-held computer wand-like scanning devices to record household purchases via Universal Product Code graphics. These households would scan grocery, hardware and other purchases with the wand.

Sources said the new single-source Nielsen project ultimately could outweigh the importance of people meter-TV

(Continued on Page 90)

McDonald's tests in-store kid video

By SCOTT HUME

McDonald's Corp. is testing a new concept called "Video Theater"—a videocassette recorder and TV set that entertains youngsters with animated short features in its restaurants.

The idea, which would give adults the "break" McDonald's advertising once said they deserved, is being tested in a small number of restaurants. If successful, the video-age addition could advance the chain's already dominant position with children in the $60 billion fast-food market.

During initial testing, no commercial messages for McDonald's have been included in the viewing package.

The test comes as McDonald's and other advertisers are battling the TV networks over A.C. Nielsen Co.'s people-meter measurements of Saturday morning audiences, which are as much as 30% below previous set-meter measurements (AA, Nov. 23).

McDonald's spends an estimated $40 million, or 20% of its $200 million annual network TV budget, on children's programming. It remains the only fast-food advertiser during Saturday morning children's network shows.

Leo Burnett USA, Chicago, is McDonald's national agency.

"McDonald's got to be No. 1 by building brand loyalty among children and then keeping them as customers," said a competitor. "I doubt [it] will let that market slip away."

Children 12 or younger accounted for 13.6% of quick-service restaurant saies dollars in 1986, compared to 12.5% in 1982, according to the National Restaurant Association.

"McDonald's knows children love cartoons. What they want to know is whether running cartoons in-store slows table turns. You don't want kids there glued to the set all day," a source said. "By repeating the show every 20 minutes, they've found that

(Continued on Page 94)

CALIFORNIA
RAISINS

Raisin cain "Shorty" the construction worker and the Claymation raisins are back in a new TV commercial airing for the California Raisin Advisory Board, Fresno, Calif., via Foote, Cone & Belding, San Francisco.

Last Minute News

Godfather's sets D-Day for JWT status

OMAHA, NEB.—Godfather's Pizza will decide the status of its $8 million account now at J. Walter Thompson USA, Chicago, on Dec. 15. The client is weighing JWT's counterproposal on the compensation arrangement that has divided the two. Godfather's VP-Marketing Charles Henderson said the account has been discussed with several other agencies "as a contingency."

Drug Emporium taps merged Atlanta shop

WORTHINGTON, OHIO—Drug Emporium named Cargill, Wilson & Acree/Tracy-Locke, Atlanta, to succeed Don Lea & Associates, Toledo, on its estimated $10 million account.

Kodak unwraps holiday TV commercial

ROCHESTER, N.Y.—Eastman Kodak Co. breaks its annual TV holiday spot today via J. Walter Thompson USA, New York. The 30-second commercial, themed "Coming Home," shows an older man opening a letter that includes a snapshot of his just-born grandson who bears a striking resemblance to him.

Chilko investigation keys on guide

KAMLOOPS, BRITISH COLUMBIA—The inquiry into the Aug. 1 Chilko River rafting accident (AA, Nov. 23) that killed five U.S. advertising

(Continued on Page 8)

Christmas off to strong start

Spend, spend, spend

An Advertising Age roundup

Anxious retailers can start to unwind.

A nationwide spot check by ADVERTISING AGE of retail outlets and buyers during the crucial Nov. 27 shopping day indicates that consumer spending is strong, few shoppers are trading down and the Oct. 19 "Black Monday" stock market plunge is a distant memory.

The day after Thanksgiving is traditionally the biggest spending day of the year for Christmas shoppers and a sign of how strong holiday sales are likely to be.

In New York, the post-Thanksgiving Day crowd at the Brooklyn headquarters store of Abraham & Straus was "the biggest I've ever seen it," said spokeswoman Virginia Sanders. "We are definitely going to make our plan, which is ahead of last year's."

The news was similarly cheering at Bloomingdale's, where Senior VP Julian Taub described activity as "very strong . . . as big or bigger than last year."

Bloomingdale's customers seemed to have shaken off the jolt from Wall Street's dive. In the several days before Thanksgiving, the sales pace had picked up, Mr. Taub said, adding "we're optimistic we're going to have a good Christmas."

There was a barrage of Thanksgiving "sale" advertising to prime the pump, but retailers said the level of "off-price" promotions did not appear out of the ordinary.

"Early bird" specials, designed to spread out the post-holiday crush more evenly throughout the day, seemed to click in some markets.

Houston-based Foley's, a unit of Federated Department Stores, opened at 8 a.m.—an hour early—

(Continued on Page 92)

HOLIDAY MARKETING

One tough market, Page 81
Ad folks' gift lists, Page 86
Basic toys are hot, Page 87

New Army spots go for heart

By JANET MEYERS

WASHINGTON—In its first campaign since winning the U.S. Army account, Young & Rubicam will try to shift the campaign's focus from high-tech to "human" values.

Y&R became the Army's first new agency in 19 years when it won the $100 million account from N W Ayer in a controversial review process.

The agency's first campaign will break after Christmas during football games, and is a subtle departure from Ayer's approach.

While Ayer's Army commercials also included people, its last ones emphasized high-tech equipment.

In its Army spots, Y&R goes for the heart, with paratroopers bailing out of planes and a young paratrooper writing home to his father. Both are designed to show that the Army experience teaches qualities like maturity and teamwork.

The new campaign uses a technique first previewed in a special July 4 spot, "Sentry," which airs occasionally for holidays. "Sentry" mixes scenes of a soldier stationed in Germany with cuts to a black screen, where the words "Maturity," "Self-Discipline," "Character" and "Freedom" appear.

The spots close with "Be all you can be. Get an edge on life" (AA, July 6).

A second Y&R spot slated to break in spring is called "Homecoming" and shows a young man visiting home from the Army to provide a role model for his younger brother.

The artillery spot that breaks after Christmas replaces Ayer's "9 a.m." spot that was produced under the aegis of then-Ayer Creative Director Lou DiJoseph, now creative director at Y&R.

In the Ayer spot, as paratroopers secure equipment parachuted to the ground, one soldier says, "We get more done before 9 a.m. than most people do all day."

While the new spots show some sophisticated Army equipment, they are less high-tech than "MLRS," Ayer's last spot for the Army. In "MLRS," named for a weapons system, a tank moves across the desert, rockets flash across the night sky and the target explodes.

The new Y&R spots are "evolutionary rather than revolutionary," an Army spokesman said.

Although Ayer lost the Army account in December 1986, the agency continues to fight for its reputation. Last week Ayer amended a pending lawsuit to protest the Justice Department's request for a six-month extension to the agency's year-old suspension from doing government work (AA, Nov. 23).

In its additional court filings, Ayer asks for damages estimated at more than $50 million—the profit Ayer says it would have realized from the five-year, $500 million contract.

Ayer's suspension automatically will expire if the Justice Department fails to bring civil charges by May.

No more criminal charges will be lodged against Ayer, said Army spokesman Maj. Greg Rixon, signaling the end of investigations by both the Department of Defense Criminal Investigation Service and the U.S. Attorney's office in New York.

"What started years ago as an investigation of isolated business practices has become a vendetta for the government and a bone in their teeth which its lawyers won't let go," Ayer said in a statement.

A spokeswoman refused to say why Justice asked for a suspension extension.

Ayer's suit pending in U.S. Claims Court seeks $500,000 for its abortive bid for the Army contract, while the agency's amended complaint asks the court to assess damages to include profits lost from the $500 million contract. While figures are not mentioned in the complaint, $50 million to $70 million "would not be out of line," said Ayer lawyer Stephen Lawrence.#

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MARKETING TO HISPANICS

Perspectivas

ADVERTISING AGE'S monthly section on hispanic marketing takes a look at Miami's Spanish-language radio market and Tatham-Laird & Kudner's affiliation with an hispanic agency, plus account shifts, products entering the market and new data on TV viewing habits. Starts on Page 58.

Special Report

Media Outlook:
Despite fears about the economy, media executives see hope for their markets in 1988, partly because of the Olympics and elections. Major media categories and trends are examined. Starts after Page 48.

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ABP MPA ABC

NBC tops Nov. sweeps

CBS creeping up

By JAMES P. FORKAN

NEW YORK—The November TV "sweeps," the first under the new A.C. Nielsen Co. people-meter system, showed NBC staying on top and CBS challenging ABC for second place.

For the sweeps period itself, CBS ended up second. For the season through Nov. 22, CBS was 0.2 ratings points behind ABC.

This was the first time in more than a decade that CBS had entered the sweeps as the No. 3 network, which contributed to the resignation of Bud Grant as CBS Entertainment president late last month (AA, Nov. 2).

He was succeeded by Kim LeMasters.

Despite the sweeps showing, CBS VP-Marketing David Poltrack complained that his network—and the three-network prime-time share levels—declined from last fall because there is a "substantial over-representation" of pay cable households in Nielsen's sample.

The new people-meter system also has puzzled some youngsters, who are not operating the right buttons while viewing Saturday morning cartoons (AA, Nov. 23).

Mr. Poltrack protested that Nielsen is tossing ratings data for all of Saturday viewing in those homes, thus deflating ratings for afternoon sports and prime-time fare.

That may be a factor in CBS' admittedly "big Saturday problem" in make-goods, he said.

Nielsen has not yet responded to his concerns.

CBS' ratings are higher in AGB Television Research data, which are not a major factor in agency buying. But AGB also has an imbalance in its sample with too many pay-cable homes (30% of its sample), Mr. Poltrack said.

CBS is the only network that subscribes to AGB *(see related story, Page 3)*.

At NBC, VP-Research Bill Rubens, not overly concerned about the imbalance, said he will check people-meter data's accuracy not with AGB's but with the Nielsen

(Continued on Page 90)

DDB's McKinney 'retires' to Kresser-Craig venture

LOS ANGELES—DDB Needham/-West Chairman Montgomery McKinney, 77, will retire from the agency at yearend to assume the new post of vice chairman of Kresser-Craig/D.I.K.

The veteran of DDB Needham Worldwide, Chiat/Day and Leo Burnett Co. will join DDB Needham's sister agency in an as-yet-unspecified role, contributing to the "general management" of the agency, said K-C/D.I.K. Chairman Bob Kresser.

"He's a tremendous role model for people in the business," Mr. Kresser said. "He can share his knowledge and expertise. He can be an ambassador to the ad community."

Mr. McKinney was a key figure in negotiations that led to the 1985 formation of the agency, a joint venture between DDB Needham and Dai-Ichi Kikaku, Tokyo, one of Japan's largest agencies. He serves on the K-C/D.I.K. board.

He leaves DDB Needham at a time of heavy turnover.

Two weeks ago, Exec VP-General Manager Simon Kornblit announced he would leave to become VP-marketing at Universal Pictures (AA, Sept. 7).

Earlier, several other key members of the agency departed, most notably Robert Kuperman, exec VP-executive creative director, who joined Chiat/Day in a similar post.

Mr. McKinney's departure from DDB Needham has been rumored for several months, but most observers assumed he would retire.

West Coast News

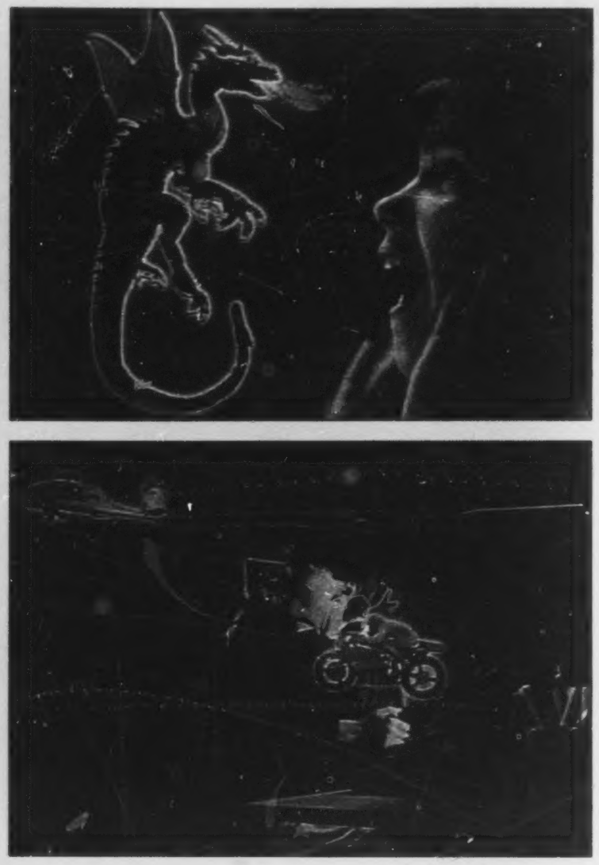
As part of his deal, Mr. McKinney will be able to reduce his responsibilities to include personal time for travel, writing and golf.

Mr. McKinney originally left the agency, known then as Doyle Dane Bernbach, in 1975 when he reached what was the agency's mandatory retirement age of 65.

Rather than retire, he joined C/D as exec VP-client services.

He was appointed chairman a year later.

In 1983, he rejoined DDB in his current post.#



PC's game plan

Commodore Business Machines, West Chester, Pa., has started the $2 million second phase of its two-pronged Christmas effort for the Commodore 64 personal computer. A new TV spot aims to convince children that the PC is the ultimate videogame machine. Griffin Bacal, New York, handles.

Decision time

NBC move crucial to AGB

By VERNE GAY

New York—NBC executives are about to make a crucial decision that could affect the future of AGB Television Research and that company's pioneering people-meter research.

Within the next several weeks, the TV network will decide whether to sign an estimated $3 million-to-$4 million contract with the U.S. subsidiary of British-based AGB Research PLC, the fourth-largest research organization in the world and the leader in TV audience measurement services outside the U.S.

If NBC spurns AGB, the company that single-handedly forced the issue of people meters in the U.S., AGB may find it difficult, if not impossible, to succeed in its battle against archrival A.C. Nielsen Co., Northbrook, Ill.

One reason is symbolism. Without at least two or three networks signed on, AGB will have a hard time being taken seriously.

But the other reason is cash. "If we only have one network going into [1988], it will be very difficult to break even," said AGB President-CEO Michael Poehner.

First-year AGB revenues are an estimated $7 million to $10 million, while operating expenses—high for the start-up company—are $25 million.

Operating expenses are expected to "drop significantly" next year after AGB completes the installation of its 5,000 home panel (there are 2,000 homes in the current panel).

Mr. Poehner said optimistically the company could reach $20 million in revenues next year.

But without NBC, that goal may be wishful thinking.

So far, CBS is the only network to sign with AGB, for an estimated $10 million over three years.

ABC, which is going through an executive change in its research department, is not expected to sign,

(Continued on Page 76)

BBDO gets call to help struggling soft drink

Pepsi slices JWT

By PATRICIA WINTERS

Pepsi-Cola USA plans to juice up its struggling Slice soft-drink line with new creative in February to combat the now-crowded segment it created three years ago.

Somers, N.Y.-based Pepsi last week moved the estimated $30 million account of Slice—a juice-added soft drink—to BBDO Worldwide from J. Walter Thompson USA, both New York, after a creative shoot-out between the two shops.

The Slice loss all but eliminates the beleaguered JWT from Pepsi's active roster and cements BBDO's winning relationship with client Pepsi. JWT, creator of the successful "We got the juice" theme, had Slice since its introduction in 1984.

Pepsi is moving the brand at a time when the once-wildly successful Slice line has seen its share decline to 2.7% of the 10.5 billion-gallon soft-drink market, from 3.8% a year ago. Slice, however, remains the segment leader and a top 10 brand with some $1 billion in annual sales.

Analysts attribute the Slice decline to a slowdown in the juice-added segment, a decline in Pepsi's marketing support and new competition.

"Clearly, the potential for juice-added is not what Pepsi had originally projected," said Emanuel Goldman, analyst with Montgomery Securities, San Francisco. He noted Pepsi had hoped Slice would garner 10% of total market sales.

"Slice went up to a 4 share . . . there's just not that much potential for the segment, but it's hard to tell beforehand," Mr. Goldman said.

The juice-added segment accounts for about 4.5% to

(Continued on Page 93)

AdWatch survey of advertising awareness Top 10 in October

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? *Source:* SRI Research Center, Lincoln, Neb.

Rank		Advertiser	Agency
10/87	9/87		
1	3	California Raisins	Foote, Cone & Belding
2	1	McDonald's	Davis, Johnson, Mogul & Columbatto/Leo Burnett USA
3	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
4	2	Coca-Cola	McCann-Erickson
5	5	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates
6	—	Chevrolet	Lintas:Campbell-Ewald
7	6	Pepsi-Cola	BBDO Worldwide
8	7	Ford	J. Walter Thompson USA
9	—	Pampers	D'Arcy Masius Benton & Bowles
10	—	Want ads/classified ads	Various

New idea: Bank mails ads home for preapproval

By SCOTT HUME

The First National Bank of Chicago is testing a marriage of direct-mail and TV advertising that its agency hopes is not consummated.

Several hundred of the bank's customers are getting by mail a color storyboard of a 30-second spot for its First Equity Credit Line home-equity loan program.

The cover letter accompanying the storyboard tells bank customers that First Chicago's marketing department would "like to know what you think of it."

Recipients are asked to answer a series of questions about the eight frames from the commercial, including "Do you think this commercial was easy to understand?"; "On a scale of 1 to 10, how could you rate this commercial?"; and "Why do you like or dislike the commercial?"

The commercial's story line involves a man's house telling him that "I've got equity up to my rafters. Use it!"

Foote, Cone & Belding handles First Chicago's media advertising;

(Continued on Page 94)

Classifieds ring up recall

By SCOTT HUME

The uncertainty about the nation's economy, which had its most dramatic embodiment in the Oct. 19 "Black Monday" stock market plunge, has high-income consumers glued to the want ads.

Ominously claiming the No. 10 slot among October's 10 best-recalled advertisements in Advertising Age's monthly adWatch survey were want ads and classifieds.

These "wanted" listings had better unaided recall than several heavily advertised, discretionary-income products, including Burger King Corp. restaurants and E&J Gallo Winery's Bartles & Jaymes wine coolers. Both were bumped from the list after being among the top 10 campaigns in awareness in September.

Nearly two-thirds of the respondents who said want ads were the first advertisements they recalled were women (63%). Most also were from middle-income households: 63% with income between $20,000 and $40,000, none from households with incomes of $20,000 or less.

The greatest number of those naming want ads were between the ages of 45 and 54, with the 18-to-24-year-old group next. None were from the Northeast; most were in South Central or Western states.

The California Raisin Advisory Board's dancing raisins again claimed the title as best-recalled advertising of the month. The raisins' recall level was aided by a monthlong promotion at Hardee's fast-food restaurants.

Customers who bought the chain's

(Continued on Page 76)

World News Roundup

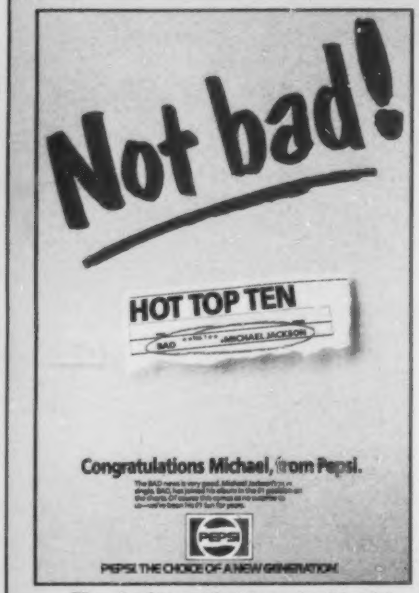
Duesseldorf—Vereinigte Papierwerke, Nuremberg, after a test in Berlin, is going national with its Tempo Sany line of paper tissues impregnated with menthol and other cold remedies. Lowe Marschalk Luerzer here handles a TV campaign.

London—British Airways this week breaks a new 60-second worldwide image commercial here. It features a BA Concorde supersonic jet flying to the moon and then to Mars. The spot, by Saatchi & Saatchi here, will air in the U.S. and other international markets at an undisclosed future date.

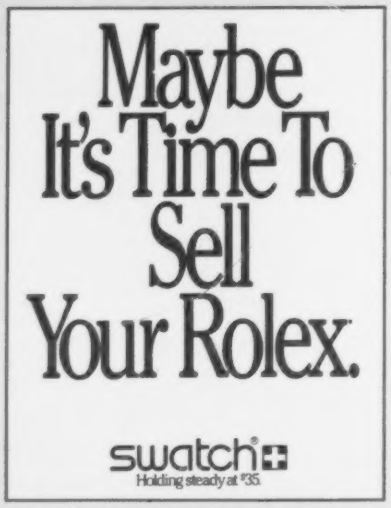
Brussels—GB-Inno-BM, a large retailer, is negotiating to buy a significant stake in J.C. Penney Co.'s lagging European operations. If the

(Continued on Page 64)

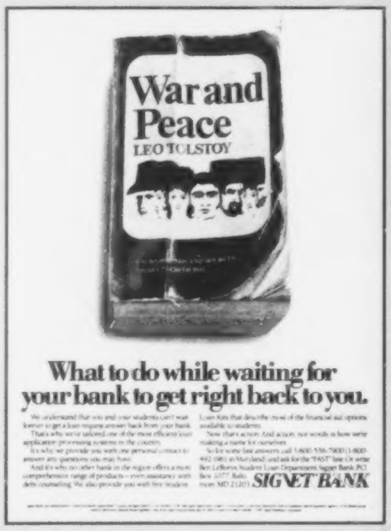
BEST OF PRESS


Not bad!
HOT TOP TEN
BAD
MICHAEL JACKSON
Congratulations Michael, from Pepsi.
PEPSI
PEPSI. THE CHOICE OF A NEW GENERATION

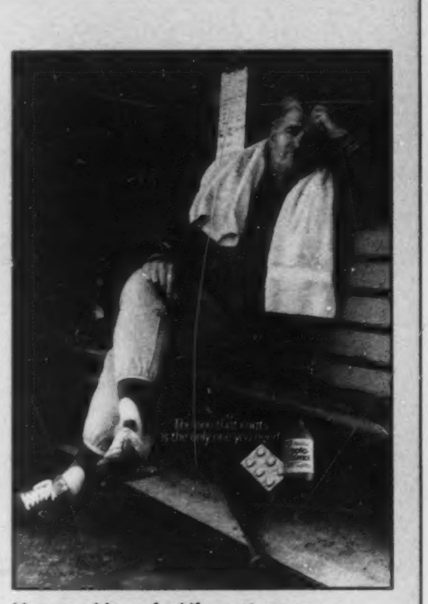
They had to act fast to make this claim, because things didn't stay that good for Michael Jackson's "Bad" for long. Credit BBDO Worldwide, New York, though, with being timely. Creative director: Ted Sann; art director: Nick Striga; copywriter: Barry Udoff.


Maybe It's Time To Sell Your Rolex.
swatch
Holding steady at $35.

Come on. You gotta laugh. Credit Calvillo, Shevack & Partners, New York, for an ad that takes a well-timed swipe at an icon of yuppiedom while it sells a new one. Despite Black Monday, some very funny, short copy. Art director: Merv Shipenberg; copywriters: Brett Shevack and Mona Monaghan; creative director: Brett Shevack.

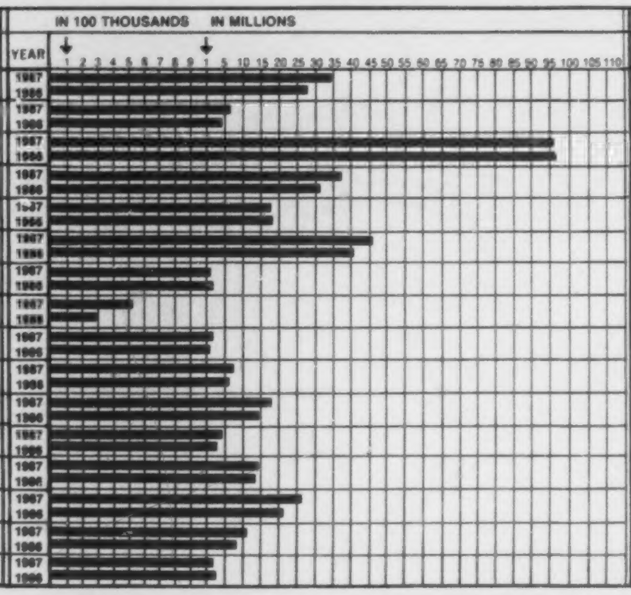

War and Peace
LEO TOLSTOY
What to do while waiting for your bank to get right back to you.
SIGNET BANK

If you've actually read the book in a bank line, you know. If you haven't, it's still a clever and decidedly simple way to point customers to client Signet Bank. Plus the literary touch is nice. Credit the Martin Agency, Richmond, Va. Art director: Cabell Harris; copywriter: Luke Sullivan; photographer: Dean Hawthorne.



How would you feel if your team were upset in the World Series? Upset. Credit Leo Burnett USA, Chicago, with picking the right moment to sell the right product. And that face. Whatta face. Art directors: Bill Colbert and Jeff Gregg; copywriter: Bob Welke.

FLASH REPORT: Newspaper advertising investment for September



September 1987 CATEGORIES	DOLLARS 1987	DOLLARS 1986	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	$34,868,822	$27,628,332	+7,240,490	+26.2
Computer stores & supplies	5,929,077	4,386,610	+1,542,467	+35.2
Department stores	95,073,704	95,764,886	−691,182	−0.7
Food stores	36,782,312	30,394,682	+6,387,630	+21.0
Radio, TV, phonographs, records	17,120,939	17,812,430	−691,49182	−3.9
General merchandise stores	45,234,780	40,267,724	+4,967,056	+12.3
Alcoholic beverages	1,809,999	1,946,001	−136,002	−7.0
Cameras, photo supplies & services	516,234	289,297	+226,937	+78.4
Computers, equipment & services	1,875,808	1,698,492	+177,316	+10.4
Public service utilities & communications	7,483,843	5,847,001	+1,636,842	+28.0
Publishing & media	17,295,083	14,143,645	+3,151,438	+22.3
Cigarettes	4,272,089	3,185,681	+1,086,408	+34.1
Airlines	14,354,219	14,179,367	+174,852	+1.2
Passenger cars-new	26,516,448	20,912,661	+5,603,787	+26.8
Banks & trust companies	10,402,267	8,282,801	+2,119,466	+25.6
Stock, bond & investment houses	2,220,116	2,274,078	−53,957	−2.4

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 22 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.

Source: Media Records Inc.

Sept. print spending jumps

NEW YORK—Newspaper ad spending surged in September.

As tabulated in the monthly ADVERTISING AGE Flash Report, which gauges spending in 29 daily and 22 Sunday editions in 15 cities, September posted the best year-to-year increase thus far in 1987. The Flash Report is compiled for AA by Media Records.

Total spending across 16 key categories was up 11.3%, to $321.8 million, from September 1986. And the gains were widespread. Only four of the 16 categories were down from year-ago levels: alcoholic beverages; department stores; radio, TV, phonographs and records; and stock, bond and investment houses.

It was the best monthly gain since May's 9.5% increase and a solid recovery from August, when spending was up only 5.9%.

Leading the categories in dollar increases was amusements, up $7.2 million, or 26.2%, from September 1986. Spending in the category has been running ahead of 1986 in every month but June. September was amusements' biggest year-to-year monthly jump so far in 1987. Hollywood filmmakers have been having a big year, and a strong holiday season could make 1987 a record year at the box office.

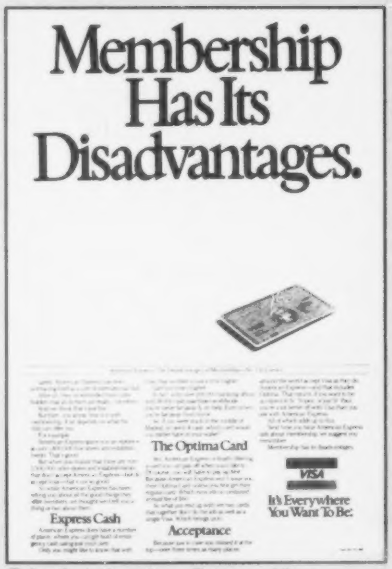
Spending by food stores, another robust category this year, also was strong in September, up $6.4 million, or 21%.

Ad spending in the new passenger car category turned in another big gain, compared with year-ago levels, but fell from its torrid pace of earlier in the year. For September, the category was ahead of 1986 by $5.6 million, or 26.8%. Monthly increases in the $8 million-to-$10 million range have been common in 1987.

A strong gain was reported in the general merchandise store category, up nearly $5 million, or 12.3%, compared with the same time last year. This category also has posted significant increases through most of the year.

The most dramatic turnaround for the month came in department store spending, the biggest category in dollar terms measured by the Flash Report. After a dismal June through August, when the category ran far behind the comparable 1986 period, the September total was off only $691,000 from a year ago. By comparison, August was more than $10 million behind the 1986 pace.

Cigarettes—another category badly behind 1986 spending levels—also staged a rebound in September. Spending was up $1 million compared with a year ago, a 34% increase. It was the first month this year that cigarette spending was up from the year-ago period.#


Membership Has Its Disadvantages.
The Optima Card
Express Cash
Acceptance
VISA
It's Everywhere You Want To Be.

Take that, American Express. Visa International aims a swift and deft counterpunch at AmEx's "membership" campaign. BBDO Worldwide, New York, kept the illustration simple and let the headline and copy do the work, which they do persuasively. Creative director: Art Mellor; copywriter: Jimmy Siegel; art director: Phil Triolo.

Best of Press selections are made by a committee of three: Hank Simons, VP-creative director, Newspaper Advertising Bureau, New York; James Dunaway, VP-information, Newspaper Advertising Bureau; and Patrick Reilly, ADVERTISING AGE newspaper industry reporter. National System Inc., St. Louis, provides tearsheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Reilly in AA's New York bureau.

As milestones fall, cable carries weight

By Len Strazewski

After years as the shunned stepchild of broadcast television, cable TV is coming into its own as a national advertising medium, say agency media buyers and cable industry analysts and leaders.

Building on increased penetration—recently reaching 50% of U.S. homes—affluent demographics, improved programming and falling broadcast TV ratings, cable networks are beginning to show on national advertiser buying schedules as 2% to 10% of the total media budgets, analysts and media buyers say.

By the end of this year, cable network advertising revenue is expected to top $1 billion, with more than $878 million generated from national advertisers—up 18% from last year—and $264 million from local spot sales—up 38%—from last year, according to reports from Paul Kagan Associates, a Carmel, Calif.-based industry analyst.

By 1996, Kagan expects ad revenue to quadruple to $4.5 billion with national advertising reaching nearly $3 billion.

Len Strazewski is a Chicago-based free lance writer.

"What has changed is the relationship of supply and demand," says Radford Stone, VP-national marketing, New York-based Cabletelevision Advertising Bureau. "This is still an oversupply in cable and that has kept the CPMs [costs per thousands] down, but there is an increasing demand for more impressions, particularly in high demographic cable households which broadcast television is not delivering."

> *"There is an increasing demand for more impressions, particularly in high demographic cable houses."*
>
> **Radford Stone**
> **Cabletelevision**
> **Advertising Bureau**

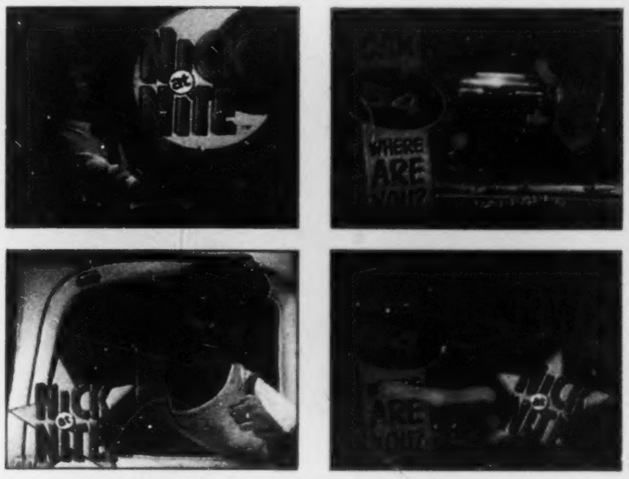
Broadcast TV ratings have been dropping overall, Mr. Stone notes, and falling particularly fast in cable households as new exclusive programming draws viewers. Moreover, recent studies, including a 1986 MRI survey commissioned by the CAB, have shown that many of the cable networks have a key affluent viewership 10% or more above the national average.

■ *Ad dollars flow with programming coups, more affluent, younger demographics*

ESPN, for example, has an audience heavily weighted to male affluent viewers and MTV appeals most strongly to young affluent viewers 25 to 34 years old. And according to composite data from a 1986 MRI study, cable households in general are more affluent—18% more likely to have incomes more than $50,000—and better educated—14% more likely than the average to have college graduates.

"Broadcast television underdelivers these valuable households," Mr. Stone says. "That has left media planners scrambling to add impressions to meet their strategic goals. That means shifting 2% to 3% of their budgets into cable."

Costs haven't hurt, either. Although cable ratings may be low—a 2 or 3 share for some shows compared with a 15 to 20 share for typical broadcast TV programming—CPMs are as much as four times lower—$3 to $4 compared with $12 for network television.



Nick at Night promos for shows such as "Car 54, Where Are You?" have won enough followers for the channel to boast big ad revenue gains.

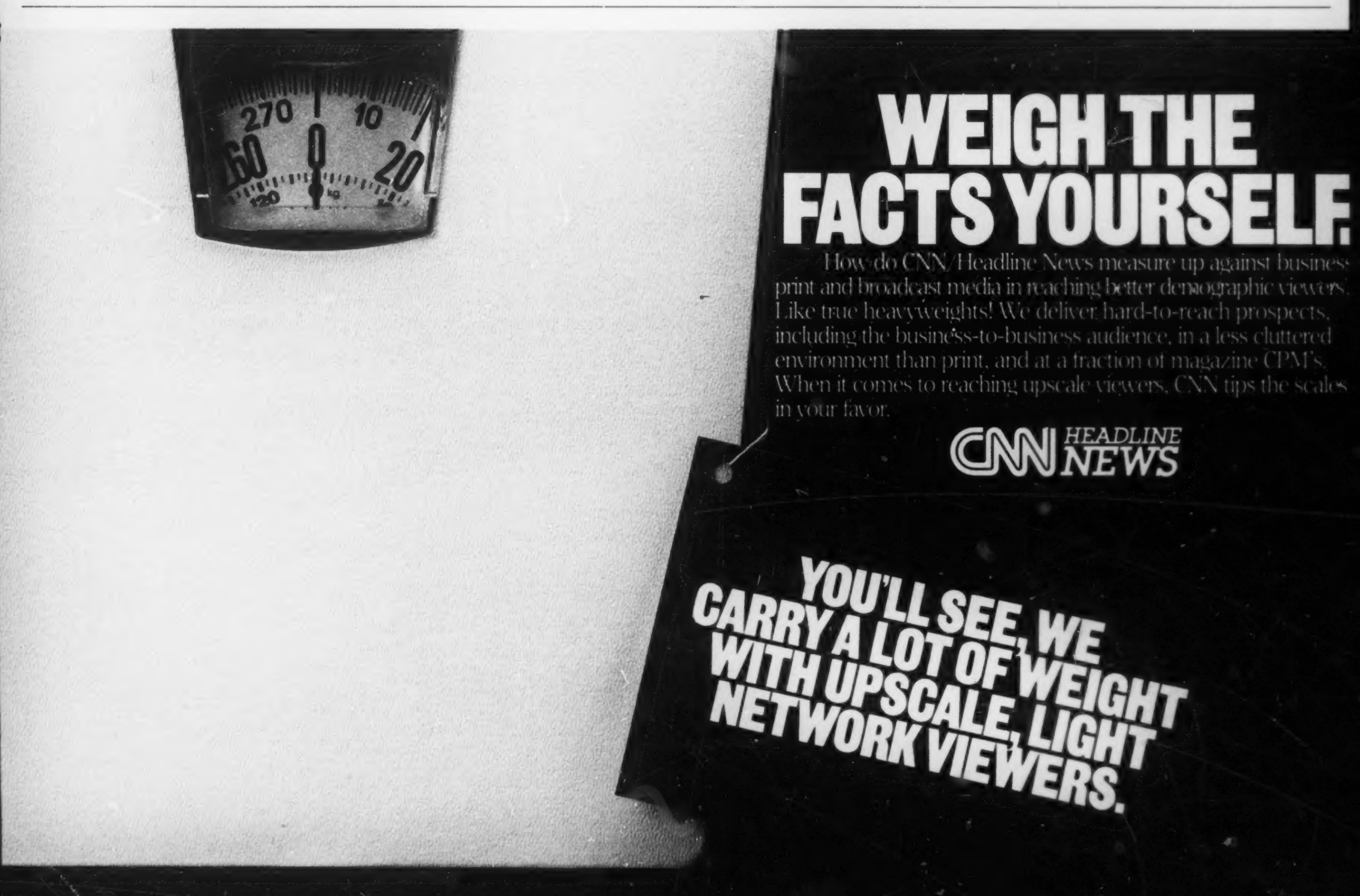
What media buyers aren't getting in total number of viewers they are making up with total impressions, buying more frequent cable spots in upscale cable homes.

"That's been the tactical response from many buyers," Mr. Stone says.

"And while we are glad to see that happening, we would prefer to see cable showing up more as part of strategic media plans from the beginning. That is also beginning to happen."

Mr. Stone says a recent CAB survey of leading national advertisers indicates that 20% of the largest national adver-

(Continued on Page S-8)



WEIGH THE FACTS YOURSELF.
YOU'LL SEE, WE CARRY A LOT OF WEIGHT WITH UPSCALE, LIGHT NETWORK VIEWERS.
CNN HEADLINE NEWS

How do CNN/Headline News measure up against business print and broadcast media in reaching better demographic viewers. Like true heavyweights! We deliver hard-to-reach prospects, including the business-to-business audience, in a less cluttered environment than print, and at a fraction of magazine CPM's. When it comes to reaching upscale viewers, CNN tips the scales in your favor.

Cable carries weight

(Continued from Page S-7)

tisers, including heavyweights Nabisco Brands, Coca-Cola Co. and Mars Inc., are committing up to 10% of their media budgets to cable.

Some national advertisers actually are designing spots for cable. PepsiCo, for example, recently premiered a 90-second Pepsi-Cola spot featuring Michael Jackson on MTV before slotting a shorter version for broadcast.

One reason for the upswing, industry insiders and outsiders agree, is recognition by agency media buyers of the value of cable. Agency media planners, longtime skeptics of cable's value as an ad medium, are now becoming outspoken supporters. They point to such breakthrough events as ESPN's National Football League contract, C-SPAN and CNN's live coverage of the Iran-contra hearings, Turner Broadcasting's colorized classic films and innovative original programming such as Showtime's "It's Garry Shandling's Show."

"As programming has im-

Cable TV advertising revenue: 1984-1987

	Gross advertising revenue (Dollars are in millions)				Net advertising revenue (Dollars are in millions)				% chg	% chg
Network	1984	1985	1986	1987	1984	1985	1986	1987	1985-86	1986-87
Arts & Entertainment	$1.5	$5.5	$8.0	$12.0	$ 1.3	$4.7	$6.8	$10.2	45.5	50.0
Black Entertainment TV	3.0	5.0	6.0	7.0	2.5	4.2	5.1	6.0	20.0	16.7
Cable News Network (1)	49.0	68.0	93.5	116.0	41.6	57.8	79.5	98.6	37.5	24.1
CBN Cable Network	28.0	40.5	46.5	53.0	23.8	34.4	39.5	45.0	14.8	14.0
Country Music TV	1.3	1.5	2.0	2.5	1.1	1.3	1.7	2.1	33.3	25.0
ESPN	68.2	79.0	96.0	120.0	58.0	67.2	81.6	102.0	21.5	25.0
FNN/SCORE (2)	6.7	9.0	12.0	17.0	5.7	7.7	10.2	14.4	33.3	41.7
Galavision (3)	0.0	0.0	0.0	2.0	0.0	0.0	0.0	1.7	0.0	0.0
KTVT	0.3	1.3	1.4	1.6	0.3	1.1	1.2	1.4	7.7	14.3
Lifetime	21.1	25.3	35.3	41.2	17.9	21.5	30.0	35.0	39.5	16.7
MSGN	3.0	4.0	4.5	5.0	2.5	3.4	3.8	4.2	12.5	11.1
Modern Satellite Network (4)	0.1	0.2	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0
MTV: Music Television	71.3	87.5	95.0	108.0	60.6	74.4	80.8	91.8	8.6	13.7
Nickelodeon	7.1	10.0	15.0	21.5	6.0	8.5	12.8	18.3	50.0	43.3
Univision (5)	3.7	5.5	7.2	8.5	3.1	4.7	6.1	7.2	30.9	18.1
Tempo TV (6)	0.7	0.6	0.6	0.5	0.6	0.5	0.5	0.4	0.0	-16.7
The Discovery Channel		0.8	3.5	9.0	0.0	0.7	3.0	7.7	37.5	157.1
The Learning Channel	0.2	0.3	0.3	0.5	0.2	0.3	0.3	0.4	0.0	66.7
The Nashville Network	18.0	32.0	42.0	49.0	15.3	27.2	35.7	41.6	31.2	16.7
The Weather Channel	7.0	9.5	11.0	13.0	6.0	8.1	9.3	11.1	15.8	18.2
USA Cable Network	36.0	50.0	58.0	68.0	30.6	42.5	49.3	57.8	16.0	17.2
Video Hits-1		5.3	9.5	15.0	0.0	4.5	8.1	12.8	79.2	57.9
WGN	10.0	13.0	15.0	15.5	8.5	11.1	12.8	13.2	15.4	3.3
WOR	3.5	5.0	6.0	7.0	3.0	4.2	5.1	6.0	20.0	16.7
WPIX	0.6	1.5	2.0	2.3	0.5	1.3	1.7	2.0	33.3	15.0
WTBS (7)	146.0	152.0	168.0	183.1	24.1	129.2	142.8	155.7	10.5	9.0
TOTAL/AVERAGE	486.3	612.3	738.3	878.2	413.4	520.5	627.6	746.5	20.6	19.0

Source: Cable TV Advertising, Paul Kagan Associates, Carmel, Calif. Notes: (1)Includes Headline News Billings. (2) Does not include FNN TelShop revenue. (3) Galavision is a Spanish-language cable service converting from pay to basic. It began selling advertising in 1987. (4) Modern Satellite Network ceased operations in Dec. 1985. (5) Revenue attributable to Univision (formerly SIN) Spanish-surname cable-delivered homes only. (6) Does not include Tempo TV sales of program ti[illegible] home shopping revenue. (7) WTBS estimates do not include billings from Atlanta market sales, estimated at $14 million in 1986 and 1987, or barter revenue from the Goodwill Games in 1986.

SET YOUR SIGHTS ON A WINNER.

Are you overlooking a key player in your starting sports media lineup? When it comes to delivering better income and educated males, TBS stands out in the crowd—with more live, major sports broadcasting than all of its cable competitors combined! If you're looking for a year round winning sports performance, set your sights on TBS Sports.

SuperStation TBS

SEE THE BIG DIFFERENCE TBS SPORTS CAN MAKE IN YOUR GAME PLAN.

©1987 Turner Broadcasting System, Inc.

proved, so has penetration. And the households cable attracts are, in turn, attractive to advertisers. Subscribers tend to be younger, better educated and affluent," says Beverly O'Malley, director of electronic media for Saatchi & Saatchi DFS Compton, New York.

Erica Gruen, the agency's associate director of electronic media, agrees. "We're seeing cable come into its own, not only financially, but in terms of programming. In fact, because of its attractiveness to subscribers, cable's efficiencies can be better than most broadcast alternatives by as much as 40% to 60%."

An agency study of cable by Ms. O'Malley and Ms. Gruen released this summer points to the Nielsen ratings of early 1987 showing that for the first time, the network prime-time ratings dropped below 50%, down 3% from the previous year, and independent broadcast TV stations fell to less than 8%, also down 3% from the previous year. Meanwhile, cable and cable-carried superstations such as WTBS in Atlanta and WGN in Chicago increased their ratings 15% to 7.3% in prime time.

"Ratings on cable may still be small, given the sheer number of networks competing for their share of the viewing pie, but the overall growth pattern can no longer be denied," the study says.

For 1988, the study predicts continued growth of cable sports programming as a big advertising drawing card, the movement of one-hour action adventure shows such as "Riptide" and "Airwolf" to cable in lieu of syndication, more original cable programming and the continued development of special interest networks such as MTV and Nickelodeon, CNN and The Discovery Channel.

> ***"When a cable network skews toward a particular audience . . . buying cable households becomes very important."***
>
> **Kevin Burns**
> **Ogilvy & Mather**

MTV's Nickelodeon and its later-hour counterpart Nick at Night has been a particular surprise this year, drawing toy and cereal advertising for its daytime children's programming and package goods spots at night. Russ Naiman, VP-advertising sales for Nickelodeon and Nick at Night, would not disclose total ad revenues, but says Nickelodeon's revenues doubled over the last three years and Nick at Night more than doubled over the last year.

Daytime highlights include "Double Dare," a kid's game show that has generated a 3.5 share and reruns of "The Monkees," an almost 20-year-old musical sitcom that has become a cult hit.

Nighttime highlights include other television classics such as "Car 54, Where Are You?" and "Laugh-In."

Another factor spurring the growth of national advertising on cable is media-planning technology. For years, agency media buyers and cable industry leaders have bemoaned the lack of accurate ratings and a means to compare the value of broadcast ratings and cable ratings.

The introduction of people meters, however, has improved TV viewing measurement, Mr. Stone notes, and has proved cable industry claims that diary-based measuring techniques were under-reporting cable usage. The new Nielsen data from the meters shows broadcast TV with smaller shares during prime time than ever before (73), with daytime scoring 61 and late-night dayparts 54.

Last summer, when broadcast networks ran reruns, cable viewership increased sharply, according to the latest Nielsen figures. On a 24-hour basis ad-supported cable network's ratings rose by 40% during the summer months, resulting in a gain of 866,000 homes per av-

(Continued on Page S-10)

Cable TV network census: April 1987

Network	Subscribers	Affiliates
ESPN	41,100,000	15,760
WTBS	41,078,000	11,819
CNN	40,204,000	10,723
USA	39,000,000	8,500
CBN	35,834,000	7,582
MTV	33,400,000	4,709
LIFE	32,338,000	3,300
TNN	32,000,000	4,800
NICK	31,700,000	5,005
NICK AT NITE	27,500,000	3,862
C-SPAN	27,500,000	2,600
C-SPAN II	9,200,000	400
TWC	27,000,000	2,700
CNN-H	26,220,000	3,170
FNN	25,000,000	1,600
FNN SCORE	19,750,000	1,066
FNN TELSHOP	10,000,000	660
A&E	24,000,000	2,400
WGN	22,481,000	9,929
VH-1	18,800,000	1,697
DISC	16,700,000	1,650
CVN	16,598,490	1,350
BET	14,000,000	860
HSN	14,000,000	1,036
TEMPO	12,500,000	641
WOR	9,227,990	2,147
TLC	7,850,000	800
CMT	6,300,000	482
UNI (SPAN)	4,311,900	409
UNI (TOTAL)	34,381,800	409
WPIX	2,471,000	317
MSGN	2,015,000	90
KTVT	1,891,000	169
LBN	1,300,000	90
WSBK	1,204,895	35
GALA	750,000	288

Source: Cable TV Advertising, Paul Kagan Asscociates, Carmel, Calif.

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CNN HEADLINE NEWS

WHOOOO CAN HELP YOU SQUEEZE MORE OUT OF YOUR NEWS BUDGET?

Cable carries weight

(Continued from Page S-9)

erage hour while pay-cable services increased by 18% or 288,000 homes per quarter.

By daypart, ad-supported cable ratings increased 33% in prime time, 42% during daytime and by 21% on weekends. The Nielsen study shows that advertiser-supported cable and pay cable had audience shares of 22 and 20, respectively, for a 42 total, larger than the broadcast total of 41.

> *"Cable's efficiencies can be better than most broadcast alternatives by as much as 40% to 60%."*
>
> **Erica Gruen**
> **Saatchi & Saatchi**
> **DFS Compton**

To guide media planners in using the new data, CAB also introduced the Cable Planning System. A computer-software product based on the popular Lotus 1-2-3 personal computer spreadsheet program, the Cable Planning System is designed to use product-use demographic data with ratings information to target impressions in households with greater product buying propensity.

"Essentially, media planners use it to put the majority of impressions in front of the people who buy the product," explains Carol Lansen, senior account exec at CAB. Now in use at most major agencies, including Young & Rubicam, BBDO, Ogilvy & Mather and others, the system was designed to help media planners budget for cable purchases.

For example, if cable households have a 110 product usage index—10% more likely than the average to buy a product—they account for about 55% of sales, making them a good target for advertising. However, because broadcast TV delivers only about 45% of cable households, the planning system reveals that as a medium, broadcast TV is under-delivering the key households. The system then advises buyers as to how much cable time must be purchased to balance the buy.

"It's a very straightforward system," says Kevin Burns, manager of broadcast and new technologies at O&M, New York. "It gives you a formula for figuring out what you should be buying in cable." O&M, he says, has been buying substantially more cable, because of the system and improved programming.

"Using cable has become more of a mainstream consideration," Mr. Burns says. "In some cases, there is no reason to buy any cable at all, but in a lot of situations, particularly when a cable network skews toward a particular audience . . . buying cable households becomes very important. In those situations, the Cable Planning System helps figure out what's needed."

Gene DeWitt, president, DeWitt Media, New York, a media-buying and consulting company, says the system "is the first objective means of calculating how much of a TV budget should go into cable."

Previously, he says, media buyers followed their intuition and bought small amounts of cable time on an experimental basis. Some small advertisers saw cable as a bargain and put 20% to 40% of their budgets in it. The planning system, however, quantifies the audience and eliminates the guesswork.

"To me, cable is just television and buying cable requires the same analysis as buying television," Mr. DeWitt says. "You've got to know who the audience is and how many impressions they are receiving. After that, it's a question of money. If I can buy cable impressions at $5 CPM with as good or better qualified audience and am being charged a $12 CPM for broadcast television, I'm going to buy more cable. Cable is the last bargain left in television advertising."

Cable TV gross revenue estimates

Year	Cable network ad rev.	% chg	Nat'l/local spot cable	% chg	Nat'l/local revenue per sub.	Total cable ad rev.	% chg
1980	50	—	8	—	0.38	58	—
1981	105	110	17	109	0.78	122	110
1982	195	86	32	90	1.26	227	86
1983	303	55	50	58	1.70	353	56
1984	486	60	86	70	2.61	572	62
1985	612	26	139	62	3.91	751	31
1986	738	21	192	38	5.09	930	24
1987	878	19	264	38	6.63	1,142	23
1988	1,044	19	351	33	8.36	1,395	22
1989	1,229	18	456	30	10.35	1,685	21
1990	1,412	15	571	25	12.36	1,982	18
1991	1,616	14	713	25	14.82	2,329	18
1992	1,849	14	856	20	17.14	2,705	16
1993	2,115	14	1,027	20	19.82	3,142	16
1994	2,374	12	1,181	15	21.99	3,555	13
1995	2,682	13	1,358	15	24.54	4,041	14
1996	2,979	11	1,521	12	26.80	4,500	11

Source: Cable TV Advertising, Paul Kagan Associates, Carmel, Calif..

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SuperStation TBS CNN HEADLINE NEWS

Agency layoffs slice careers

Crain News Service

NEW YORK—Consider Ted Fortin, one of those people close to admitting that his career on Madison Avenue may be at an end, after more than two decades.

Despite a portfolio that includes campaigns such as "It's not nice to fool Mother Nature" for Anderson Clayton Foods' Chiffon margarine (now owned by Kraft), and more recent work for Schieffelin & Co.'s Blue Nun wine and Procter & Gamble Co.'s Citrus Hill orange juice and Folgers coffee, Mr. Fortin now spends anxious afternoons alone in his Upper East Side apartment.

"In 1974, you still had a clubby atmosphere, but the acquisitions have changed all of that," said Mr. Fortin, who spent 16 years at Cunningham & Walsh (now N W Ayer), followed by a very brief stint at Grey Advertising, which ended abruptly last February.

"Many of the professionals who have been in the business a long time are having the hardest time," he said.

Faced with ever-growing pressure from clients, even large agencies like Grey that remain merger-free have trimmed their staffs to improve their bottom lines.

"I don't know of a single agency that hasn't had to re-evaluate its staffing," said Marvin Sloves, chairman-ceo, Scali, McCabe, Sloves. "We are all learning to manage our businesses better.

"The irony is that the people who had been most willing to make a commitment to an agency are the ones getting cut."

The job environment in advertising has never been bleaker, because today's retrenchment atmosphere may permanently diminish career opportunities in the field.

The downsizing of the ad business—the top 10 agencies have lopped off close to 1,000 adpeople this year (AA, Nov. 16)—means a rude transition for thousands of once highly paid and creative professionals.

"The agency business always went through cycles when they cut back, but this is more permanent," said Simmy Sussman, an executive recruiter in advertising for almost 20 years. "There is a very quiet resignation this time. . . . Now people almost accept that things are over for them."

Hardest hit by the paring are middle-age professionals like Mr. Fortin, who earned more than $100,000 a year as a senior VP-creative group head.

Those who had not quite made it to equity status and held middle-management posts became frequent targets because of their hefty salaries.

"They are doing away with levels. Account supervisors now have bigger groups and they use one copywriter instead of two," said Leslie Winthrop, president of the Advertising Agency Register, a clearinghouse for clients.

Photo by Sherri Nickol

Ted Fortin is among the many agency veterans who have lost their jobs and may not be able to get another in the advertising field.

She also is head of the Advertising Club of New York's new Mentor program, developed to help unemployed ad executives over the age of 45.

"Many people think it's their age—it's not," she said. "It's their price tag."

"We are of that age that we can empathize with these people who are often thrust into unemployment through no fault of their own," said Harold Levine, chairman of Levine, Huntley, Schmidt & Beaver and co-chairman of the Mentor program. "We are trying to help restore their self-esteem."

Jerry Fields, a veteran recruiter with 40 years' experience in the ad business, is teaching a course at Parson's School of Design entitled "Advertising Career Alternatives."

Even Mr. Fields has moved outside the traditional ad world. His company, Jerry Fields Associates, does half its $1 million in annual recruiting in graphics-related areas.

Less discouraged than some is David Capano, though he has been out of work since June. Mr. Capano, who started as a media planner at what was then called Ted Bates & Co. in 1971, has worked both on the agency and client sides. He believes he has more options than many executives who have spent their entire careers at one agency.

"I know a lot more people in the business, because I have moved around," Mr. Capano said. "You find out about the best jobs by networking."

While everyone in the business agrees the cuts have been harsh, there is less agreement about whether there is a stigma attached to being out on the street.

Many headhunters say being laid off today jeopardizes one's ability to land another job; others believe there is an understanding in the industry that many people simply have been pawns in a much larger game.

"A lot of these people were in redundant jobs," Mr. Sloves said. "I don't even look to see how long someone has been out of work—just if they have done good work."

For many pushed out into the streets, salvation, at least temporarily, has arrived in the guise of free-lance employment. Agencies stretched tight by layoffs more often are finding the need for temporary help.

"Agencies are using freelancers to do new-business pitches," said Frank Corkrum, a partner at the Team Works, a 6-month-old temporary ad personnel business in New York with a list of 150 professionals available. "Two-thirds of our people are between jobs, although some are finding out they like the free-lance life."#

AGB's future

(Continued from Page 3)

and NBC is "studying" the possibility of signing, one official said.

"We are now in active dialogue with NBC," said Mr. Poehner, who said a decision "hopefully" would come soon.

But Bill Ruben, VP-research at NBC, said the network was looking "closely" at the data and declined to say whether it would sign a contract.

"We're looking at them because we [continue to] have a lot of unhappiness about people meters in general," he said.

AGB numbers are lower

AGB's current numbers for the Big 3 networks are lower than Nielsen's. A recent study conducted by BBDO Worldwide found that from Sept. 21 through Oct. 21, AGB reported teen-age viewing levels 20% lower than Nielsen's own estimates. The ratings for women ages 25 to 54 were 9% lower; men, 25 to 54, 14.5% lower; and children, 10% lower.

The average network household rating was 3% lower in AGB, according to the study.

There seems to be no rhyme or reason to differences in individual program ratings, though generally CBS programs score higher with AGB than with Nielsen. For example, "Kate & Allie" on Nov. 9 scored a 16.2 rating and a 24 share in AGB, while the Nielsen rating was 13.6 and a 20 share.

Also, AGB recently suffered a setback by essentially admitting its own initial numbers probably were wrong.

AGB changed its "editing" procedure Oct. 26 in response to criticisms that its data collection method was faulty. In editing, the ratings service decides whether data from a certain household should be counted when a national rating is estimated.

The ratings service liberalized its editing procedures so that more homes would be counted, thus raising the ratings themselves.

"We saw that our editing procedures were depressing our ratings and probably not showing viewing levels correctly," Mr. Poehner said.

Will advertisers sign up?

One of the biggest questions for AGB is whether advertisers will sign up. So far, only RJR Nabisco has signed on, for about $50,000. Without General Motors Corp., Procter & Gamble Co. and other major advertisers, AGB eventually could run out of cash.

That cash comes not just from initial sign-on fees but from what AGB calls "special analyses"—the high-margin, customized studies done for clients.

For example, AGB executives estimate there is another $500,000 hidden in any potential NBC contract for these customized studies.

A related challenge is getting ad agencies, which usually follow their clients, into the AGB tent. Virtually all buying and selling of TV time—both barter syndication and network—continues to be based on Nielsen audience estimates.

About half a dozen agencies now subscribe to AGB, including BBDO, D'Arcy Masius Benton & Bowles and Young & Rubicam.

"If one or two major agencies during the upfront buying time in the coming year start negotiating on AGB, then it will give [the service] a possibility of being viable," said Betty-Ann Morse, VP-media research director at DMB&B. "But if agencies ignore it, I don't give it much of a chance."

High marks from agencies

Agency experts give AGB high marks for establishing a service quickly and providing numbers quickly and efficiently. Those who subscribe to AGB add that it will be months before they decide whether they will keep either Nielsen or AGB.

AGB has financial support from its parent company in the U.K., as well as from London-based MAI; the Schroders bank; Chemical Ventures, the venture capital division of Chemical Bank; and Prudential Insurance Co. of America.

AGB has financial support from its parent company in the U.K., as well as from London-based MAI; the Schroeder Bank; Chemical Ventures, the venture capital division of Chemical Bank; and Prudential Ins. Co.

There have been rumors for more than a year that New York-based Arbitron Ratings Co., Nielsen's archcompetitor in local TV ratings, would buy AGB. Some have suggested that AGB may soon actively pursue a buyer.

Arbitron has been focusing its effort to establish a national peoplemeter service via ScanAmerica. ScanAmerica now has an ongoing "single-source" service in Denver; Arbitron bought out SAMI/Burke, its partners in the project, on Sept. 1.

Mr. Poehner confirmed an Arbitron purchase is "possible," adding, "I've never even met with [Arbitron], but there's a lot of logic in this scenario."

Arbitron has other ideas, however. The company approached AGB three years ago about a possible buyout. AGB refused.

"They didn't need me three years ago—why do they need me now?" asked Arbitron President Rick Aurichio. "We may be too far along with our own project to need them anymore. It's possible that the bridges are burned."

Mr. Poehner, a former IBM Corp. executive, is cautious in his assessment of AGB's future. "It's a lot more complex market than anybody expected," he said in a recent interview. "I'm surprised how much AGB has accomplished in the time period it has. But there's a lot of work to do—there's no stopping now."#

AdWatch

(Continued from Page 3)

Cinnamon N' Bisquits could purchase figurines of the raisin characters. Rocky Mount, N.C.-based Hardee's Food Systems said the raisin campaign topped by 10% its previous sales record for promotional items (AA, Sept. 28, *et seq.*).

Ogilvy & Mather, New York, handles Hardee's and probably wishes more people had recalled the restaurant chain's name rather than the raisins.

McDonald's Corp.'s "Mac Tonight" campaign last month lost some of the steam that had propelled it to the No. 1 position in September.

But McDonald's was not far behind the raisins, ranking as October's second-best-recalled advertiser.

When the 1,000 adults were asked specifically which fast-food advertising they recalled, 42.3% named McDonald's. That was 9.4 percentage points below the record 51.7% of first mentions Big Mac garnered in September, but enough, as always, to keep it safely at the top.

Burger King was No. 2 with 16.3% of first mentions, up 3.9 points from September; Wendy's International was up 2 points to 8.1%.

The raisins helped boost Hardee's share to 6.4% from 4.7% in September.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind from all heard, seen or read in the previous 30 days. Consumers are queried on the first ad they recall overall and then in a variety of product areas.

In October, 1,000 adults were polled by telephone. Those changes in advertising awareness deemed statistically significant by adWatch researchers are attributable to more than sample variation.

Among other significant changes in the October survey results:

- Pepsi-Cola widened its lead over Coca-Cola in the **soft-drinks** category by declining less than its rival did. Pepsi got 35.4% of first mentions, compared with a 36.5% share in September. Coca-Cola's 27.1% share in October was down 5.7 points from its 32.8% showing the previous month.

The October survey was conducted before Pepsi-Cola began airing its latest Michael Jackson commercials (AA, Nov. 2).

The 4.2% share of first mentions that put 7UP in the No. 3 spot may not sound like much, but it represents the Uncola's best showing in more than two years.

Leo Burnett USA, Chicago, has produced new commercials for 7UP that introduce an animated character named "Spot" (AA, Oct. 5).

- Apple Computer still leads, but IBM Corp. is bouncing back and closing the gap in the **computer** category. Apple last month received 26.3% of first mentions, down slightly from 28.1% in September. IBM, which rose 3.8 points to 22.6% in September, inched up to 23.3% in October. Radio Shack was third with 4.4%.
- Another head-to-head battle where the gap has narrowed is that between Goodyear Tire & Rubber Co. and Michelin Tire Corp. in the **tires** category. Goodyear kept the No. 1 spot in October—a position it has held since April—with 21.6% of first mentions. Michelin's advertising was close behind with a 20.2% share. Firestone Tire & Rubber Co. was third with 3.7%.#

For more information or data, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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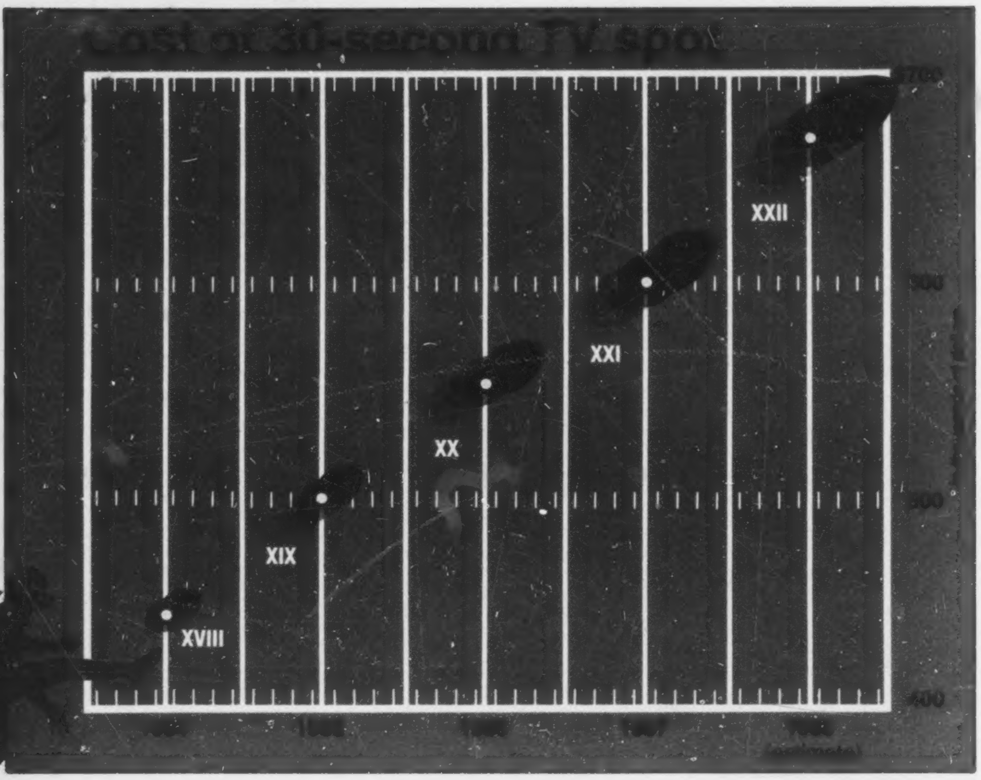
Super Bowl-buster



Graphic by Amy Palmer

ABC nears sellout on commercial time

By PATRICK McGEEHAN and VERNE GAY

NEW YORK—ABC-TV is on the verge of selling out all commercial inventory for Super Bowl XXII, eight weeks before the game is scheduled to air.

This virtual sellout of commercial time during the Super Bowl is one of the earliest in the championship game's recent history. It comes just seven weeks after a potentially devastating National Football League players' strike.

Most of the game's 51 30-second commercial units have sold for $600,000 to $650,000, a record for what usually is one of TV's most-watched programs.

For the three to four units still unsold, the network is asking up to $675,000 per :30, or $75,000 more than the top asking price by CBS for Super Bowl XXI, agency and network sources said.

ABC could reap up to $50 million for the entire Jan. 31 telecast, which will include pregame shows and a postgame show.

The range for the "wraparound" programming is $185,000 to $475,000 per :30. The postgame show has been sold out.

ABC's unprecedented sales pace has been aided by an unusually strong three-network sports market. Also, ABC's "Monday Night Football" is recording stronger ratings this season than last.

"The Super Bowl has become an American event, strike or no strike," said John Flieder, assistant VP-consumer advertising, Allstate Insurance Cos., Northbrook, Ill., one of the game's sponsors. "I think it's going to draw the usual audience."

Allstate is one of several insurance and financial services companies placing extra emphasis on TV sports, once dominated by beer and automobiles.

John Hancock Mutual Life Insurance Co. and New York Life also will advertise during the Super Bowl; each has bought one or two spots.

Volkswagen of America has staked out auto exclusivity on the pregame and postgame shows for its VW and Audi cars, and VW will have one spot in the game,

(Continued on Page 76)

Cooler ads in turmoil as Gallo, Riney split

By JENNIFER PENDLETON and PATRICIA WINTERS

Three of advertising's most popular pitchmen may be on their way out—victims of the wine cooler wars.

With Hal Riney & Partners' surprise decision to resign the estimated $75 million E&J Gallo Winery account last week, the future of lovable hayseeds Frank Bartles and Ed Jaymes, who pitch Gallo's Bartles & Jaymes wine cooler, appears uncertain.

And sources close to Jos. E. Seagram & Sons, which has overtaken Gallo in the $1.3 billion market, said that company is testing "backup" copy without "Moonlighting" star Bruce Willis to determine whether he should continue to represent its brand in 1988.

Mr. Willis is credited with contributing to the meteoric rise of Seagram's Golden wine cooler from No. 4 just two years ago to category leader today.

Concern about spokesmen may have led to the Gallo/Riney split Although neither Gallo nor Riney Chairman-CEO Hal Riney would comment, sources suggest Gallo Chairman Ernest Gallo and Mr. Riney may have clashed over Frank and Ed.

A source close to the agency said the 78-year-old Mr. Gallo, legendary for dispensing personal abuse on agency people, had been particularly hard on Mr. Riney concerning Bartles & Jaymes' share decline.

> *"There comes a time to break free."*
> **—Riney exec**

But Mr. Riney apparently defended the advertising, believing the agency's creation of the two characters was the key factor in the brand's phenomenal, early success.

Bartles & Jaymes lost its leadership position to Seagram this summer (AA, Nov. 23). Its share dropped to 27% nationally, while Seagram attained a 30% share from January to August this year, according to Gomberg, Fredrikson & Associates, San Francisco, wine industry consultants.

One source said Mr. Riney had lunch with Mr. Gallo early last week, and several hours later sent an overnight letter to the winery head informing him the agency was resigning the business.

Other sources said the Riney shop wanted to rid itself of some of the less well-advertised Gallo brands, a prospect that did not sit well with Gallo management.

Riney recently had great difficulty getting approval on two campaigns. The San Francisco-based agency battled successfully to get new commercials for Gallo's Andre sparkling wine—breezy tongue-in-cheek spots featuring celebrities Dick Cavett and Pearl Bailey, among others—on the air this holiday season

(Continued on Page 74)

Last Minute News

Florida leaders endorse repeal plan

TALLAHASSEE, FLA.—Gov. Bob Martinez and legislative leaders on Dec. 4 endorsed a proposal to repeal the state's 5% tax on advertising and other services, with no replacement tax, as of April 1 *(see earlier story on Page 77)*. American Advertising Federation President Howard Bell welcomed the proposal, which is expected to be acted on this week, but said he would favor a Jan. 1 repeal date. Mr. Bell said AAF will drop its suit against the state if the plan is approved.

Sears offers ad opportunities

CHICAGO—Sears, Roebuck & Co. for the first time is offering space to advertisers through a direct-marketing program called "The Sears Ad-

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HOLIDAY MARKETING

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Federal to express itself again

Fallon readies $20M effort

By GARY LEVIN

Federal Express Corp., which had throttled back on its advertising despite growing competition in the estimated $4 billion courier market, on Dec. 20 breaks its first national TV campaign from Fallon McElligott.

A $20 million campaign, including network TV, print and radio ads, will carry the Memphis, Tenn.-based company into the Jan. 31 Super Bowl telecast and coverage of both the Winter and Summer Olympics. Federal is a major sponsor of the Olympics.

It is the first concerted Federal Express campaign in nearly a year.

Federal Express officials declined comment on the new campaign, but a source said the effort is "quintessentially the leadership campaign" for the carrier, which claims a 50% share of the U.S. overnight door-to-door delivery market.

United Parcel Service of America, Greenwich, Conn., is second with an estimated 13% share.

The new ads are themed "It's not just a package. It's your business," a line first used during the company's sponsorship last August of TV coverage of the St. Jude Golf Classic.

During that event, the company also tested several offbeat spots, and it has since tested other TV and radio spots and print ads in local markets.

The golf tournament spots, including one in which a spokesman "plays" his lips with his fingers, are not believed to be part of the new campaign.

One print ad appearing in the Nov. 30 issue of *People*—and typical of much of Fallon McElligott's work—shows an unmarked pouch, captioned "Typo," next to a Federal Express Overnight Letter, above the heading, "Letter Perfect." The copy says, "It's never a mistake to send it Federal Express."

An agency source said TV spots "will look appreciably different" from the side-by-side print comparisons.

The campaign will include commercials that stress the company's international service as well as its domestic operation.

The more hard-hitting competitive approach, which will not mention rivals by name, contrasts sharply with earlier, humorous Federal campaigns from Ally & Gargano, New York.

Ally lost the $20 million domestic business to Minneapolis-based Fallon in a competition earlier this year (AA, March 30).

Fallon already had the estimated $10 million international account, awarded to the agency after Federal pulled the plug on ZapMail, a facsimile transmission service, before it ever was launched.

Federal has seen rivals in the intensely competitive business lure corporate clients with attractive rates.

But a spokesman claimed increased competition and lower ad spending levels have not eroded its market share.

The company's measured ad spending dropped by 21% to $26 million last year, according to Leading National Advertisers. In the first half of 1987, Federal spent only $5 million on measured media.

Besides UPS, which recently began an aggressive marketing thrust in the overnight delivery market, Federal's competitors include DHL Worldwide Courier Express, San Bruno, Calif.; Emery Worldwide, Wilton, Conn.; and the U.S. Postal Service's Express Mail service.#

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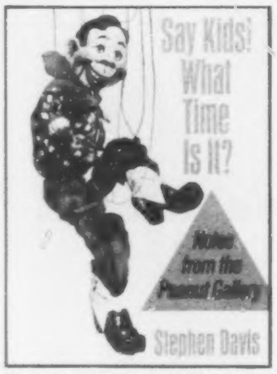
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Cable:
Cable TV is proving to be a viable outlet for shows unwanted by TV stations. The section also examines cable promotions and local sales. Starts after Page 40.

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Rukeyser gets post at Whittle

By PATRICK REILLY

Whittle Communications has recruited former *Money* and *Fortune* Managing Editor William Rukeyser to be its editor in chief.

Whittle founder and Publisher Christopher Whittle called Mr. Rukeyser, currently Time Inc.'s director of international business development, the "important media player" he had been seeking.

Time Inc. loses the editorial executive who had been shepherding plans for the launch of a French version of *Fortune*, a joint venture with Paris-based Hachette Filipacchi Group, along with other foreign publishing projects.

Mr. Rukeyser will join Knoxville, Tenn.-based Whittle early next year and will be involved immediately in a "major business launch," Mr. Whittle said last week. The launch will be advertiser-supported but not a single-sponsor publication, he said.

"It's not the sole reason he's here, but he is well suited for the project," Mr. Whittle said.

Mr. Rukeyser was the founding managing editor of *Money* and served as managing editor of *Fortune* from 1980 until last year.

Whittle, with annual revenues of more than $100 million, specializes in single-advertiser-sponsored magazines, newsletters, videotapes and wall information centers targeted to specific audiences.

Mr. Whittle made his name in publishing by acquiring *Esquire*,

(Continued on Page 74)

Noble exits DDB to start own shop

By GARY LEVIN

John Noble says the "bigness" of DDB Needham Worldwide led him to leave as exec VP-executive creative director to form his own shop in San Francisco.

Mr. Noble, 47, will open a new agency early next year either alone or with one or more partners, he said. He has signed a "no-compete" agreement preventing him from luring DDB Needham clients for one year.

"I couldn't handle the bigness anymore," he said. "I want to get back into advertising and do advertising, which is what I do best."

Mr. Noble, who spent most of his career in New York, also said he fell in love with San Francisco. He wants to give something back to the city and plans to do it by donating 20% of his profits to a charity designated by the individual clients involved.

He plans to advertise the donations as a method of drumming up business. "It's a quick way for me to say I really do care about the city," Mr. Noble said.

During a seven-month stint at DDB Needham in San Francisco, Mr. Noble hired seven creative staffers, including Brian Barnes, who joined the agency as exec VP-executive creative director from VP-senior art director at Hal Riney & Partners.

Mr. Barnes replaced former Creative Director Mort Scharfman.

Mr. Noble served as interim creative director during the search and worked on campaigns for clients including First Nationwide Savings.

But he rejected an offer to assume that post permanently, viewing it as a "comedown" from his role as executive creative director and a member of the agency's board.

His post as executive creative director will not be filled. Instead, agency Chairman-CEO Keith Reinhard, based in New York, will continue to supervise the agency's creative work.

Mr. Noble's role at DDB Needham is said to have been vaguely defined in recent months, as the agency sought a post for him after last year's merger of Doyle Dane Bernbach and Needham Harper Worldwide.

Mr. Noble joined DDB as a copywriter in 1965, rising to copy chief in 1974 and associate creative director in 1978. He became executive creative director in 1986.#

Alice Z. Cuneo in San Francisco contributed to this story.

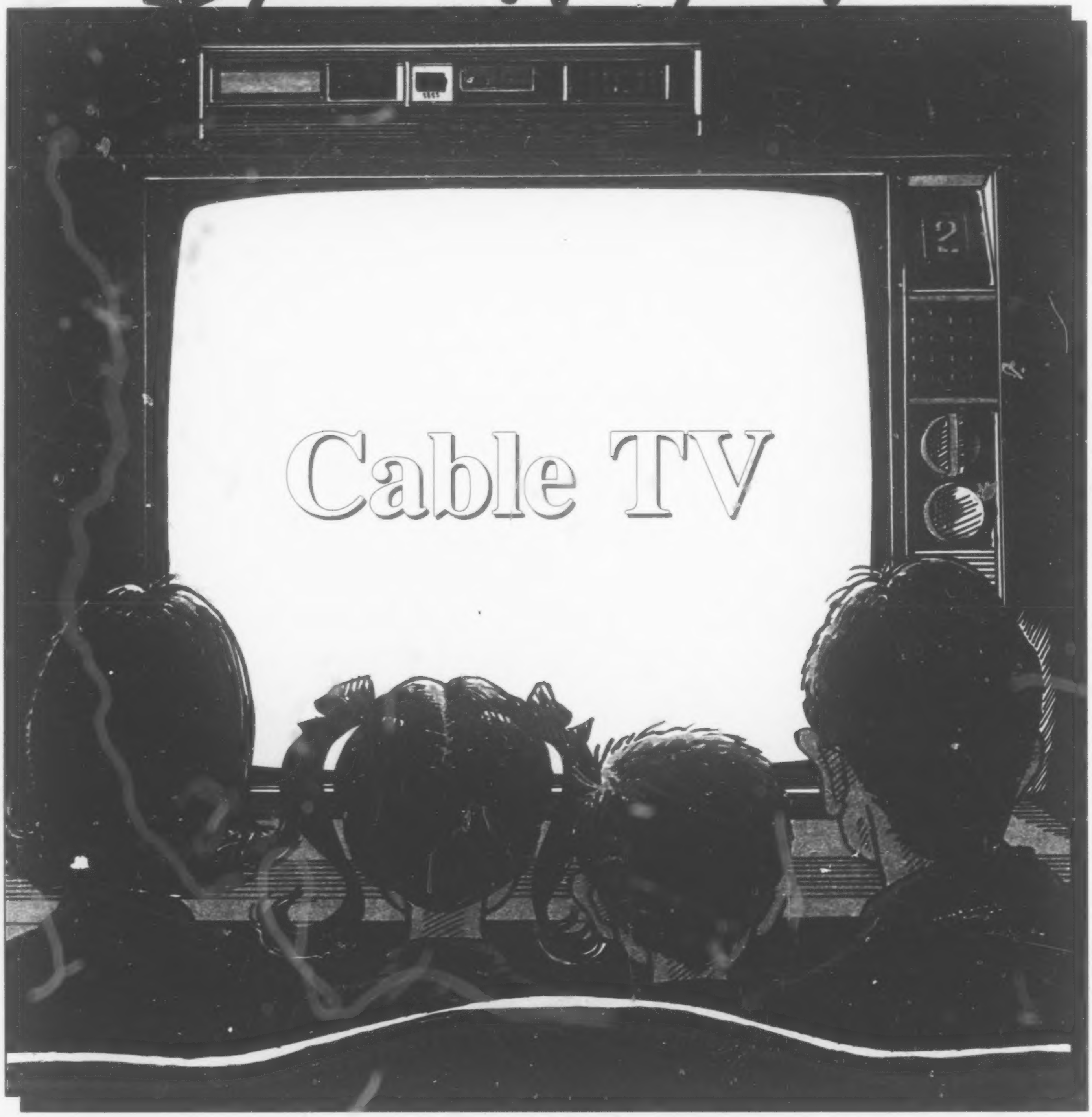
West Coast News

DEC

7

1987

Special Report



Syndicator wares fill cable cupboard

By Wayne Walley

Miami Vice," the hip cop show that set new pastel standards of style for TV, could be at the forefront of another growing trend—exclusive sales of off-network programs to cable networks by TV syndicators sometimes before they are offered for sale to broadcast stations.

Cable TV is filling a void as an outlet for syndicators unable to sell its wares—particularly one-hour shows—to TV stations.

And cable programmers, with a little promotional savvy and salesmanship, are buying those unwanted programs.

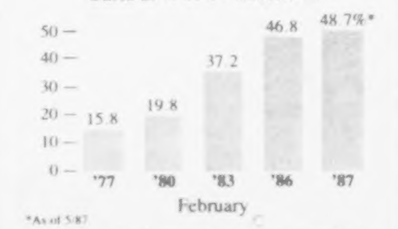
"What do the syndicators have to lose? If a high-profile, off-network show works on cable, broadcasters might become more interested," says Chuck Gingold, VP-programming, Lifetime Cable Network, a division of Capital Cities/ABC, New York.

Even if the show doesn't succeed on cable, the syndicator still recoups some money from the cable sale.

When MCA TV, Universal City, Calif., couldn't find enough TV station buyers for "Miami Vice," the company turned to the USA Network. USA, one of the top-rated cable networks—partly because of the performance of exclusive off-network shows like "Riptide" and "The New Mike Hammer"—was interested, but reportedly turned down a proposed $300,000-per-episode deal last spring.

Cable penetration growth

Cable as % of TV households



*As of 5/87

Source: A.C. Nielsen Company. From "Triumphs and Trends of the Cable Television Industry," a study by Bozell, Jacobs, Kenyon & Eckhardt, 1987.

Then in mid-November after negotiating a price with MCA, USA agreed to buy four-year rights to 92 hours of "Vice" beginning in fall, 1988, for an estimated $200,000 per episode.

The question now is whether or not the Michael Mann-created action/adventure show credited with revolutionizing TV will do the same for cable. "Miami Vice" becomes the first network series directly sold to cable while still airing on broadcast TV. And it could be a barometer of things to come.

(Continued on Page S-16)

Offbeat Nick at Nite pitch fills niche

(Continued from Page S-2)

brand awareness," says Mindy Goldstein, VP-promotions for Ohlmeyer Communications, New York, which has handled cable promotions on MTV and USA Network for various East Hanover, N.J.-based Nabisco Brands products, including Baby Ruth and Butterfinger candy bars.

For the networks, the stakes are high. Cable advertising revenues totaled $948 million in 1986 and are expected to top $1 billion in 1987, according to the CAB.

Among the prizes in VH-1's contest commemorating the tenth anniversary of Elvis Presley's death was a 1957 pink Cadillac.

In the race for ad dollars, networks are increasing their promotion budgets, with an emphasis on tune-in promotions. To qualify for certain contests, viewers must watch the programs that are tied to the promotion.

For example, The Nashville Network, which reaches 35 million subscribers, has a 1987 promotion budget double the amount it was two years ago. TNN's Christmas promotions—including a "Secret Santa" watch-and-win event—began in early November and are being advertised on the nightly network programs such as "Nashville Now."

In addition, RCA Records and American Motors Corp.'s Jeep division cosponsored "Join the Judds Sweepstakes," in which the winner received a trip for two to the Academy of Country Music Awards in Los Angeles, a Jeep Commanche Sportruck, and a visit with the mother-daughter singing duo. The "VideoCountry Contest," which kicked off in September, invites viewers to create an original music video. The winning videos are screened on "VideoCountry," TNN's weeknight music program.

"The cable industry is becoming a lot more programming driven," says Robert Alter, president of CAB. "It used to be that a cable system would almost dare viewers to find out what was on because there was no audience promotion, unlike broadcast television that does constant promotions for programming," he says.

Other industry watchers agree with Mr. Alter. "The industry is learning to do a much better job of informing cable subscribers about the services they have, and they have seen specific and dramatic results," says Larry Gerbrandt, a senior analyst with Paul Kagan & Associates, Carmel, Calif.

Observers say some networks and local system operators are using cross-network and cross-channel promotions to boost programming awareness. Because Nick at Nite airs on the same channel as Nickelodeon, the two services air each other's tune-in spots. Mr. Alter says some local operators have started to cross-promote various channels on services that attracts similar audiences.

The results of a recent CAB survey of cable operators on tune-in promotion support this assertion. For example, more than two-thirds of the cable system operators who responded said such promotions have resulted in increased subscribers.

More than half the respondents said program promotion has resulted in audience growth, while 44% felt tune-in promotion was helpful in increasing local advertising sales. All of the operators surveyed received CAB's monthly "tune-in" kit, which included ready-to-use, program specific promotional material.

"I won't tell you every time we do a promotion our ratings go up, but more often than not they do," says Ellen Kaye, director of marketing at USA Network, which reaches 39 million homes nationwide.

"And even if direct ratings don't go up over the promotion period, I believe that it serves to increase awareness of the programming," she says.

Other cable network officials agree. "Sweepstakes really aren't valuable in and of themselves," explains Laurence E. Rebich, VP-marketing, Lifetime, a division of Capital Cities/ABC, New York.

"The value of a sweepstakes is that it generates a little bit of excitement and makes your advertising message a little bit more memorable," he says. "If it's a pretty straight product ad, it will get some level of response. But if you wrap that ad in the context of a $1 million sweepstakes, you're going to get more attention paid to it."

Promotions this year on Lifetime included "The Ultimate Love Trip Sweepstakes," an on-air Valentine's Day contest that offered viewers the chance to win a 14-day trip for two to Paris, Venice, Rome and the French Riviera. The network's "Motherhood Celebration" ran in April and May and featured a sweepstakes with the winner getting a cruise on the Queen Elizabeth II.

"If you look at where Lifetime was two years ago and where we are today, it makes all the difference in the world," he says. "Advertisers are voting for Lifetime the hard way—with their dollars."

Network officials also say that for offbeat promotions to be effective, they must make sense to the viewer.

"We really try to look at who our audience is and design things that are going to be attractive to them," says Leslye Schaefer, VP-marketing for VH-1, MTV's sister network.

To commemorate last August's tenth anniversary of Elvis Presley's death, the network ran a monthlong tribute that included a weekend devoted specifically to programming about Presley and a contest that gave viewers the chance to win, among other prizes, an exclusive tour of Graceland and a 1957 pink Cadillac.

"It was very successful for us from an entry and a viewership standpoint," says Ms. Schaefer, who adds that the contest was the key to making the entire VH-1 promotion a success.

"[Without the contest] I don't think we would have gotten near the height of participation that we were looking for," she says.

One of MTV:Music Television's off-the-wall promotions gave the winner a job as a roadie for Bruce Springsteen.

At MTV, which is perhaps as well known for its off-the-wall promotions as for its programming, network officials say these types of efforts benefit advertisers as much as the network.

"It makes a difference for all the people who are tying in with us because it puts them in an environment that enables the message to cut through the clutter," says Bob Friedman, senior VP-marketing and promotion development for MTV Networks.

And whether the promotion offers viewers the chance to be a roadie for Bruce Springsteen or to spend a weekend in hedonism with Bon Jovi, the network's efforts have elicited huge responses, according to Mr. Friedman. One promotion co-sponsored by Geffen Records to give away a Jeep, for example, drew 700,000 viewer calls over just one week, he says. MTV reaches more than 37 million households.

Industry watchers say they expect spending on promotion to continue to increase. The 13 cable networks that participated in the National Cable Television Association's National Cable Month campaign last April contributed $23.5 million for advertising and promotional support. In 1988, they will spend $25.9 million, according to NCTA.

Executives at the networks that have had success with unusual promotions say they plan to heighten efforts in 1988.

For example, marketing expenditures that include promotional budgets at Lifetime, which reaches roughly 32 million households, were up 40% in 1987 from the previous year and will jump another 25% in 1988, according to Mr. Rebich.

And, Nick at Nite's 1988 marketing and promotion budget will be double that of 1987.

"I think [the promotions] have been instrumental in audience growth," says Mr. Cronin, who adds that the network is considering a celebrity bowl-a-thon promotion for the coming year. "Nick at Nite is something that has built this very loyal following but there are still some people that don't know about it. 1988 is the year that we really get the word out.

"It's important in cable television that you demonstrate that you have a unique network that is different from local independents and different from what the cable operator already has," he says, "We think of these promotions as offbeat but on-strategy."

Disney, Nashville nets find eager product tie-ins

The Disney Channel, Burbank, Calif., is turning to promotions with like-minded companies. Through a joint effort with General Mills, Minneapolis, consumers mailing proofs of purchase from three different food products—Fruit Corners, Fruit Roll-Ups and Fruit Wrinkles and Nature Valley Peanut Butter Boppers—to the marketer by April 18 received two $12 checks payable to the consumer's local cable company for the first two months of Disney Channel service.

"General Mills is a company that we consider to be of the same image and reputation and certainly having the same family target audience that we have," says Pamela Euler, director of consumer marketing for the channel, which has nearly 3.2 million subscribers as of the end of 1986.

Ms. Euler says Disney research indicates that two-thirds of the consumers who took advantage of the offer said they would not have subscribed without the promotion.

General Mills also was happy with the results, according to Kathryn Newton, PR supervisor for the company. Although Ms. Newton would not say whether General Mills experienced increased sales because of the promotion, she says that company officials believe the effort helped increase brand awareness: "We continue to believe that this is a very viable promotion opportunity."

Kentucky Fried Chicken, Louisville, Ky., had the same goal in mind when it linked with The Nashville Network in April to promote its song-writing contest.

"The audience for country and adult contemporary music is very closely aligned with the consumer base for Kentucky Fried Chicken," says John Weir, VP in the Los Angeles office of Edelman Public Relations, which promoted the contest. "It gives us a great way to reach our customers."

Top 10 cable advertisers

Advertiser	Expenditures
Mars Inc.	$5,744,355
Philip Morris	5,427,642
Time Inc.	5,321,821
Procter & Gamble	5,174,055
Anheuser-Busch	4,283,601
RJR Nabisco	3,746,217
General Mills	3,654,724
Gillette	3,104,652
General Motors	1,970,705
American Home	1,837,816
Total	**$40,265,588**

Source: BAR data. ©1987 Cable TV Advertising, Paul Kagan Associates, Carmel, CA

According to Mr. Weir, about 20% of the contest's 50,000 respondents entered through TNN this year. "There is no question," he says, "that the association with TNN has been very beneficial to the contest."

—Fannie Weinstein

Winning the battle in the neighborhoods

By Len Strazewski

It's football season and cable operators are cheering—for their home teams and local advertising sales.

Cable operators and industry observers predict a record year for local advertising sales—possibly as high as $300 million. They say this is due, in part, to the strength of expanded interconnects between regional cable systems, greater recognition of the value of cable by advertisers and improved sales techniques at the local operating level.

Most attractive to advertisers is New York-based Entertainment Sports & Programming Network's broadcast of 13 National Football League games. Each NFL game—the Pro Bowl, four preseason and eight regular season games—contains 24 local avails that are being sold for about three times the usual local ad rate of 50¢ per 1,000 subscribers, 25% to 50% of which are headed directly to the local operators' bottom line.

In addition to extra revenues, the NFL games are an effective marketing tool for local systems, providing them the kind of national programming that opens doors to major advertisers, say cable operators and ad representatives. "New programming in general is opening a lot of doors for cable, especially the NFL games. Cable programming like this is much more attractive than anything we've had before," says David Cantor, director of advertising sales, Cox Cable, Atlanta.

"There's no doubt that the NFL games are a breakthrough for cable," says Larry Gerbrandt, senior analyst at Paul Kagan Associates, Carmel, Calif., a media consulting company. "The cable-exclusive games generate a lot of excitement for cable operators and their representatives as well as local avails."

ESPN's acquisition of NFL broadcast rights was one of the major reasons for Mr. Gerbrandt's increase in 1987 local advertising sales estimate from about $252 million to $264 million. Mr. Gerbrandt estimates that local advertising sales could grow to $1.2 billion by 1995.

"If cable operators choose to market their avails correctly, the ESPN games could lead to a significant increase in sales. Cable sells very differently from broadcast and is very dependent on results. If a spot works, advertisers will return and buy more."

Ron Fischmann, VP-local advertising for New York-based Cabletelevision Advertising Bureau, agrees but believes Mr. Gerbrandt is underestimating 1987 local advertising sales. CAB is estimating 1987 sales of about $300 million, which would be a 60.4% increase from 1986.

Top 10 MSOs

Company	Basic subscribers	Basic penetration
TCI*	5,165,000	57.0
ATC**	2,888,957	56.5
Continental	1,445,000	54.7
Storer	1,392,000	58.4
Cox	1,371,731	56.7
Warner	1,260,000	53.0
Comcast	1,242,744	55.8
United	1,084,431	56.8
Newhouse	1,026,602	63.4
Heritage	1,000,856	50.5

Source: NCTA data as reported in Broadcasting, May 25, 1987. From "Triumphs and Trends of the Cable Television Industry," a study by Bozell, Jacobs, Kenyon & Eckhardt, 1987.

*TCI figures include consolidated and equity affiliates but do not include its purchase of Heritage.
**ATC figures do not include Paragon Cable numbers. Figures are for March 31 unless otherwise noted.

"There's no doubt that ESPN's NFL games are a major breakthrough," he says. "The first preseason game had a 16 rating, which puts cable in the same ballpark as broadcast television."

But, he says, other factors have contributed to the dramatic increases in local advertising sales, among them: increased cable penetration, improved media-planning technology and greater sales professionalism.

With cable penetration topping 50% of U.S. homes, "cable is now regularly being seen in areas in which advertising agency personnel reside," Mr. Fischmann says. "They are finally getting a feeling for what cable is."

Moreover, Mr. Fischmann says, because new cable demographic studies by major researchers such as Simmons Market Research Bureau and MRI, New York, show that cable homes tend to be more affluent, agency people have become more interested in cable households.

New planning technology, such as the personal computer-based Cable Planning System, marketed by CAB, also has helped increase sales because agency buyers can better estimate the amount of cable advertising needed to meet their goals for cable households, he says. As a result, the number of manufacturers and distributors using co-op advertising on cable have increased 59% to 2,110 in 1987.

"This growth is indicative of the emphasis national manufacturers are placing on cable for local advertising," Mr. Fischmann says.

Cable operators also are making regional purchases easier with more interconnections between local systems, he says. CAB now lists 80 interconnects between two or more systems,

Len Strazewski is a Chicago-based free-lance writer and a frequent contributor to Special Report.

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Local ad revenues at the 1.3 million subscriber Cable Television Network of New Jersey are up about 20%, thanks to increased advertiser awareness and improved specialty programming, says Jim DeBold, executive director.

Though the network is listed by CAB as the nation's largest interconnect, CTN/N.J. is not really a traditional interconnect because the network sells exclusive locally produced programming within New Jersey and does not sell local avails on big cable networks such as ESPN, Lifetime and USA Network, Mr. DeBold says.

Big sellers are health-related cable programs such as "New Lifestyles" and "Discover," designed to capture haircare and other health and beauty product advertisers.

More advertisers became interested in "New Lifestyles" when one haircare marketer reported 300 sales leads from a direct-response telephone number in its spot. The advertiser now uses cable advertising exclusively, Mr. DeBold says.

At New York Interconnect, the nation's largest traditional interconnect with 1.2 million subscribers, local ad sales are more of a strategic exercise than a sales pitch.

Established in 1980, New York Interconnect's local ad revenues have grown from 18% to 20% each year, according to John Kramer, VP-director of sales. And, he says, each year, the market has grown more competitive and sophisticated.

"As we've grown, the rules have changed. We are now competitors with the local broadcast stations, and that makes us work harder."

ESPN and Cable News Network are the interconnect's two biggest sellers, he says, and thanks to ESPN's success with the NFL, the best avails on that network are now selling out. But the other networks still require aggressive and sophisticated marketing.

For example, to sell cable ad time to Casa Lupita, a local Mexican restaurant chain, New York Interconnect reps plotted a campaign that targeted diners specifically in areas served by the restaurants. The reps used both local audience demographics and individual operator subscriber information to sell the chain a series of spots that appeared only in areas with restaurants.

"Advertisers are finally realizing that cable is pure efficiency—that we aren't limited to large [marketing areas]. We can target to very small areas and provide maximum use of the advertiser's dollars," Mr. Kramer says.

Some cable representatives combine their marketing efforts with print and radio. At Northwest Cable Interconnect, a Seattle-based system with 520,000 subscribers, reps sell spots, print ads in cable guides and bill stuffers. They also cross-promote programming and network promotions with print ads.

Advertising revenues have been growing at about 25% a year for the last three years, according to Penny Taylor, NCI's general manager. About 25% of the revenues are generated by car makers and auto dealer associations. The interconnect has diversified its advertiser base, however, to include PepsiCo, McDonald's Corp., Seattle First National Bank and other large local advertisers, says Ms. Taylor.

Though the Northwest area has been wired for cable since the late 1940s and has a strong viewership, "We still have to break down some barriers of perception," Ms. Taylor says. "Agencies want to know as much as they can about the viewing audience . . . As our research grows, so will our sales."

Cable TV's own classified section

Media General Cable of Fairfax, Va., the nation's 50th largest multiple system operator with more than 140,000 subscribers, according to New York-based Cabletelevision Advertising Bureau, is using new personal computer-generated graphic technology to transmit classified advertising with digitized color photographs of homes and condominiums for sale over local access cable channels. The channels advertise real estate, automotive and job listings.

In their first year of operation, the three classified ad channels already are generating one-third of the system's local advertising revenue—about $500,000 of $1.5 million.

©1987 Landsman Studio

Digitized photos of homes linked with sales information text fills a formerly unused Fairfax, Va., local access channel.

"The channels have been doing great for us," says VP-marketing and programming Don Mathison. "We're looking at adding at least two more classified channels in 1988 and some expansion of the technology to create ads in different formats."

Though Mr. Mathison says he doesn't believe that Media General is really competing with local newspapers for classified advertising, he sees the

(Continued on Page S-14)

Alabama
Rosanne Cash
Neil Young
Dan Fogelberg
Willie Nelson
Jimmy Buffett
The Judds
Kris Kristofferson
Larry Gatlin and
the Gatlin Brothers
Kenny Rogers
Hank Williams Jr.
Gary Morris
The Oak Ridge Boys
Juice Newton
Barbara Mandrell
Ray Charles
Ronnie Milsap
Johnny Cash
Waylon Jennings
Merle Haggard
Emmylou Harris
Crystal Gayle
Nitty Gritty Dirt Band
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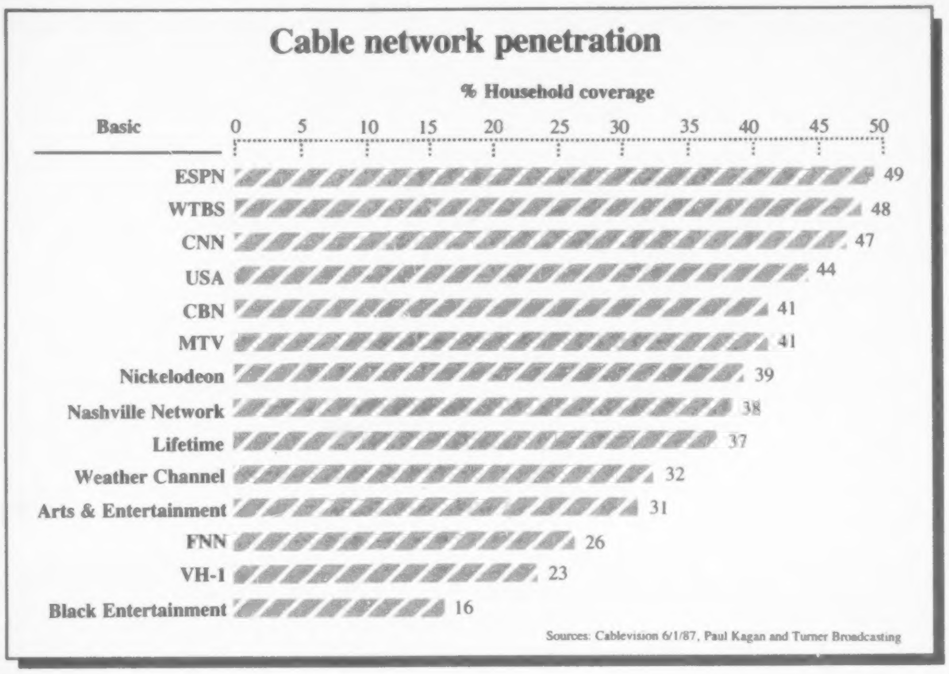

Sources: Cablevision 6/1/87, Paul Kagan and Turner Broadcasting

Filling the cable cupboard

(Continued from Page S-1)

Shows like Emmy Award-winning "Cagney & Lacey" and "St. Elsewhere" are likely to find a home on cable because of the lukewarm response from stations when offered in syndication this past year.

"It's pretty clear in the syndicated arena that one-hour product is available to us," says Mr. Gingold.

"Broadcast stations aren't buying. Syndicators have a stockpile, and they finally said, 'Gee, basic cable networks are in the black. They are customers.' "

The result: USA, CBN Cable Network and Lifetime have become the viable outlets for TV producers previously unable to recoup production deficits—as much as $350,000 per episode—on one-hour shows.

Each of the three cable networks have paid between $5,000 and $200,000 per episode for series such as "Crazy Like a Fox," "Falcon Crest," "Father Murphy," "Flamingo Road," "Hardcastle & McCormick," "Hell Town," "Jack & Mike," "Kay O'Brien," "Remington Steele" and "Riptide".

USA also bought a limited number of "Airwolf" and "Alfred Hitchcock Presents" hour programs before financing production of new episodes made for USA. "You purchase high-profile, off-network shows as a promotional vehicle," says Tim Kassick, director of programming, CBN Cable Network, Virginia Beach, Va.

"When you factor in the promotional potential from fresh off-network shows, it's worth it. It's better than buying 7,000 newspapers and a lot easier to coordinate. We have 8,000 cable operator affiliates. And problems are compounded in each market. NBC is on only one channel; CBN could be on 12 different channels in the same city," he says.

The high-priced acquisitions also have created another first for cable TV: a ratings battle.

Mr. Gingold called the fall "cable's most competitive season yet between the basic networks."

Overall, the strategy of buying exclusive off-network shows has paid off for cable networks. National ratings, which ranged between 0.8 and 2.0 last year for off-network shows on CBN, Lifetime and USA between the hours of 6 and 11 p.m., represented as much as a 400% increase in audience delivery.

Kay Koplovitz, president-ceo, USA Network, New York, in a speech to the Denver Advertising Federation last month, said basic cable networks this year have gained 40% in audience delivery while the Big 3 broadcast networks—ABC, CBS and NBC—were off 8% in total viewership on a 24-hour basis, according to A.C. Nielsen figures.

And, the high-quality productions and familiarity of a "Hardcastle & McCormick" or "Riptide" ease advertiser resistance to buying time on cable networks.

"[Cable] just hadn't progressed as fast as we thought it would. But we knew if cable spent more money for better programs, the advertiser demand would follow," says Bart McHugh, senior VP-director of national radio/TV programming, DDB Needham Worldwide, New York.

As a result, cable exploded as a top alternative for advertisers this fall. Every major cable network—Arts & Entertainment, CBN Cable Network, CNN, ESPN, CNN Headline News, Lifetime, MTV:Music Television, The Nashville Network, Nickelodeon, Superstation TBS, USA Network and VH-1—reports scores of new advertisers amid the tightest fourth quarter ad marketplace in cable TV history (AA, Nov. 9).

Many industry analysts had said cable TV would never come of age until it produced original programming that earned the broadcast network-type ratings attractive to big advertisers. But the crowded and costly broadcast markets are pushing more marketers to cable TV.

"Miami Vice" will air in 1988 on USA Network.

"Advertisers are finding a fragmented marketplace and they can't make it up just by buying syndication. The networks are losing audience share and our research shows only cable restores it," Ms. Koplovitz says.

Advertisers such as Adidas USA, Campbell Soup Co., Dannon Co., Duracell Inc., Eastman Kodak Co., Ford Motor Co.'s Lincoln-Mercury division, E.&J. Gallo Winery, Lever Bros. Co., National Dairy Board, Nintendo of America, Perrier Group, Polaroid Corp., Timex Corp. and others recently have bought cable for the first time in 1987.

"Cable's been hot," says David Verklin, VP-media director, Hal Riney & Partners, San Francisco. "I only see cable buys increasing because it's easier to sell clients today. More advertisers have cable in their homes. They know what it is about. And cable is getting better programming. How hard is it for an advertiser to understand the U.S. Open in tennis or NFL football, even if it is on USA Network or ESPN?"

Many people have ignored cable because the medium did not live up to its original lofty predictions, says Mr. McHugh. Two years ago most cable observers were saying, "Where's the promise? Cable didn't deliver."

"Remington Steele" now does its sleuthing on CBN.

But cable TV's fortunes have changed this past year, say industry observers. Cable penetration reached 50% of total U.S. homes this year, according to Cabletelevision Advertising Bureau, New York, while programming and ratings also have improved.

"Advertiser objections to cable are slowly falling apart," said Bruce Braun, VP-western region ad sales, USA Network, Los Angeles.

With increased revenues, greater penetration and wider acceptance, those in the industry say cable will get stronger as it procures more top off-network series, begins producing its own higher-quality programming and wins rights to other quality events.

"Now the cable networks just need more programming," says Jack Yearwood, VP-general manager, Bay Area Interconnect, San Jose, Calif. "Our fourth quarter is the best in history and most of that can be attributed to ESPN and NFL football. We used to get $300 for a local 30-second spot on ESPN.

"On NFL games, we get $2,500 a spot. Our growth had been stymied, but now I think we've turned the corner."

Associate editor Anita M. Busch coordinated this report on Cable TV.

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	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Beacon Journal (M)	100 295	—	100 717	—
Beacon Journal (S)	63 771	—	67 943	—
Grand Total	164 066	—	168 660	—

NOTE Beacon Journal changed from evening to morning publication effective July 13 1987

ALLENTOWN, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Call (M)	167 714	—	150 886	—
Call (S)	84 898	—	85 409	—
Grand Total	252 612	—	236 295	—

NOTE Part run figures not available

ASBURY PARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press (E)	201 582	41 764	187 867	21 820
Press (S)	154 615	25 104	143 656	12 621
Grand Total	356 197	66 868	331 523	34 441

ATLANTA, GA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Constitution (M)	174 437	83 469	161 663	61 833
Journal (E)	185 628	94 971	165 964	59 821
Journal & Constitution (S)	109 866	72 567	128 980	69 244
Journal & Constitution (Sat)	49 475	—	42 714	—
Grand Total	519 406	250 957	499 321	190 898

NOTE Constitution Morning and Journal Evening published five days a week only

BALTIMORE, MD

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Sun (M)	151 151	13 418	132 075	3 528
Sun (E)	129 064	13 420	106 181	3 528
Sun (S)	144 671	50 408	154 745	44 853
Grand Total	424 886	77 246	393 001	51 909

BERGEN COUNTY, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Record (E)	156 440	24 612	156 490	14 451
Record (S)	158 861	36 363	140 169	38 541
Grand Total	315 301	60 975	296 659	52 992

BOSTON, MA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	85 994	—	95 160	—
Herald (S)	22 081	44 031	22 595	33 943
Globe (M)	151 598	14 009	141 237	15 728
Globe (S)	189 094	44 415	194 507	33 921
Grand Total	448 767	102 455	453 499	83 592

BUFFALO, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (AD)	104 800	37 218	111 629	28 190
News (S)	45 728	44 004	50 757	37 842
Grand Total	150 528	81 222	162 386	66 032

CAMDEN, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courier-Post (E)	145 478	25 447	133 700	14 311
Courier-Post (S)	68 479	22 601	58 536	15 649
Grand Total	213 957	48 048	192 236	29 960

CHARLOTTE, NC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Observer (M)	134 013	—	127 692	—
Observer (S)	82 864	—	74 798	—
Grand Total	216 877	—	202 490	—

NOTE Part run figures not available

CHICAGO, IL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
*Tribune (M)	126 179	266 705	125 161	258 357
*Tribune (S)	144 880	88 859	127 970	98 782
Sun-Times (M)	130 106	70 715	136 502	72 273
Sun-Times (S)	53 706	50 535	56 803	29 978
Grand Total	454 871	476 814	446 436	469 390

NOTE Tribune figures supplied by publisher to Media Records 1987 figures represent advertising for 8/31/87-9/27/87

CINCINNATI, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Enquirer (M)	151 747	14 414	146 352	5 503
Enquirer (S)	118 597	7 541	124 647	11 635
Post (E)	77 101	26 050	66 029	15 623
Grand Total	347 445	48 005	337 028	32 761

CLEVELAND, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Plain Dealer (M)	142 463	36 061	138 877	27 582
Plain Dealer (S)	99 776	5 853	110 600	10 601
Grand Total	242 239	41 914	249 477	38 183

DALLAS, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	268 701	14 384	271 517	15 379
News (S)	157 725	12 417	148 940	12 469
Times-Herald (AD)	190 168	25 334	201 568	38 504
Times-Herald (S)	111 426	23 262	103 893	18 145
Grand Total	728 020	75 397	725 918	84 497

DENVER, CO

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Rocky Mt. News (M)	268 498	25 118	266 976	489
Rocky Mt. News (S)	67 219	24 085	90 361	1 531
Post (M)	181 162	50 932	188 437	9 098
Post (S)	89 114	35 925	112 309	905
Grand Total	605 993	136 060	658 083	12 023

DETROIT, MI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Free Press (M)	106 407	44 754	100 726	49 518
Free Press (S)	46 419	31 744	61 695	16 415
News (AD)	169 676	34 087	159 649	40 634
News (S)	88 292	25 005	94 836	33 759
Grand Total	410 794	135 590	416 906	140 326

ESCONDIDO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times-Advocate (E)	109 642	3 458	96 614	2 382
Times-Advocate (S)	46 192	—	42 905	483
Grand Total	155 834	3 458	139 519	2 865

FORT LAUDERDALE, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News & Sun-Sentinel (S)	94 209	—	100 271	—
Sun-Sentinel (M)	237 076	—	246 550	—
Grand Total	331 285	—	346 821	—

NOTE Part run figures not available Morning figures include the Saturday Edition

FORT WAYNE, IN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal Gazette (M)	88 882	—	73 299	—
Journal Gazette (S)	64 515	—	69 203	—
News Sentinel (E)	90 197	—	86 646	—
Grand Total	243 594	—	229 148	—

NOTE Part run figures not available

GREENWICH/STAMFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Time (E)	78 544	11 035	79 802	1 739
Time (S)	68 115	10 227	63 059	4 880
Advocate (E)	104 677	21 087	103 394	16 996
Advocate (S)	66 918	12 552	62 869	4 119
Grand Total	318 254	54 901	309 124	27 734

HARTFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courant (M)	154 154	42 464	146 431	28 039
Courant (S)	90 014	116 035	88 705	128 478
Grand Total	244 168	158 499	235 136	156 517

HONOLULU, HI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Advertiser (M)	118 324	—	116 061	—
Star-Bulletin (E)	113 270	—	114 984	—
Star-Bulletin & Advertiser (S)	76 279	—	78 158	—
Grand Total	307 873	—	309 203	—

HOUSTON, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (AD)	213 719	29 548	206 900	43 439
Chronicle (S)	117 188	29 676	90 209	39 102
Post (M)	140 301	42 303	131 851	36 141
Post (S)	67 155	30 545	64 623	24 511
Grand Total	538 363	132 072	493 583	143 193

LONG BEACH, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press Telegram (M)	129 447	44 187	110 686	36 861
Press Telegram (S)	61 922	1 269	60 016	5 123
Grand Total	191 369	45 456	170 702	41 984

LONG ISLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Newsday (E)	102 687	127 677	135 808	92 079
Newsday (S)	78 509	111 830	95 435	82 457
Grand Total	181 196	239 507	231 243	174 536

LOS ANGELES, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	296 582	286 418	277 809	260 552
Times (S)	165 832	88 239	166 041	93 785
Herald-Examiner (M)	69 726	8 211	59 603	9 172
Herald-Examiner (S)	17 321	7 950	15 236	8 858
Grand Total	549 461	390 818	518 689	372 365

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	191 667	28 212	179 175	37 644
News (S)	80 770	2 711	81 089	940
Grand Total	272 437	30 923	260 259	38 584

*LOS ANGELES/TORRANCE, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Breeze (E & S)	216 851	—	196 077	—
Grand Total	216 851	—	196 077	—

NOTE Figures supplied by publisher to Media Records

*MEMPHIS, TN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Commercial Appeal (M)	139 476	76 335	119 952	86 235
Commercial Appeal (S)	94 966	8 916	93 837	5 984
Grand Total	234 442	85 251	213 789	92 219

NOTE Figures supplied by publisher to Media Records

MIAMI, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	149 120	—	149 306	—
Herald (S)	92 885	—	78 256	—
News (E)	63 922	—	56 580	—
Grand Total	305 927	—	284 142	—

NOTE Part run figures not available

MINNEAPOLIS, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star & Tribune (AD)	116 726	44 471	111 554	22 564
Star & Tribune (S)	144 811	3 098	143 738	5 756
Star & Tribune (Sat)	25 008	—	24 475	—
Grand Total	286 545	47 569	279 767	28 320

*NASHVILLE, TN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Banner (E)	116 213	—	104 481	—
Tennessean (M)	113 355	—	104 535	—
Tennessean (S)	100 983	—	84 350	—
Grand Total	330 551	—	293 366	—

NOTE Figures supplied by publisher to Media Records

NEW BRUNSWICK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Home News (E)	89 861	4 130	87 538	7 510
Home News (S)	79 275	12 141	68 927	8 432
Grand Total	169 136	16 271	156 465	15 942

NEW YORK, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	187 619	20 910	178 213	17 700
Times (S)	204 720	114 622	229 398	113 8[illegible]
News (M)	69 418	93 529	61 563	82 94[illegible]
News (S)	45 917	82 567	42 032	69 6[illegible]
Post (AD)	71 888	584	54 321	1 2[illegible]
Grand Total	579 562	312 212	565 527	285 336

NEWARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star Ledger (M)	221 242	5 101	205 505	5 586
Star Ledger (S)	210 735	32 116	191 751	22 837
Grand Total	431 977	37 217	397 256	28 423

OAKLAND, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Tribune (M)	86 995	94 956	82 380	77 363
Tribune (S)	40 925	44 049	40 999	35 742
Grand Total	127 920	139 005	123 379	113 105

OCEANSIDE, CA
SAN DIEGO COASTAL NORTH COUNTY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade-Tribune (E)	95 864	6 025	103 934	2 415
Blade-Tribune (S)	64 052	—	45 013	—
Grand Total	159 916	6 025	148 947	2 415

NOTE Blade-Tribune Evening published five days a week only

ORANGE COUNTY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Register (AD)	333 029	87 938	296 768	89 851
Register (S)	123 456	13 550	127 792	8 785
Grand Total	456 485	101 488	424 560	98 636

PHILADELPHIA, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Inquirer (M)	156 945	40 513	152 779	34 549
Inquirer (S)	132 712	68 307	131 913	50 996
News (E)	82 451	2 206	79 350	3 797
Grand Total	372 108	111 026	364 042	89 342

*PHOENIX, AZ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Arizona Republic (M)	278 844	13 610	282 579	15 399
Arizona Republic (S)	173 607	—	174 595	—
Gazette (E)	265 299	13 865	272 695	15 517
Grand Total	717 750	27 475	729 869	30 916

NOTE Figures supplied by publisher to Media Records

*PROVIDENCE, RI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal (M)	123 331	275 647	114 430	98 378
Journal (S)	149 820	63 214	134 767	62 527
Grand Total	273 151	338 861	249 197	160 905

NOTE Figures supplied by publisher to Media Records

*ST. LOUIS, MO

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post Dispatch (M)	122 464	31 868	102 352	31 685
Post Dispatch (S)	124 347	703	124 247	2 635
Grand Total	246 811	32 571	226 599	34 320

NOTE Figures supplied by publisher to Media Records

ST. PAUL, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Pioneer Press Dispatch (AD)	89 802	—	87 043	—
Pioneer Press Dispatch (S)	108 874	—	110 090	—
Grand Total	195 676	—	197 133	—

NOTE Part run figures not available

SAN ANTONIO, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Express-News (AD)	115 897	44 462	110 409	30 820
Express-News (S)	71 403	22 985	73 483	29 078
Express-News (Sat)	31 310	—	34 827	—
Light (AD)	133 250	15 454	123 340	19 696
Light (S)	81 044	2 871	82 537	5 9[illegible]
Light (Sat)	24 884	897	26 894	1 726
Grand Total	457 788	86 669	451 490	87 231

NOTE Express-News All Day and Light All Day published five days a week only

SAN DIEGO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Union (M)	218 689	32 802	194 602	39 977
Union (S)	127 609	1 025	127 458	—
Tribune (E)	227 267	34 424	199 853	41 834
Grand Total	573 565	68 251	521 913	81 811

SAN FRANCISCO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (M)	131 774	69 739	123 381	74 369
Examiner (E)	128 479	68 105	—	—
Examiner & Chronicle (S)	77 292	29 716	73 622	35 418
Grand Total	337 545	167 560	197 003	109 787

NOTE 1986 Examiner Evening figures not available

SAN JOSE, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Mercury News (AD)	296 510	20 457	281 015	19 178
Mercury News (S)	144 096	—	140 901	—
Grand Total	440 606	20 457	421 916	19 178

*STATE COLLEGE, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Centre Times (E)	78 516	4 336	74 482	3 252
Centre Times (S)	35 933	221	40 504	1 205
Grand Total	114 499	4 557	114 986	4 457

NOTE Figures supplied by publisher to Media Records

*TOLEDO, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade (E)	113 225	—	111 453	—
Blade (S)	87 225	—	98 368	—
Grand Total	200 450	—	209 821	—

NOTE Figures supplied by publisher to Media Records

WASHINGTON, DC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post (M)	285 379	41 854	272 382	35 785
Post (S)	153 700	47 612	160 658	30 443
Grand Total	439 079	89 466	433 040	66 228

WASHINGTON, DC SUBURBAN GROUP

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Montgomery Journal (M)	70 062	688	71 403	1 388
Fairfax Journal (M)	82 261	3 372	81 668	1 991
Grand Total	152 323	4 060	153 071	3 379

NOTE Montgomery Journal Morning and Fairfax Journal Morning published five days a week only

WESTCHESTER ROCKLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Reporter Dispatch (E)	98 018	21 857	84 685	17 414
Reporter Dispatch (S)	78 068	30 841	83 067	19 236
Grand Total	176 086	52 698	167 752	36 650

WICHITA, KS

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Eagle-Beacon (M)	116 309	—	105 778	—
Eagle-Beacon (S)	72 502	—	76 241	—
Grand Total	188 811	—	182 019	—

NOTE Part run figures not available

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

SAU* is the registered trademark of the American Newspaper Publishers Association

India advertising flourishes

Bangalore emerging as a new ad center

By SHEILA TEFFT

BANGALORE, INDIA—Six years ago, the late Ayaz Peerbhoy of Advertising Marketing Associates split his agency between his two competitive sons and created separate companies in two areas of the country.

The eldest son, Sajid, was rewarded with the more valuable branch in Bombay, one of the country's four traditional major ad centers. The younger brother, Bunty, chose to remain in Bangalore, even though Madras was considered the ad capital of the South.

When people questioned his choice, Bunty Peerbhoy told them Bangalore was the city of the future.

Today, many in the ad industry agree. The city has joined the four traditional Indian centers for advertising—Bombay, Calcutta, New Delhi and Madras.

Bangalore is India's fifth-largest city. It also is the fastest-growing city in the country. It has more than 58 accredited agencies, including offices of the country's top 10.

Since the mid-1970s, ad billings have grown tenfold to almost $40 million, approaching the amount of business in Madras, now only several million dollars ahead of Bangalore.

Bunty Peerbhoy's Advertising Marketing Associates has become the largest agency based in south India. with total billings of $10 million. In Bangalore alone, Advertising Marketing trails only Hindustan Thompson Associates, the country's largest agency. In that market, Hindustan Thompson has close to $4 million in billings and Advertising Marketing has $3 million.

In Bombay, Sajid Peerbhoy's once bigger agency is billing less than $1 million.

"Madras has remained static while we are growing by leaps and bounds," said R. Seshadri, VP at Clarion Advertising Services, the first national agency to open an office here 15 years ago.

Long a center for large public-sector companies and scientific research, Bangalore recently has been flooded with private corporations.

The city, now touted as India's "Silicon Valley," has ambitious plans to modernize by importing Western technology. U.S. computer giants Texas Instruments and Hewlett-Packard Co. already have operations here.

In recent years, several consumer products giants, including Brook Bond and Thomas J. Lipton Inc., both previously based in Calcutta, have moved to Bangalore. Now about half of the ad spending here is for consumer products.

All this has meant spectacular growth for agencies.

"The pace is hectic in the pensioners' paradise," heralds a promotional ad, created by Hindustan Thompson.

"That's why Bangalore is the fastest-growing city in India."

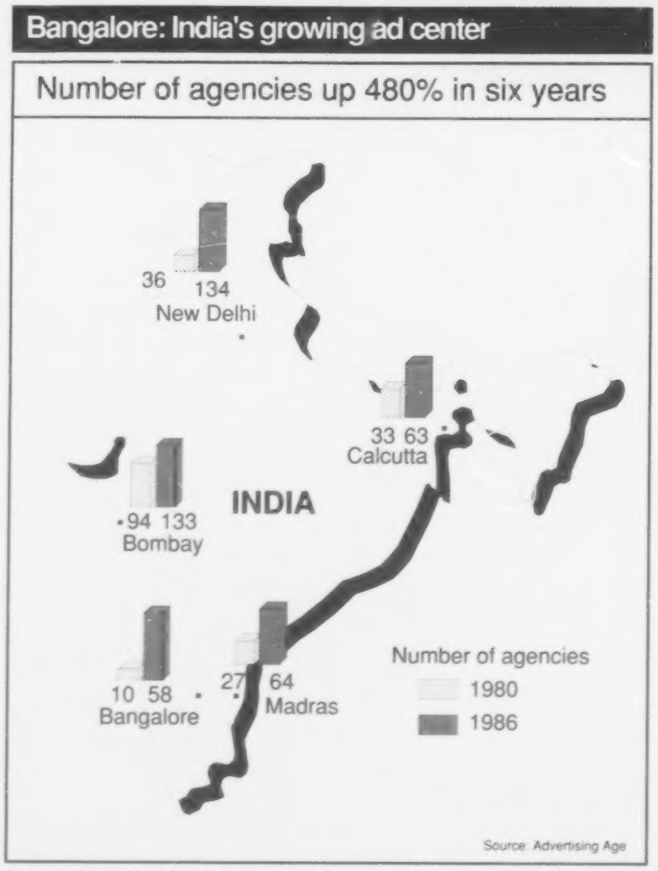
Despite suffering from many of the headaches that beset other Indian cities, such as poor telephone communications and overburdened public transportation, Bangalore's popularity is expected to bring in another 2.5 million inhabitants by the turn of the century, bringing the total to 6 million.

"Bangalore has always been viewed as cosmopolitan," said Ganesh Eashwar, who worked in Madras before opening the Hindustan Thompson office here in the early 1980s.

"I tried for years to get creative talent in Madras, but here it's fairly easy," he said.

But executives said the prosperity cannot last forever. Bunty Peerbhoy is one of those, happy he had enough foresight to enter the market early.

"The market is extremely competitive," he said. "Just about every ad agency has come into Bangalore. There's not enough work for all of them."#


Bangalore: India's growing ad center

Number of agencies up 480% in six years

Source: Advertising Age

Advertising Age graphic: Kevin Brown

Babel of languages towers over ad scene

By SHEILA TEFFT

NEW DELHI—As a young agency executive here more than a decade ago, Nikhil Nehru approved a soft drink ad for distribution in south India.

A native North Indian, Mr. Nehru did not realize the headline was written in one southern language and the text in another.

Mr. Nehru, now head of Hindustan Thompson Associates here, said the only consolation was that all the top officers had seen the ad, too.

In India, advertisers continue to grapple with what may be the world's most diverse babel of languages, with 14 major languages and many more dialects.

Producing ads for such a multilingual audience can boost costs significantly because translators must be familiar with local idioms.

Not long ago, an ad for a company here sent to a south Indian newspaper was returned to Hindustan Thompson with 25 corrections. To avoid future problems, the agency established panels in Bangalore, Calcutta and Madras to review ads before they are released.

The panels will cost the agency as much as $25,000 a year, not an insignificant amount of money here, but Mr. Nehru said the expense is worth avoiding "the financial burden of correcting mistakes."

TV poses special problems, and the language difficulty may have reined in the growth of that medium.

TV spending in India in the last 10 years has risen 809% to about $100 million, while total ad spending has grown 607% to more than $460 million.

In the past, agencies have dubbed ads aired with regional programs in various parts of the country. Now some advertisers have started using more sophisticated methods.

One technique is to do a voice-over in which an unseen commentator advertises the product in various languages. Another method is to reshoot the spot, with actors sometimes speaking in many different languages. Although more effective, the latter technique can increase production costs by 50%.

Christopher D'Rozario, creative director at Trikaya, Bombay, Grey Advertising's affiliate in India, said one answer is to make the message visual. "We try to avoid having people talking," he said.

The most common language in advertising is English, although it is spoken by 10% or less of the country's 750 million people.

"It's a communicator's nightmare," Mr. Nehru said.

Although only 18% of the country's 21,000 publications are written in English, English newspapers and periodicals account for more than 50% of the $350 million in print advertising, the government reported.

Publications in Hindi, the language of between 50% and 75% of the Indian population, attract only 14% of print ad spending.

Many advertisers favor English ads because they target opinion-makers and the small but affluent upper crust of Indian society, ad executives said. In addition, ad professionals contend that writing an ad in English makes a product more attractive.

C. D'Rozario

"The upmarket audience speaks English, and that's a sign of prestige in India," said Ajoy Shourie, head of a small agency here.

However, English's dominance draws criticism from editors of Indian-language publications.

Mr. D'Rozario said that even when residents understand another Indian language or dialect, they may not tune in to ads that are not directed to them in their own language.

Even so, advertisers continue to prefer English ads. In recent years, *Reader's Digest*, the second-largest publication in India, unsuccessfully tried to publish a version in Hindi.

One success story is *India Today*, the country's largest-circulation periodical. A weekly news magazine patterned after *Time*, in late 1986 it launched a Hindi version of its 11-year-old English version.

Ad rates for the English edition are 50% higher than those for the Hindi magazine.

But growing circulation is expected to force the Hindi version's rates higher.#

Slim cigarettes fire up Germany

By DENNIS PHILLIPS

BONN, WEST GERMANY—Tobacco companies are battling for young women smokers, the only segment of the cigarette market not declining here.

Three new brands launched this fall in rapid-fire succession combine king-size length with extra-slim width to appeal to women.

The U.K.-based British American Tobacco beat rivals to the first national slim-line launch here in September with the introduction of Caprice. Hamburg-based Baader, Lang, Behnken handles. In the U.S., BAT offers a similar brand, Capri, through its Brown & Williamson Tobacco Corp. subsidiary.

Slim Line, from H.F. & Ph. Reemtsma GmbH, Hamburg, was launched nationally only six weeks after starting testing at German airports. Scholz & Friends, Hamburg, handles.

And Martin Brinkmann AG, Rothmans Group's subsidiary in Bremen, rolled out Super Slim nationally in mid-October without testing. Team/BBDO, Hamburg, handles.

"When you already have two competitors, you can't waste time," a Brinkmann spokesman said.

The new cigarettes are about 25% thinner in diameter than standard king-size cigarettes, which are 8 millimeters in diameter and 99 millimeters long. Caprice and Super Slim are 5.4 millimeters in diameter and Slim Line 6.2 millimeters.

The battle surprises even the marketers.

"No one ever expected such competition," a BAT spokesman said. There will be less competition for Capri in that segment in the U.S. "We have a patent for cigarettes up to 6 millimeters [in diameter] in the U.S., so no others can introduce it there," the spokesman said.

In Germany, BAT already leads the women's cigarette market with Kim, which has 1.3% of the entire cigarette market. The new superthin women's cigarettes are expected to take a much smaller share and a 0.5% share for Caprice here "would be a good success," the BAT spokesman said.

"This is a designer product," he said. "It's not to attract new smokers but to win them over from other brands."

Reemtsma's Slim Line almost sold out during the test at airports, a spokesman said, adding that the national introduction has caused "a very positive echo."

Reemtsma has seen its total share of the German market drop almost 2 percentage points to 25.4% during the past two years. Women smokers represent the hope for growth in a market that company Chairman Juergen Peddinghaus predicts will decrease by 2% to annual sales of 115 billion cigarettes by 1989.

Women's brands account for 2% of the total West German cigarette market. The mild brand segment is growing as women are switching over to these brands.

Market leader Philip Morris Cos., whose Marlboro is Germany's leading cigarette with a 23.6% share, is staying out of the superslim cigarette battle. New York-based PM's Virginia Longs brand—the German version of Virginia Slims—perished in test market two years ago.

"First, we don't have the machinery to make them, and, second, we see no necessity for it," a PM spokesman said.

However, PM is not opting out of the women smokers' market. The company launched Tiffany in a sleek black package in Munich in November. The pack design, posters and point-of-purchase material are from Hamburg agency Jeissing & Partner.#

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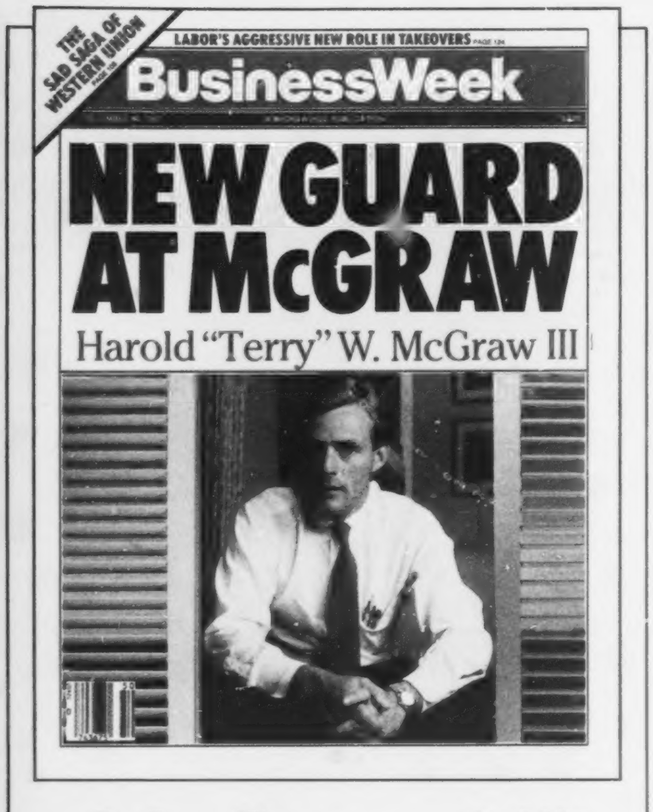

THE SAD SAGA OF WESTERN UNION

LABOR'S AGGRESSIVE NEW ROLE IN TAKEOVERS

BusinessWeek

NEW GUARD AT McGRAW

Harold "Terry" W. McGraw III

McGraw-Hill changes tack

By PATRICK REILLY

It has taken Harold "Terry" W. McGraw III, new president of McGraw-Hill Publications Co., less than three months to do what critics say his company had forgotten how to do: acquire new magazines in potentially "hot" growth areas.

Last week, while industry observers wondered whether McGraw-Hill had enough sense to sell off its moribund "smokestack" trade magazines, Mr. McGraw fulfilled his promise to make things "interesting" by scooping up an entire aerospace/defense publishing group from Rupert Murdoch's News America Publishing.

PeopleWorks looks at Harold McGraw III—Page 74

Industry sources estimated the acquisition at more than $50 million for the package, which includes *A/C Flyer, Business & Commercial Aviation*, a directory and a string of newsletters.

"It's a critical acquisition for our existing aerospace and defense group," said Mr. McGraw, appointed publications president in September. "It gives us channels into market segments we aren't strong in or those we aren't serving at all."

He also made things "interesting" by selling several trade magazines covering declining industries. Mr. McGraw last week sold *American Machinist & Automated Manufacturing* and *33 Metal Producing* to Cleveland-based Penton Publishing for an undisclosed cash sum.

Coal Age, Engineering & Mining Journal and Mining Information Services Publications, a collection of directories and newsletters, were sold to Maclean-Hunter, the Chicago-based U.S. subsidiary of Canadian Maclean-Hunter Ltd.

The buying and selling of titles is important beyond the price they brought. As McGraw-Hill nears its 100th anniversary, Mr. McGraw is tinkering with the company's 3-year-old, controversial strategy of focusing on computer-based information systems and instead is going "back to basics"—magazine start-ups and acquisitions.

While New York-based McGraw-Hill still is an information

(Continued on Page 90)

Gen'l Mills plans new-product blitz

By JULIE LIESSE ERICKSON

General Mills is "batching" 22 new products under its Betty Crocker brand in one of the most sweeping grocery-product introductions in recent years.

The January "grand slam" debut, as General Mills describes it, carries a $35 million ad budget for the first six months. The products include Betty Crocker baking mixes, entrees, side dishes and its first microwave cake mixes.

General Mills' four-flavor line of MicroRave mixes is the Minneapolis-based company's long-expected response to Pillsbury Co., which pioneered the microwave baking market in October 1986 with three flavors of cake mixes.

The Pillsbury line now includes versions of its Streusel Swirl and Bundt brand specialty cakes, plus Microwave Fudge Brownie Mix (AA, Sept. 7) and Frost It Hot! frosting mix.

The January blitz is a significant departure from General Mills' traditional new-product strategy. Simultaneous developments in microwave and shelf-stable technology forced a marketing decision to introduce the 22 items *en masse*, industry sources explained.

Campbell-Mithun, Minneapolis, and DDB Needham Worldwide, Chicago, handle the new products.

That counters rumors General Mills was turning away from its Midwestern agencies. Such speculation intensified when the company moved the $20 million Fruit Corners snacks account to Saatchi & Saatchi DFS Compton, New York, from DDB Needham (AA, Dec. 7).

Microwave mixes have added excitement to the flat $726 million baking mix category.

For the fiscal year ended Oct. 9, microwave cake mix sales—mostly from Pillsbury—soared to $34.1 million from $1.2 million the previous year, said Alan Miller, a consultant with Selling Areas-Marketing Inc., New York. During that time, the entire baking mix category posted only a 2.1% gain.

P&G tests low-cal desserts—Page 92

Minneapolis-based Pillsbury introduced its three newest microwave cake mixes—Cinnamon Streusel Swirl, Double Chocolate Supreme and Tunnel of Fudge Bundt, complete with glaze—earlier this month.

Starter kits, including a pan, retail for $2.19; refill mixes sell for $1.59.

That rollout is being supported by TV and print advertising. Young & Rubicam, New York, handles Pillsbury baking mixes and microwave products.

In 1986, Pillsbury spent $7.1 million in measured media advertising for its baking mixes, according to

(Continued on Page 92)

Advertisers protect against shop mergers

Conflict insurance

By JON LAFAYETTE

Major marketers are using a new weapon to defend themselves against agency megamergers.

Some companies are pressing agencies to sign contracts ensuring financial compensation should a merger wreak havoc on the agency-client relationship.

American Cyanamid Co.'s Shulton USA Division and Nissan Motor Corp. USA have moved to put these indemnification clauses in their agency agreements, sources said.

Both clients signed on new agencies this year and both hired Canter, Achenbaum, Associates, a New York-based consultant, to handle their searches. Canter, Achenbaum is known by agencies for driving tough compensation deals.

CAA Chairman Alvin Achenbaum said he recommended that two of his clients include in their contracts with new agencies a clause requiring a payment "in seven figures" if the agency resigns the account because of a merger.

Mr. Achenbaum identified one of the clients as Shulton; sources indicated the other was Nissan.

Mr. Achenbaum said his company included the clause because "clients are saying we want to be protected" from being forced to switch agencies, which can be disruptive, costly and time-consuming.

The new contractual stipulation "emanates from resentment to the

(Continued on Page 92)

Last Minute News

Brokerage ad war looms for '88

New York—Shearson Lehman Bros.' proposed acquisition of E.F. Hutton Group could lead to an all-out marketing war with Merrill Lynch & Co. TV and print ads broke last week that position a combined Shearson/-Hutton company as a giant in financial services. McCann-Erickson, Shearson's agency, created the ads. With its Hutton acquisition, Shearson would manage about $140 billion for clients, compared with about $90 billion managed by Merrill, said Perrin Long, securities industry analyst at Lipper Analytical Service. Merrill has a new ad campaign planned for the Winter Olympics beginning in February, and the company reportedly will drop its "knows no boundaries" theme and substitute a theme based on "trust." Shearson will spend an estimated $25 million on advertising this year, according to

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Gorby show a hit

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Florida ad tax, R.I.P.

All states may have learned a lesson

By STEVEN W. COLFORD

It cost the ad industry more than $1 million to help convince Florida to end its tax on advertising and other services, but that could be considered a bargain if other revenue-hungry states learned a lesson from the experience.

Spokesmen for state legislative groups already are talking down the likelihood of "another Florida."

Karen Benker, research director at the National Association of State Budget Officers, Washington, said Florida's bad experience with a service tax will affect the legislative thinking in other states. States will continue looking at service taxes for potential revenue, she said, but advertising and the media may have shown themselves too troublesome to be included.

"There's just too much political capital to be used up fighting [advertising and the media] and I think the politicans would be wary of it," she said.

For now, however, the advertising, broadcasting and print media industries have been given as merry a Christmas present as could be hoped for.

Florida Gov. Bob Martinez Dec. 11 signed legislation repealing the state's entire services tax. The levy had been applied to national as well as in-state advertising.

Even Association of National Advertisers President DeWitt Helm Jr. admitted to surprise that a tax signed into law April 23 would be off the books by Jan. 1.

Mr. Helm said he expects the ANA's executive committee on Dec. 15 to recommend dropping the pending lawsuit against Florida.

Mr. Helm put the ANA's expenses in fighting the tax at more than $500,000—an amount likely matched at the American Advertising Federation, American Association of Advertising Agencies and other businesses that lobbied.#

Chilko raft had leaks, probe finds

By LAURIE FREEMAN

Canadian officials will charge this week that the raft carrying advertising and marketing executives on the Chilko River in British Columbia had leaks and too many people.

The rafting accident killed five U.S. ad executives.

Robert Graham, the regional coroner in British Columbia investigating the Chilko River accident, told ADVERTISING AGE his Dec. 16 report will conclude that "the raft itself had a number of leaks, and it may have been carrying too many people" to ensure proper buoyancy.

Mr. Graham said it is clear from his investigation that the raft carrying 12 people hit a rock in the middle of the Chilko River, "dumping everyone out into water that's like a washing machine."

He said "there's no way to get under control when you're being thrown around by the whirling currents."

Everyone in the raft wore a life jacket, Mr. Graham said, but the jackets would "come right off if a person raises his arms. There are no crotch straps, and those jackets would have come off in the rapids."

Mr. Graham conceded he has not spoken to either the guide or other participants in the accident. Also, one source said the raft was pumped with air five minutes before the crash and that buoyancy was not a problem.

No lawsuits have been filed in connection with the accident, but two law firms—Corboy & Demetrio, Chicago, and Nathanson, Schachter & Thompson, Vancouver, British Columbia—said they have been contacted by several victims' families for possible legal representation.

Earlier reports indicated the investigation could raise questions about liability involving business entertainment (AA, Nov. 23).

Al Wolfe, president of the U.S. division of DDB Needham Worldwide, organized the Chilko River expedition, but said it was not a business trip sponsored by the New York-based agency.

An agency source said DDB Needham often would underwrite trips of this nature, expecting to be reimbursed by the participants afterward.

In this instance, however, the agency did not insist on reimbursement because of the tragic results.

Several surviving participants sent personal checks to the agency to cover their expenses for the weeklong expedition, however.

Stephen Mulhall, lawyer for river guide Ron Thompson, of Williams Lake, British Columbia, said Mr. Thompson "cannot be held liable" for the accident, and added that his client "is not insured, a fact that people might want to know."#

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'New Yorker' ends year on high note

By PATRICK REILLY

NEW YORK—*The New Yorker* began the year with internal dissension, declining ad pages and flat circulation. It ends 1987 quite differently.

Steven Florio, president-publisher of *The New Yorker*, said his magazine will finish the year with an increase in ad pages for the first time in six years, with circulation reaching an all-time high and with staff worries quelled after the appointment of Robert Gottlieb as editor of the weekly journal.

The news of increased ad pages is a victory for Mr. Florio but also for S.I. Newhouse Jr.'s Advance Publications, which bought the famous though faded weekly for $168 million in spring 1985.

Though *The New Yorker* closes ad pages for its 52nd and last issue of 1987 on Dec. 18, Mr. Florio said the total for the year will be at least 2,703 ad pages, a 1% increase from 1986. The business side had been disastrous, with ad pages declining 15% in 1985 and 10% in 1986.

"People were afraid the magazine would lose its editorial voice under a new owner and editor," Mr. Florio said. "If anything, we are better."

Advertisers of luxury items certainly think so. Advertisers such as BMW and Porsche, which had pulled out of the magazine, returned in 1987.

Mr. Florio hired virtually an entire new sales staff, increased subscription mailings to three times a year from one and began the Small Space Program.

The SSP awards mail-order and other back-of-the-book small-space advertisers a free ad for buying three ads at the open rate.

In 1988, the rate base will increase by 4%, from 525,000 to 545,000. Cost per thousand will rise by 5%; a national b&w page goes to $16,295 and a color page will be $25,985.

On the editorial side, under the guidance of Mr. Gottlieb, who succeeded William Shawn, the magazine finally has begun to shake its plodding image.

The newfound success already is bringing changes to *The New Yorker's* business side. Mr. Florio confirmed that early next year he will step down as publisher, remaining as president. Rebecca Darwin, VP-associate publisher, who has led the magazine's sales staff, will become publisher.

At 34, Ms. Darwin will be the youngest publisher and the first woman publisher at *The New Yorker*.#

GLOBAL ADVERTISERS

Unilever top spender outside U.S.

By NANCY GIGES

The Anglo-Dutch conglomerate Unilever emerged as the top advertiser in ADVERTISING AGE's first ranking of the top 50 leading advertisers in spending outside the U.S. Unilever invested $598.7 million in 1986 in non-U.S. advertising.

Unilever was followed by Cincinnati-based Procter & Gamble Co. as No. 2; Toyota Motor Corp., Toyota City, Japan, as No. 3; Nestle SA, Vevey, Switzerland, as No. 4, and Ford Motor Co., Dearborn, Mich., as No. 5.

When U.S. spending also is included, the No. 1 spot in 1986 went to P&G due to the company's heavy investment in advertising in the U.S. P&G total worldwide spending was estimated at $1.83 billion, with $399.5 million coming from outside the U.S. Unilever's total worldwide expenditures were estimated at $1.12 billion, putting it in the No. 3 spot worldwide.

On a worldwide basis, Philip Morris Cos. pulled up to the No. 2 spot, also because of its hefty U.S. spending. When U.S. spending is excluded, Philip Morris fell to No. 34. Worldwide, Unilever was trailed by Sears, Roebuck & Co. as No. 4, which is not among the non-U.S. leaders, and General Motors Corp. as No. 5, which ranks No. 14 in non-U.S spending.

Among the top 50, twelve companies do not advertise in the U.S. They are Regie Nationale des Usines Renault, Kao Corp., Henkel KGaA, Lion Corp., Daiei Inc., C&A Brenninkmeyer, Ajinomoto Co., Takashimaya Co., Kirin Brewery Co., House Food Industrial Co., Daimaru Inc. and Barilla Pasta. Eight of these companies are based in Japan.

The top 50 in non-U.S. spending invested $7.3 billion outside the U.S. in 1986. Worldwide, these companies spent $15.1 billion. Twenty-five were headquartered in Japan, eight in the U.S., five in the U.K., four in West Germany, three in Italy, two each in France and the Netherlands and one in Switzerland.

Among industry categories, automotive marketers from five nations led the field with 11 entries accounting for 26.9% of non-U.S ad spending. Five soap and toiletry marketers contributed 20.8% of total non-U.S. spending. Nine electronics marketers contributed 17%. Food, beverage and candy marketers (excluding Philip Morris, whose primary revenue comes from tobacco sales), comprised 16.4%, and retailers, 7.9%.

Japanese and in particular Japan's auto and electronics industries dominate ad spending outside the U.S. Japanese-based companies spent $3.22 billion in non-U.S. advertising, more than double the non-U.S. spending of companies based in the U.S., the second largest representation. Of the Japanese total, autos drew $903.1 million in spending and electronics, $883.6 million.

Information for ADVERTISING AGE's first ranking of the top 50 spenders in non-U.S. advertising was compiled from data supplied on 41 major advertiser countries by AA's international network and sources around the world. *(See Where AD AGE got its data, Page 65).*

Lists obtained from each country ran from 10 to 100 advertisers long, the length depending on the availability of the data and its reliability. Also, some listings ranked brands rather than advertisers. The editors folded these brand totals into their respective marketers.

The 50 advertisers ranked in this issue undoubtedly advertised in more countries than credited in this report, given the length of the lists obtained from various countries. However, lists from countries that dominate worldwide advertising were lengthy.

Unilever, the most frequently named marketer in the reporting countries, made the top lists in 23 nations. In eight—Indonesia, India, Chile, Austria, the Netherlands, Portugal, South Africa and the U.K.—it was the top spender. The next most geographically dispersed company in ad spending was Nestle SA, reported in 15 countries, followed by Ford Motor Co. and Colgate-Palmolive Co., each in 13 countries.

Several U.S.-based companies ranked as the No. 1 top spender in the countries surveyed: Philip Morris in Hong Kong and in the Arabian Peninsula/Persian Gulf states; Colgate-Palmolive in Colombia and Puerto Rico, and Procter & Gamble in Belgium, Ireland, Italy and in the U.S.

Countries with the biggest ad totals were the U.S., where top spender P&G invested $1.4 billion; West Germany, where leader Siemens AG invested $208.9 million; Japan, where Kao Corp. spent $184.8 million; U.K., where Unilever invested $156.2 million, and Italy, where P&G invested $116.2 million. #

GLOBAL MEDIA *and* MARKETING

Automotive, electronics and toiletries pace ad spending categories as an increasingly sophisticated media finds more efficient ways to deliver companies' messages to the world

Stanislaw Fernandes/©The Image Bank

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GLOBAL MEDIA

Dailies gain as weekly books slip

By JULIE SKUR HILL

Composite circulation for the world's 16 global publications inched down 0.06% in 1987 over the previous year as their costs to advertisers continued to rise, according to the third annual Global Media survey prepared by ADVERTISING AGE.

Viewed on a regional basis, slight gains in circulation in 1987 from North and South America offset declines from the previous year in Europe, the Middle East/Africa and Asia.

North American circulation grew 0.04% from 1986 to 1987 to 41.7 million, or 74.5% of the 55.98 million total, and South America circulation advanced 2.7% to 1.70 million for 3% of the total. Europe slipped 0.1 percentage point to 16.4% of the total and Asia dropped the *same* amount to 5.8% while the Middle East/Africa remained static at a 0.3% share.

To qualify for listing, publications must be mass circulated with circulation of more than 50,000, have distribution in three continents with 10% of total circulation abroad and have central offices where advertising is purchased. *See Where AD AGE got its data, P. 65.*

Only three of the 16 suffered from a drop in circulation in North America. *Time*, the lead publication of New York-based Time Inc., was especially hard hit. Its North American circulation fell 3.3% from the previous year as the newsweekly's global total dropped 5.5%.

National Geographic, published by the Washington-based National Geographic Society, experienced a decline of 2.4% in North American circulation and a worldwide slump of 2.1%.

The only other publication that recorded a slip in North American circulation was *Harvard Business Review*, down 1.5%.

Three other publications—*Reader's Digest, South* and *WorldPaper*—registered declines in worldwide circulation. Pleasantville, N.Y.-based *RD's* total circulation declined 0.1% to 27,802,000; London-based South Publications Ltd.'s namesake magazine dropped 11.8%, and Boston-based World Times Inc.'s *WorldPaper*, dipped by 10.7%.

Among the groupings, the dailies outperformed the rest. Their circulation grew by 6.1%, with gains recorded in all their major world regions. The *Financial Times of London* led the pack by boosting its North American circulation a whopping 59.6% as total circulation for the U.K.-based publication soared by 23.2%.

All the dailies had higher circulation, ad rates and CPMs except for the *FT*, which advertisers must appreciate: It is offering higher circulation and a lower CPM in 1988 even with a full-page rate increase of 13.8%. Cost-per-thousand is the page rate divided by circulation that has been reduced to thousands.

Newsweeklies fared the worst. Circulation fell 1.6% for the group, largely influenced by the poor performance of *Time*. Without *Time*, group circulation would have risen 3.1% in 1987 over 1986. All newsweeklies have higher CPMs going into 1988, led by the Manchester, England-based *Guardian Weekly* with a 120% increase to $42.61 in 1988—a leap largely credited to the current strength of the pound sterling against the dollar. From this group, London-based *The Economist* was the only publication among the 16 listed to report circulation increases in every global region.

Monthlies, comprising 70% of total circulation of the 16, registered a decline of 0.7% in circulation in 1987, largely because of the decline at *National Geographic* and stagnant results from *RD*. *Scientific American* was the only monthly to show a circulation increase in 1987, up 4.1%.

This group, however, is providing advertisers with two lower CPMs for 1988. *RD*'s CPM has dropped 0.4% to $7.87 as its narrow circulation loss in 1987 was matched by a 0.6% decline in the cost of a full-page ad at $218,699. *Scientific American's* CPM is now at $31.20, down 6.5%, as it carries into 1988 its 1987 full-page rate of $19,450 despite circulation growth.

The most-frequent advertised products listed among the publications were airlines, automobiles, consumer electronics, computers, consumer-oriented high technology companies, financial services and tobacco. Eight publications named AT&T among the top five advertisers, four cited N.V. Philips and three named Singapore Airlines, General Motors and IBM.

Perhaps representing the ultimate measure of advertising's influence is the *Guardian Weekly's* listing of Amnesty International as one of its top five ad spenders. #

Advertising Age's global media lineup

	Title/ publisher/ headquarters	Major printing plants for international editions	Paid North American circulation (% chg '86-'87)	Paid foreign circulation by region (% chg '86-'87)	Worldwide circulation (% chg '86-'87)	Cost of worldwide B&W pg ($/1988)	Global CPM B&W pg ($/1988)	Top worldwide advertisers in 1987
DAILIES	***Financial Times of London*** Financial Times Ltd. London	London Frankfurt Bellmawr, N.J.	16,683[1] (+59.6)	Europe: 258,259[2] (+18.6) Mid. East/Africa: 3,379[2] (−15.2) Asia/Pacific: 3,637[2] (+19.4) Latin America: 182[2] (−4.7) West Indies: 113[2] (−33.9)	311,885[1] (+23.2)	full: 29,568 qtr.: 7,392	94.80	British Airways British Petroleum Hutchison Whampoa Rank Xerox Siemens
	International Herald Tribune New York Times & Washington Post Neuilly, France	10 cities around the world	3,356 (+14.6)	Europe: 128,260[3] (−1.6) Asia Pacific: 27,268[3] (+4.9) Mid. East/Africa: 7,404[3] (−6.0) Sub-Sahara Afr.: 1,274[3] (−27.4) Other: 1,346[3] (+0.9)	168,908[3] (+0.4)	full: 35,616 qtr.: 8,904	210.86	AT&T Republic National Bank Trade Development Bnk Lufthansa Airlines Air France
	USA Today Gannett Co. Arlington, Va.	Singapore Switzerland Hong Kong[4]	1,600,000[1] (+9.7)	Europe: 26,513[1] (+27.0) Asia: 10,130[1] (+29.7)	1,636,643[1] (+10.0)	full: 41,606 qtr.: 15,959	25.42	AT&T Marlboro Stouffers Hotels Visa Volvo
	Wall Street Journal Dow Jones & Co. New York	Hong Kong Singapore Tokyo Heerlen, Neth. Lucerne	2,026,276[5] (+2.1)	Asian WSJ: 33,505 (+6.0) WSJ/Europe: 38,631 (+9.2)	2,098,412[6] (+2.2)	full: 109,277 qtr.: 27,319	52.08	Shearson Lehman[8] Merrill Lynch Paine Webber Kidder Peabody Morgan Guaranty
WEEKLIES	***Business Week*** McGraw Hill New York	Philadelphia, Pa.	852,367 (+8.1)	Europe: 52,113 (+7.6) Asia: 25,339 (+11.1) Latin America: 16,248 (−1.9) Other: 1,650 (+3.1)	949,661[9] (+8.3)	full: 38,220	40.57	N.V. Philips[8] AT&T Hitachi Siemens Merrill Lynch
	The Economist The Economist Newspaper London	Virginia London Singapore	125,384 (+11.5)	Europe: 138,060 (+1.5) Asia/Pacific: 31,979 (+30.9) Africa: 7,058 (+5.8) Middle East: 8,285 (+41.7) Ctrl. & Latin Am.: 5,713 (+14.6)	316,479 (+8.9)	full: 7,200[7]	22.75[7]	Singapore Airlines British Aerospace Chemical Bank AT&T Fujitsu
	Guardian Weekly Guardian Newspapers Ltd. Manchester	Montreal Lincoln (U.K.)	25,051 (+2.0)	Europe: 18,320 (−0.3) Asia/Pacific: 13,432 (+2.1) Middle East/Africa: 5,701 (−2.0) Latin America: 1,430 (+4.8) Other: 485 (+6.6)	64,419 (+1.1)	full: 2,745	42.61	Tyndall Managers Amnesty International Nat. West W.T. Fry Standard Chartered Bnk
	Newsweek Newsweek Ltd. New York	Zurich Tokyo Hong Kong Daytona Beach	3,181,187 (+3.0)	Atlantic: 306,189 (−4.2) Latin America: 55,219 (+0.3) Asia: 201,213 (−1.0) So. Pacific: 121,000[10] (N/A) Nihon Ban: 121,297[11] (N/A)	3,986,105 (+1.6)	full: 91,525[7]	22.96[7]	Ruperts International[8] Singapore Airlines Rolex N.V. Philips B.A.T.
	Time Time Inc. Publications New York	Toronto Miami Weert, Neth. Singapore Hong Kong	5,033,558 (−3.3)	Atlantic: 526,897 (−1.6) Asia: 235,485 (−12.6) Latin America: 97,442 (+7.7)	5,893,382 (−5.5)	full: 131,175	22.26	Rothmans Group of Cos. Singapore Airlines Philip Morris IBM Rolex
MONTHLIES	***National Geographic*** Nat'l Geographic Society Washington DC	Corinth, Miss.	9,323,891 (−2.4)	Atlantic: 689,557 (+1.3) Pacific: 357,202 (−4.7) Latin America: 94,333 (+0.1)	10,461,337[9] (−2.1)	full: 127,720	12.42	Canon[8] Iberia Airlines Olympus Lufthansa Airlines Minolta
	Reader's Digest Reader's Digest Assn. Pleasantville, NY	24 cities around the world	18,109,000 (0.0)	Atlantic: 6,863,000 (−1.0) Pacific: 1,658,000 (0.0) Latin America: 1,172,000 (+3.9)	27,802,000 (−0.1)	full: 218,699[7]	7.87[7]	Colgate-Palmolive[8] Franklin Mint Nestle Nissan Motor Co. Toyota
	Scientific American Scientific American Inc. New York	Old Saybrook, Ct.	530,668 (+7.0)	Europe: 57,674 (+4.7) Asia/Pacific: 20,128 (−5.5) Ctrl. & S. Am.: 4,976 (−11.8) Africa: 1,851 (−4.5) Middle East: 1,564 (+2.8)	606,826 (+4.1)	full: 19,450	31.20	McDonnell Douglas Hughes Aircraft General Motors AT&T Hitachi
	South South Publications Ltd. London	London Singapore	6,150 (+0.9)	Africa/Mid East: 32,082 (−6.8) Asia/Pacific: 14,809 (−35.4) Europe: 11,648 (+3.4) Latin America: 12,337 (−2.0)	77,026 (−11.8)	full: 3,067[7]	39.82	British Aerospace Babcock & Wilcox N.V. Philips Hewlett-Packard Isuzu
OTHER	***WorldPaper***[12] World Times Inc. Boston	20 countries around the world	N/A[13]	Latin America: 239,000 (−3.6) Asia: 347,500 (+104.4) Middle East: 69,500 (−18.2)	656,000 (−10.7)	full: 27,522 qtr.: 9,632	42.00	AT&T Hertz American Express IBM
	Fortune Time Inc. Publications New York	Zurich	666,972 (+4.0)	Europe: 61,012 (+10.9) Asia: 36,248 (−5.8) Other: 9,759 (−5.5)	771,988 (+3.6)	full: 31,180	41.30	AT&T IBM General Motors GTE Ford Motor Co.
	Harvard Business Review Harvard Business Review Boston	Glasgow, Ky.	189,638 (−1.5)	Europe: 14,484 (+48.1) Asia/Pacific: 8,652 (+28.1) Ctrl. & S. America: 3,940 (+53.0) Mid. East/Africa: 3,092 (+23.1) Other: 1,208 (+24.2)	220,951 (+2.7)	full: 7,200[7]	32.59	AT&T Morgan Stanley & Co. General Motors Digital Equipment NV Philips

Source: ADVERTISING AGE.

Notes: [1] As of September, 1987. [2] Jan. to June, 1987. [3] Total worldwide circulation Jan.-Dec. 1986. Comparable 1985 figure: 168,189. [4] Plant will start operation April, 1988. [5] As of March 1987. [6] Combines North American figures from March and international figures from June. [7] Page cost is for 1987. [8] All advertisers in category are for non-U.S. editions. [9] Worldwide total exceeds regional total because of different audit dates. [10] April-Dec. 1986 ABC. [11] Japanese language edition of Newsweek. Figure for Jan.-Dec., 1986 Japan Audit Bureau of Circulation. [12] Distributed as a newspaper supplement. [13] Not distributed in North America.

Compiled by Ilse Cermak

TV nationalism clouds Sky gains

By LAUREL WENTZ

LONDON—Five years after the launch of Sky Channel, Rupert Murdoch's pan-European satellite TV channel, industry observers are having doubts about whether TV channels aimed at Western Europe are the best way to capture European audiences and ad revenues.

Sky and U.K.-based ITV Co.'s Super Channel, the two entertainment English-language channels beamed across Europe by satellite, are experimenting with Dutch-and-German-language programming to target specific groups.

The main incentive to the growth of pan-European TV have been the severely limited program choices and advertising opportunities on domestic channels controlled in most of Europe by state broadcasting monopolies. European viewers watch only 2½ hours of TV a day on average compared with 4½ hours daily in the U.S.

But the local TV picture is changing fast. New channels are planned for almost every country in Europe as governments move to preserve cultural values and ad money from an invasion of foreign channels.

In France, this year's start-up of two new channels and the sell-off of one of the three state-owned national channels has changed a deficit of airtime for advertisers to a surplus almost overnight. Seven other countries are planning at least nine new channels by 1990.

A former Sky Channel executive said, "I could see we acted as a catalyst for change [at Sky], and I believe there will be a vast explosion in European ad expenditures, but I agree the biggest growth will be in national channels."

The next big step in European broadcasting is direct broadcast by high-power satellite, or DBS, to individual home dishes. This will target specific countries or language groups even though the satellites will cover most of Europe.

Europe's first DBS satellite, was launched by West Germany last month, but one of the two power-generating solar panels is jammed. If the engineers are unable to fix it soon, only two of the four channels will be usable. West Germany is also being widely criticized for designing TV-SAT 1 to a transmission standard that West German TV sets cannot pick up without a new part that is not available.

Next year France and Scandinavia will send up their DBS satellites devoted to French and Scandinavian programming. The U.K. will follow in 1989 with three new channels for British viewers.

Saatchi & Saatchi predicts TV ad spending in Europe will reach $7.4 billion a year, a 58% increase from $4.7 billion in 1985. So far the satellite TV channels have managed to capture only $25 million of that ad spending. Sky, with an estimated $13 million in ad revenues last year, takes in the biggest slice, but still managed to double its losses to $10.3 million last year.

"A critical question obviously concerns the extent to which the satellite channels are going to share in this market explosion," said Patrick Cox, who resigned last month as ceo and deputy chairman of Sky Channel. Speaking at a TV conference in Luxembourg the week before he quit, he said, "There seems to be little doubt now about the role of the 'national' channels like [new German-language satellite-delivered] Sat1 and RTL Plus, but questions remain concerning the pan-European channels like Sky, Super and Music Television. The advertising profession is now fully aware of the difficulties involved in developing pan-European campaigns, but the fact remains that the market is there and is growing at over 25% a year."

In addition to the problem of persuading advertisers to use satellite channels, conflicts arise with individual countries over pan-European advertising.

The Finnish government has taken McDonald's Corp. to court over commercials aired on Sky last year for a promotion offering customers a toy plastic boat free with hamburger purchase. The Finns say the spots offered children boats, not hamburgers, and so contravened strict national promotion rules.

Rupert Murdoch

The local McDonald's franchisee claims it had no control over the spots, booked through McDonald's U.K. ad agency Leo Burnett Ltd. at Sky's head office in London. (The satellite channel's policy is to take commercials that are acceptable in the country in which the broadcast originates, not necessarily in all the markets the channel airs).

In another dispute, two Dutch advertising groups have taken the Dutch government to an EEC tribunal in Luxembourg over attempts to protect the local advertising market from pan-European satellite TV stations.

The Dutch government won't allow the foreign channels to broadcast spots aimed at the Dutch market which accounts for one-third of Sky and Super Channel's 10 million European cable homes. Despite the huge Dutch audience, spots cannot be dubbed or subtitled in Dutch or advertise products available only in the Netherlands. Two Dutch industry groups support an open market for pan-European TV and are charging the Dutch government with violating the spirit of EEC trade regulations.

Super Channel won permission from the Ministry for Culture to air a popular Dutch sitcom with English subtitles from Nov. 19 by promising not to run any commercials during or around the program. The show, a comedy series called "Say Ah" about a woman doctor and her two children, is Super Channel's first attempt to appeal to a local rather than a pan-European audience. A company spokeswoman said Super Channel plans to try German-language programming in March. Sky Channel is also experimenting with Dutch and German programming. ■

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For more information, write or call Joan Barry or Nancy Gollinger in New York, or Galen Knox in Los Angeles.

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Advertising Age's top 50 non-U.S. marketers

Unilever ranked No. 1 by ad spending in 1986

Rank	Advertiser	Headquarters	Primary business	Countries in which spending was reported	Non-U.S. spending[1]	U.S. spending[1]	World-wide rank	World-wide spending[1]	Non-U.S. as % of w'wide[1]
1	**Unilever NV & PLC**	Rotterdam/London	Soaps, toiletries, food	U.K., Spain, Ireland, Puerto Rico, South Africa, Italy, Canada, Austria, Belgium, France, Germany, Netherlands, Portugal, Argentina, Brazil, Chile, Colombia, Australia, Hong Kong, New Zealand, India, Indonesia, Malaysia.	$598,679	$517,746	3	$1,116,425	53.4
2	**Procter & Gamble Co.**	Cincinnati	Soaps, toiletries, food, healthcare	U.K., Ireland, Puerto Rico, Italy, Canada, Austria, Belgium, France, Germany, Chile, Mexico, Philippines	399,514	1,435,454	1	1,834,968	21.8
3	**Toyota Motor Corp.**	Toyota City, Japan	Automotive	Japan, South Africa, Canada, Belgium, Germany, Switzerland, Australia, Hong Kong, Arabia, Indonesia, Malaysia	248,239	208,877	23	457,116	54.2
4	**Nestle SA**	Vevey, Switzerland	Food	U.K., Spain, Italy, Canada, France, Germany, Portugal, Argentina, Brazil, Chile, Colombia, Mexico, Australia, Hong Kong, Philippines	244,937	305,451	14	550,388	44.5
5	**Ford Motor Co.**	Dearborn, Mich.	Automotive	U.K., Spain, Ireland, South Africa, Italy, Canada, Belgium, Finland, France, Germany, Argentina, Australia, Taiwan	243,287	648,500	7	891,787	26.9
6	**Nissan Motor Co. Ltd.**	Tokyo	Automotive	Japan, U.K., South Africa, Canada, Switzerland, Australia, Arabia	215,998	180,136	29	396,134	54.5
7	**Siemens***	Munich	Electronics	Germany	208,936	2,980	46	211,915	98.6
8	**Mars Inc.**	McLean, Va.	Food	U.K., Ireland, Puerto Rico, Canada, Belgium, Germany, Netherlands, Switzerlands, Australia	204,226	312,607	16	516,833	39.5
9	**Renault**	Paris	Automotive	U.K., Spain, Italy, Canada, France, Portugal, Argentina	196,139	N/A[2]	51	196,139	100.0
10	**Honda Motor Co. Ltd.**	Tokyo	Automotive	Japan, Canada, Hong Kong	190,253	205,082	30	395,335	48.1
11	**Fiat SpA***	Turin, Italy	Automotive	U.K., Ireland, Italy, France, Germany	189,722	546	53	190,268	99.7
12	**Kao Corp.**	Tokyo	Soaps, cleaners	Japan	184,758	0	56	184,758	100.0
13	**Matsushita Electric**	Osaka, Japan	Electronics	Japan, Canada, Hong Kong, Taiwan, Malaysia, Singapore	175,046	79,809	41	254,854	68.5
14	**General Motors Corp.**	Detroit	Automotive	U.K., Spain, South Africa, Canada, France, Germany, Switzerland, Brazil, Australia	171,929	839,000	5	1,010,929	16.2
15	**Henkel**	Duesseldorf	Cleaners	Spain, Italy, Austria, Belgium, France, Germany, Netherlands	166,589	0	64	166,589	100.0
16	**Colgate-Palmolive**	New York	Soaps, toiletries	Puerto Rica, South Africa, Italy, Austria, France, Germany, Portugal, Colombia, Australia, Hong Kong, Philippines, India, Malaysia	164,464	237,867	28	402,331	40.2
17	**Mazda Motor Corp.**	Hiroshima	Automotive	Japan, Canada	160,534	156,846	34	317,380	50.6
18	**Hitachi Ltd.***	Tokyo	Electronics	Japan, Hong Kong	159,787	9,169	60	168,956	94.6
19	**Volkswagen AG**	Wolfsburg, W. Germany	Automotive	U.K., Spain, South Africa, Canada, France, Germany, Switzerland, Argentina, Brazil	150,806	152,211	36	303,017	49.8
20	**NEC Corp.**	Tokyo	Electronics	Japan	148,425	25,090	57	173,515	85.5
21	**Sony Corp.**	Tokyo	Electronics	Japan, Hong Kong	143,601	44,344	54	187,946	76.4
22	**Toshiba Corp.**	Tokyo	Electronics	Japan, Hong Kong	142,700	21,942	66	164,642	86.7
23	**Lion Corp.**	Tokyo	Soaps, toiletries	Japan	140,267	0	73	140,267	100.0
24	**Suntory Co.***	Tokyo	Alcoholic beverages	Japan	131,602	1,397	77	132,999	98.9
25	**Shiseido Co. Ltd.***	Tokyo	Cosmetics	Japan, Taiwan	126,400	2,104	85	128,503	98.4
26	**British Government***	London	Government	U.K.	119,414	[illegible],018	88	124,432	96.0
27	**Sharp Corp.**	Osaka, Japan	Electronics	Japan	114,082	4,590	84	128,672	88.7
28	**Kellogg Co.**	Battle Creek, Mich.	Food	U.K., Ireland, Canada, Mexico, Australia	111,614	374,142	20	485,755	23.0
29	**Coca-Cola Co.**	Atlanta	Soft drinks, food	U.K., Spain, Ireland, Italy, Canada, Austria, Argentina, Chile, Australia, Hong Kong	111,019	370,379	21	481,398	23.1
30	**Daiei Inc.**	Kobe, Japan	Retail	Japan	106,444	0	109	106,444	100.0
31	**Fuji Photo Film Co.***	Tokyo	Photography	Japan	101,615	10,623	100	112,238	90.5
32	**Peugeot***	Paris	Automotive	U.K., Spain, Belgium, France	100,054	6,907	108	106,962	93.5
33	**C&A Brenninkmeyer**	Amsterdam	Retail	Germany	95,596	0	118	95,596	100.0
34	**Philip Morris Cos.**	New York	Tobacco, food	U.K., Spain, Canada, Argentina, Brazil, Australia, Hong Kong, Philippines, Arabia	94,412	1,364,467	2	1,458,878	6.5
35	**Ajinomoto Co.**	Tokyo	Food	Japan	90,360	0	122	90,360	100.0
36	**Suzuki Motor Co.**	Hamanagun, Japan	Automotive	Japan, Indonesia	88,095	20,920	105	109,015	80.8
37	**Takashimaya Co.**	Osaka, Japan	Retail	Japan	81,862	0	133	81,862	100.0
38	**Hattori Seiko Corp.**	Tokyo	Watches, clocks	Japan, Hong Kong, Arabia	80,633	60,912	72	141,545	57.0
39	**Kirin Brewery Co.**	Tokyo	Alcoholic beverages	Japan	80,460	0	135	80,460	100.0
40	**Fujitsu Ltd.***	Tokyo	Electronics	Japan	79,762	1,648	134	81,410	98.0
41	**Mitsukoshi Ltd.***	Tokyo	Retail	Japan	78,926	30	136	78,956	100.0
42	**Cadbury Schweppes**	London	Candy, soft drinks	U.K., Spain, Ireland, Canada, Australia	78,765	59,879	74	138,644	56.8
43	**House Food Ind. Co.**	Osaka, Japan	Food	Japan	78,753	0	138	78,753	100.0
44	**Ferrero***	Perugia, Italy	Candy	Germany, Italy	75,335	8,950	130	84,285	100.0
45	**Daimaru Inc.***	Osaka, Japan	Retail	Japan	71,980	0	143	71,980	100.0
46	**Hanson Trust PLC***	London	Retail, food	U.K.	66,412	20,593	126	87,005	76.3
47	**Guinness***	London	Alcoholic beverages	U.K., Ireland, Malaysia, Singapore	65,693	11,095	139	76,788	85.3
48	**Barilla Pasta**	Parma, Italy	Food	Italy	64,945	0	164	64,945	100.0
49	**Rowntree Mackintosh***	York, U.K.	Retail, food	U.K., Ireland, Canada	64,441	109	167	64,550	99.8
50	**NV Philips**	Eindhoven, Netherlands	Electronics	Spain, France, Netherlands, Argentina, Brazil, Chile, Hong Kong, Malaysia	63,872	79,377	71	143,249	44.1

Source: ADVERTISING AGE. See Where AA got its data, Page 65. Notes: [1] Dollars are in thousands. [2] In 1986 Renault was marketed in the U.S. by American Motors Corp. * indicates that U.S. spending figures include measured media only as reported by BAR/LNA reports. All other U.S. spending figures include estimated unmeasured expenditures. Worldwide expenditures include only those countries listed in the column headed "Countries in which spending was reported."

Compiled by Ilse Cermak and Kevin Brown

Plenty of niches for all comers

'The potential is not slowing down'

To **John Eger,** a New York-based international communications attorney, the future of global broadcasting is clear: There will be three satellites "each high-powered with a DBS [direct broadcast satellite] distribution system and each [to] cover a third of the Earth."

Arnie Adler

John Eger

Regional systems—proposed or operational—in Japan, Ireland, the U.K. and France—will be the first step toward these "mega-media" enterprises of the future. Unfortunately, the present is clouded. There are many regulatory barriers that may hinder development, he says.

Mr. Eger sharpened his skills as one of the country's leading experts on international broadcasting while serving in the Nixon White House as telecommunications adviser and as head of the White House Office of Telecommunications. He had been senior VP of CBS Worldwide Enterprises from 1981 until last year.

Mr. Eger says: "The big barrier isn't money; it isn't programming, and it isn't technology. While we don't have satellite interconnects or the regional systems yet, they're coming. The big question mark is really one of law and policy." These laws "stand like a picket fence from one nation to another and inhibit the free flow of information."

"If we want to see something accomplished in our time, advertisers all over the world and those companies looking to develop media must have an alliance for world communications.

"Mega-marketers are going to have to employ the tools of power, public relations and politics to fight these barriers," Mr. Eger said.#

—Verne Gay

Humayun Gauhar, publisher and president of *South*, a London-based monthly magazine focusing on the Third World, said, "I believe the influence of print media will come down a bit with the globalization of television, which I believe cannot be stopped. Print media will have to be more analytical and in-depth. Publications that just cover news will have more trouble than those with a more analytical basis.

Humayun Gauhar

"In the past people were very keen to read news from the powerful Western countries like France and the United States. They thought it was the center of the world and they were keen to know how they were perceived. Now that is less so. In the Third World—which is ¾ of the world—the younger generation born after independence has grown up."

Global publications will have to adapt to writing about what interests these people, recognizing that they might want to read about field hockey rather than baseball, he said.

"There will be tremendous difficulty especially in countries with dictatorships. I think a cultural revolution will take place. It will probably lead to a political revolution. If it does, it's their own fault. They didn't allow their own media to develop to combat it and win credibility."

Mr. Gauhar says he considered taking *South* weekly but now thinks the magazine's future lies in foreign-language editions. A Chinese-language version of *South* will begin publication next June in a joint-venture with the Xinhua news agency in China. He says he expects Spanish and Arabic editions to follow. Pakistan-born Mr. Gauhar and his father started *South* in 1980.#

—Laurel Wentz

Robert Maxwell, the British media tycoon who heads Maxwell Communication Corp., London, as chairman, likens the globalization of information and communication to what has happened to the oil industry since World War II.

Robert Maxwell

Mr. Maxwell said recently before the International Federation of Newspaper publishers, "Information is as vital and as important a commodity as energy. Just as several hundred oil companies of the pre-war period have become compressed into seven multinational giants, so the same will happen in information and communication."

He predicts there will be 10 big global corporations by 2000 dealing in all forms of communications. His company will be one of them, he says. "The new world of order of information throws further responsibilities not only on us as newspaper publishers, but on all those who see the future as I do, in the comprehensive integration of communications and information into globally strategic corporations."#

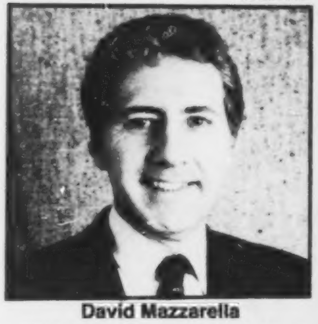
—Nancy Giges

David Mazzarella, New York-based president of Gannett International, is quite optimistic about the future of global publications, especially his own—*USA Today International*.

While no one can tell what the future will bring for sure, precedent is very encouraging, he noted. "And the global potential is not slowing down," he added.

Mr. Mazzarella pointed out that when a new English-language publication has entered the international marketplace, it has tended to do well without hurting other publications. That was the case with the Financial Times European edition when the *Wall Street Journal* later added its European edition, he noted.

Arnie Adler



David Mazzarella

USA Today International is in an even better position because it has its own distinctive niche, he says, while the market is still expanding. "The fact is there is a good number of people who will read an English-language publication [about life in America while overseas]. We also have the distinction of having a newspaper, which is very close to its natural parent. It's a compact version of the U.S. edition, not a newspaper overloaded with international and economic news."#

—Nancy Giges

William Rukeyser, leaving Time Inc. as director of international business development and who will be editor in chief of Whittle Communications in 1988, says, "Adapting successful American publications to markets overseas has a big future. Advertisers are looking for these types of publications."

In February, New York-based Time Inc. and French publishing giant Hachette-Filipacchi will begin publishing a monthly French-language edition of *Fortune*.

West German sources say Time Inc. is talking with publisher Gruner & Jahr to publish a German-language version of *Fortune*.

Mr. Rukeyser said, "We are having conversations with a number of large publishers outside the U.S.," for similar joint ventures for several of the Time Inc. titles.

Arnie Adler

William Rukeyser

"Globally, American-based magazines in the English language are huge and will remain huge," he says. Time Inc. also publishes a Japanese-language edition of *Money* and a *Fortune*-style magazine, called *President* in Japan.#

—Julie Skur Hill

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Source: Information Development Institute, 1986

*Of banks and companies listed on the Tokyo Stock Exchange.

Tables track top 10 ad spenders around the globe

Ranked in the following 34 tables are the largest advertisers in the world, representing spending in 41 countries.

Marketers ranked in the Arabian Peninsula's top ten represent ad dollars spent in Saudi Arabia, Kuwait, United Arab Emirates, Bahrain, Qatar, Oman and Jordan. Belgium's top ten includes ad spending in Luxembourg.

Sources and exchange rates are listed beneath tables. For more information on this report, see *Where* AD AGE *got its data*, Page 65.

AFRICA

South Africa

Advertiser	Ad spending 1986	1985
Unilever	9,860	8,999
O.K. Bazaars	8,121	7,813
Checkers	7,143	3,838
Pick & Pay	7,059	6,443
S.A. Breweries	6,166	5,491
Toyota Motor Corp.	6,157	6,085
United Tobacco S.A.	4,498	3,680
Oudemeester	3,583	4,027
SFW	3,527	3,603
Ford Motor Co.	3,469	3,722

Source: Market Research Africa Adindex. Notes: Dollars are in thousands and include measured media only. Conversion rate: 0.4284 dollars to the Rand.

ASIA

Arabian Peninsula

Advertiser	Ad spending 1986	1985
Philip Morris Cos.	6,652	N/A
Rothmans International	3,567	N/A
Toyota Motor Corp.	3,454	N/A
Nissan Motor Co. Ltd.	3,401	N/A
Hattori Seiko Corp.	1,773	N/A
Rado	1,557	N/A
Loews Corp.	1,447	N/A

Source: Pan Arab Research Centre, Kuwait. Notes: Dollars are in thousands. Includes Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Qatar, Oman and Jordan for year-ending April 1986.

Hong Kong

Advertiser	Ad spending 1986	1985
Philip Morris Cos.	7,065	N/A
Hong Tai Travel	4,634	N/A
Wing On Group	4,497	N/A
Vita Drinks	3,835	N/A
Matsushita Electric Industrial Co.	3,643	N/A
Loews Corp.	3,509	N/A
Morning Star Travel	3,371	N/A
RJR Nabisco	3,132	N/A
Hattori-Seiko Co. Ltd.	3,119	N/A
Mild Seven	2,813	N/A

Source: Hong Kong Abex, a subsidiary of AGB McNair. Note: Dollars are in thousands.

India

Advertiser	Ad spending 1986	1985
Unilever	16,809	12,300
Colgate-Palmolive Co.	4,137	3,952
McDowell & Co. Ltd.	3,893	2,378
Peico Electronics & Electricals	3,561	2,663
ITC Ltd.	3,236	2,826
Glaxo Laboratories	2,758	1,948
Escorts Ltd.	2,701	2,374
Bombay Dyeing Ltd.	2,646	1,974
Bata India Ltd.	2,221	1,474
Tata Oils Mills	2,173	1,401

Source: Economic Times Research Bureau, New Delhi. Notes: Dollars are in thousands for years-ending March 1986 and 1985. Conversion rate: 0.0805 dollars to the Rupee.

Indonesia

Advertiser	Ad spending 1986	1985
Unilever	3,129	N/A
Suzuki Motor Co.	1,473	N/A
Toyota Motor Corp.	1,388	N/A
Daihatsu Cars	1,169	N/A
Lux Soap	774	N/A
Baygon Insecticide	765	N/A
Citra Lotion	740	N/A
Dancow Milk Powder	732	N/A

Source: Advertising Age. Notes: Dollars are in thousands. Conversion rate: 0.000841 dollars to the Rupiah.

Japan

Advertiser	Ad spending 1986	1985
Kao Corp.	184,758	177,311
Honda Motor Co. Ltd.	184,470	149,006
Toyota Motor Corp.	173,428	175,890
Nissan Motor Co. Ltd.	163,136	158,077
Matsushita Electric Industrial Co.	160,211	158,939
Hitachi Ltd.	158,117	152,328
Mazda Motor Corp.	155,584	120,795
NEC Corp.	148,425	115,596
Sony Corp.	142,471	106,960
Toshiba Corp.	140,741	151,988

Source: MOF Portfolio Reports, Tokyo. Notes: Dollars are in thousands for years-ending March 1986 and 1985. Figures do not include foreign company ad spending. Conversion rate: 0.005769 dollars to the Yen.

Malaysia

Advertiser	Ad spending 1986	1985
Rothmans International	14,819	7,623
Malaysian Tobacco Co.	11,334	8,869
Nupro	7,516	8,031
Unilever	4,514	3,085
Colgate-Palmolive	4,325	3,352
RJR/Nabisco	3,463	3,641
Matsushita Electric Industrial Co.	1,825	3,324
Ederan Otomobil Nasional Sdn. Bhd.	1,528	849
Guinness	1,289	N/A
Toyota Motor Corp.	1,229	2,304

Source: Survey Research Malaysia. Notes: Dollars are in thousands and include TV, radio, newspaper, magazine and video. Conversion rate: 0.433 dollars to the Mdollar.

New Zealand

Advertiser	Ad spending 1986	1985
FTC Farmers	4,839	N/A
F.W. Woolworth Co.	3,538	N/A
New World Supermarkets	3,330	N/A
Smith & Brown	1,680	N/A
McDonald's Corp.	1,349	N/A
Four Square	1,329	N/A
United Building Society	1,275	N/A
NZ Listener	1,240	N/A
Foodtown	1,194	N/A
PepsiCo Inc.	1,139	N/A

Source: Hunter: AGB Ltd., Auckland. Notes: Dollars are in thousands and include TV and print only. Conversion rate: 0.5252 dollars to the NZdollar.

Philippines

Advertiser	Ad spending 1986	1985
San Mig[illegible]orp.	767	N/A
Nestle S[illegible]	639	N/A
Colgate-Palmolive Co.	613	N/A
Philippine Refining	613	N/A
Procter & Gamble Co.	409	N/A
California Manufacturing	153	N/A
Warner-Lambert Co.	102	N/A
Philip Morris Cos.	77	N/A
Johnson & Johnson	61	N/A
RJR Nabisco	46	N/A

Source: J. Walter Thompson Co., Manila. Notes: Dollars are in thousands and include measured and unmeasured media. Conversion rate: 0.0511 dollars to the Peso.

Singapore

Advertiser	Ad spending 1986	1985
Yaohan Stores	1,623	N/A
American Express Co.	1,577	N/A
McDonald's Corp.	1,438	N/A
PepsiCo Inc.	1,113	N/A
Federal Publication	1,020	N/A
Metro Stores	881	N/A
Singapore International Airlines	881	N/A
Guinness	835	N/A
Citicorp	696	N/A
Matsushita Electric Industrial Co.	696	N/A

Source: Survey Research Singapore Ltd. Notes: Dollars are in thousands. Conversion rate: 0.4638 dollars to the Sdollar.

South Korea

Advertiser	Ad spending 1986	1985
Goldstar & Lucky Ltd.	29,232	23,446
Samsung Electronics & Jeil Sugar	27,932	25,981
Daewoo Electronics & Motors	17,883	12,810
Pacific Chemical	14,800	12,934
Lotte Confectionary	8,794	6,676
Nhong Shim	8,619	8,817
Yuhan Corp.	7,785	7,134
Samyang Foods	7,743	5,916
Dong-A Pharmaceuticals	7,544	6,834
Hai-Tai Confectionary	7,483	6,874

Source: Korea First Advertising. Notes: Dollars are in thousands. Conversion rate: 0.001131 dollars to the Won.

Taiwan

Advertiser	Ad spending 1986	1985
China Airlines	8,967	N/A
Peiuf Enterprises	8,533	N/A
President Enterprises Corp.	6,693	N/A
Matsushita Electric Industrial Co.	5,663	N/A
Anping Distributors Ltd.	4,376	N/A
Weichuan Foods Corp.	3,919	N/A
Sanyo Electric Co. Ltd.	3,802	N/A
Taiwan Kao Corp.	3,500	N/A
Hey-Song Corp.	3,383	N/A
Formosa United Industrial Corp.	3,349	N/A

Source: Advertising Age. Notes: Dollars are in thousands. Figures were reported in U.S. dollars.

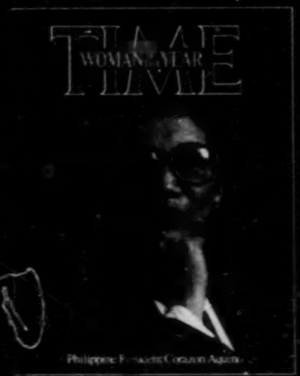
AUSTRALIA

Australia

Advertiser	Ad spending 1986	1985
G.J. Coles & Co. Ltd.	63,813	53,382
Mars Inc.	27,067	21,932
Unilever	19,441	17,094
Australian Gov't	18,936	11,704
Telecom Australia	17,445	13,478
F.W. Woolworth Co.	15,842	16,292
Cadbury Schweppes PLC	14,797	16,311
Reckitt & Colman PLC	14,480	12,926
Nissan Motor Co. Ltd.	12,969	10,085
Amatil Ltd.	12,861	12,478

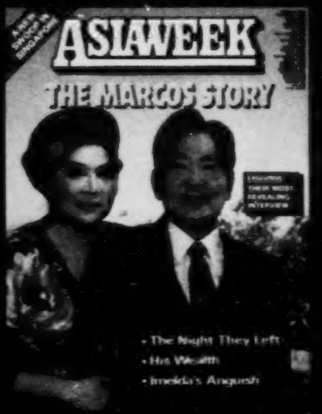
Source: Tart Research, Brookvale, Australia. Notes: Dollars are in thousands and include all measured media. Conversion rate: 0.6769 dollars to the Adollar.

OUR BUSINESS IS EXPA



The most widely read newsmagazine in the world. The international editions of TIME circulate in 191 countries.

Circulation: 1,300,000



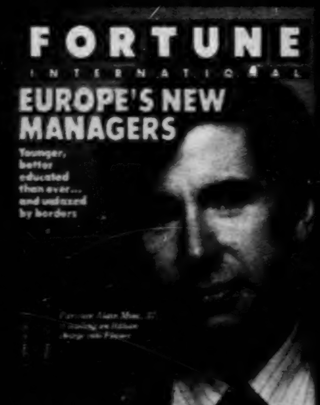
ASIAWEEK, the first pan-regional Asian newsweekly, joined the Time Inc. family of magazines in 1985.

Circulation: 65,000

Money
JAPAN
株テク必勝法 PART2
変額保険大研究

Prepared especially for the Japanese market, MONEY Japan is published with the Seibu Saison Group.

Circulation: 370,000


FORTUNE
INTERNATIONAL
EUROPE'S NEW MANAGERS
Younger, better educated than ever... and unfazed by borders

FORTUNE International enjoys the largest circulation outside the U.S. of any American business publication.

Circulation: 100,000

EUROPE

Austria

	Ad spending	
Advertiser	**1986**	**1985**
Unilever	9,383	17,541
Henkel	7,301	7,484
Creditanstalt Bankverein	3,956	2,726
Drogeriemarkt	3,754	3,022
Procter & Gamble Co.	3,527	4,638
Kastner & Orhler	3,515	2,461
BAWAG	3,269	3,048
Kika Moebelhandel	2,934	2,751
Billa Konzern	2,814	2,398
Kleider-Bauer	2,650	2,335

Source: A.C. Nielsen & Co. and MMO Media and Market Observer. Notes: Dollars are in thousands. Conversion rate: 0.0631 dollars to the Schilling.

Belgium

	Ad spending	
Advertiser	**1986**	**1985**
Procter & Gamble Co.	7,848	8,342
GB-Inno-BM	7,224	8,063
BSN-Gervais Danone	7,160	5,805
Henkel	6,493	5,913
D' Ieteren	6,192	6,515
Peugeot	5,848	5,440
Ford Motor Co.	5,784	4,429
Delhaize Le Lion	5,698	5,612
Unilever	5,676	4,085
Mars Inc.	5,633	4,924

Source: Advertising Marketing Services, Brussels. Notes: Dollars are in thousands and include all public measured media in Belgium and Luxembourg. Conversion rate: 0.0215 dollars to the Bfrancs.

Finland

	Ad spending	
Advertiser	**1986**	**1985**
Valio	10,938	6,457
Kesko	7,620	6,282
SYP	7,039	N/A
Korpivaara	6,515	5,449
Saastopankit + SKOP	6,360	5,662
Verikkaus	5,604	N/A
Aro-yhtyma	5,410	N/A
Osuuspankit + OKO	5,197	4,789
Ford Motor Co.	4,654	4,363
OP-Kiinteistokeskus	4,266	4,324

Source: Markkinatutlimus OY, Helsinki. Notes: Dollars are in thousands and include measured media only. Conversion rate: 0.1939 dollars to the Markka.

France

	Ad spending	
Advertiser	**1986**	**1985**
Renault	83,927	73,096
Loterie Nationale	48,333	34,009
Nestle SA	41,192	35,384
Ford Motor Co.	40,911	36,085
Procter & Gamble Co.	36,310	41,978
Peugeot	36,225	27,513
Colgate-Palmolive Co.	35,945	26,517
Citroen	30,094	26,517
Intermarche Magasins	29,786	21,564
General Motors Corp.	28,481	26,180

Source: SECODIP, Paris. Notes: Dollars are in thousands. Conversion rate: 0.1403 dollars to the Franc.

Ireland

	Ad spending	
Advertiser	**1986**	**1985**
Procter & Gamble Co.	85,751	47,374
Guinness	54,092	52,160
Kellogg Co.	39,294	32,870
Mars Inc.	32,398	30,988
Rowntree Mackintosh	28,851	30,988
Unilever	27,524	47,374
Cadbury Schweppes PLC	27,477	24,545
Coca-Cola Co.	26,340	12,371
Ford Motor Co.	24,979	19,134
P.J. Carroll	22,475	16,177

Source: Advertising Statistics Ireland. Notes: Dollars are in thousands and include measured media only. Conversion rate: 1.313 dollars to the Pound.

Italy

	Ad spending	
Advertiser	**1986**	**1985**
Procter & Gamble Co.	116,210	62,085
Unilever	100,560	39,299
Fiat SpA	94,344	101,529
Barilla Pasta	64,945	43,418
Renault	56,241	36,460
Sagit	51,447	32,755
Alfa Lancia	50,161	31,052
Fater	48,323	32,940
Colgate-Palmolive Co.	47,463	25,123
Mattel Inc.	44,018	36,119

Source: AGB Italia SpA, Milan. Notes: Dollars are in thousands and represent gross ad expenditures. It is custom in Italy to take a 40% to 60% discount. Conversion rate: 0.000648 dollars to the Lira.

Netherlands

	Ad spending	
Advertiser	**1986**	**1985**
Unilever	19,268	N/A
Mars Inc.	8,032	N/A
Heineken B.V.	7,159	N/A
Vendex	6,880	N/A
NV Philips	6,767	N/A
Postbank NV	6,652	N/A
Akzo Adv. Coord. Groep	6,427	N/A
Rijksvoorlichtingsdienst	6,132	N/A
Henkel	5,343	N/A
Ned. Zuivelburo	5,275	N/A

Source: VEA. Notes: Dollars are in thousands and do not include regional advertisers or direct mail. Conversion rate: 0.3934 dollars to the Guilder.

Portugal

	Ad spending	
Advertiser	**1986**	**1985**
Unilever	4,461	2,199
Central Cerverjas	2,109	1,129
Nestle SA	2,036	1,537
Santa Casa da Misericordia	1,838	2,312
Colgate-Palmolive Co.	1,510	855
Renault	1,509	909
FIMA	1,334	1,029
S.C. Johnson & Son	1,314	1,039
Unicer	1,007	789
Knorr Portuguesa	972	N/A

Source: Lintas: Worldwide, Lisbon. Notes: Dollars are in thousands. Conversion rate: 0.006683 dollars to the Escudo.

Spain

	Ad spending	
Advertiser	**1986**	**1985**
El Corte Ingles Group	28,115	23,823
Peugeot	26,014	20,919
Volkswagen AG	25,205	24,207
Renault	24,451	19,328
Nestle SA	23,913	14,937
Unilever	23,851	15,496
Ministry of Economy	22,036	21,813
Henkel	22,015	13,758
Ford Motor Co.	16,536	12,669
BSN-Gervais Danone	14,798	13,094

Source: Annual Report on Advertising Expenditures by J. Walter Thompson Co., based on Repress/Nielsen data. Notes: Dollars are in thousands and include measured media, direct marketing, point of sale, promotions, trade fairs, annual reports and brochures. Conversion rate: 0.00698 dollars to the Peseta.

Sweden

	Ad spending	
Advertiser	**1986**	**1985**
Kooperativa Forbundet	53,528	51,277
ICA	47,534	46,609
Ahlens	14,735	12,139
B & W Stormarknader	11,172	6,988
Hennes & Mauritz	9,170	8,203
Kapp Ahl	6,808	5,234
Samhallsinformations Kommun/Landsting	6,781	6,380
Volvo AB	6,463	7,457
Favor-Butikerna	6,394	5,648
Televerket	5,759	5,524

Source: Reklamstatistik. Notes: Dollars are in thousands and include daily newspapers only. Conversion rate: 0.1381 dollars to the Kroner.

Switzerland

	Ad spending	
Advertiser	**1986**	**1985**
Migros	36,165	36,767
Co-op	26,251	22,936
Denner	10,737	10,057
General Motors Corp.	10,006	9,657
Toyota Motor Corp.	9,928	8,911
Pfister Moebel	7,276	5,988
Maus Brothers	7,169	6,954
Mars Inc.	6,763	4,992
Volkswagen AG	6,491	6,451
Nissan Motor Co. Ltd.	6,404	5,212

Source: A.C. Nielsen & Co. Notes: Dollars are in thousands. Conversion rate: 0.5371 dollars to the Sfranc.

United Kingdom

	Ad spending	
Advertiser	**1986**	**1985**
Unilever	156,171	179,192
British Government	119,414	46,631
Mars Inc.	68,690	82,647
Hanson Trust PLC	66,412	N/A
Allied-Lyons	59,139	53,410
Asda MFI Group	56,201	55,311
Nestle SA	53,279	59,437
British Telecom	52,968	60,582
Procter & Gamble Co.	51,763	70,029
British Gas	48,323	28,166

Source: Campaign magazine, from Haymarket Publishing: The Top 100 Spenders, June 13, 1986. Notes: Dollars are in thousands. Conversion rate: 1.4679 dollars to the Pound.

West Germany

	Ad spending	
Advertiser	**1986**	**1985**
Siemens	208,936	N/A
Unilever NV	102,915	88,276
C&A Brenninkmeyer	95,596	94,487
Volkswagen AG	60,951	59,886
Henkel	60,773	54,563
General Motors Corp.	51,458	36,375
Karstadt	47,554	47,909
Mars Inc.	43,162	33,714
Ford Motor Co.	41,787	34,157
Deutsche Bundespost	39,480	32,826

Source: Schmidt & Pohlmann, a subsidiary of A.C. Nielsen & Co. Notes: Dollars are in thousands. Conversion rate: 0.4436 dollars to the Mark.

N. AMERICA

Canada

	Ad spending	
Advertiser	**1986**	**1985**
Canadian Government	45,912	51,443
Procter & Gamble Co.	36,858	33,344
John Labatt Ltd.	27,097	24,694
Unilever	23,102	22,421
Molson Breweries	23,075	21,347
Philip Morris Cos.	22,522	21,321
General Motors Corp.	19,714	22,404
Gov't of Ontario	18,759	25,117
Thomson Group	17,300	12,645
RJR Nabisco	16,162	18,416

Source: Media Measurement Services, Toronto. Notes: Dollars are in thousands. Conversion rate: 0.721 dollars to the Cdollar.

Mexico

	Ad spending	
Advertiser	**1986**	**1985**
Pedro Domecq	12,740	N/A
Procter & Gamble Co.	12,740	N/A
Bacardi Corp.	11,830	N/A
Grupo Cuauhtemoc	9,828	N/A
Colgate-Palmolive Co.	9,646	N/A
Nestle SA	9,464	N/A
Organisacion Bimbo	9,100	N/A
PepsiCo	6,552	N/A
Gamesa	6,188	N/A
Kellogg Co.	5,824	N/A

Source: PMP Group, Mexico City. Notes: Dollars are in thousands and include TV ad expenditures only. Conversion rate: 0.00182 dollars to the Peso.

Puerto Rico

	Ad spending	
Advertiser	**1986**	**1985**
Colgate-Palmolive Co.	7,952	6,540
Procter & Gamble Co.	7,220	6,793
Sears, Roebuck & Co.	6,684	4,398
Unilever	6,465	6,092
Bacardi Corp.	4,672	N/A
Banco Popular Puerto Rico	4,273	1,575
Schaefer Brewing	3,318	1,901
Mars Inc.	2,536	538
Gillette Co.	2,434	1,533
Anheuser-Busch Cos.	2,225	1,430

Source: Publish Records Service, San Juan. Notes: Dollars are in thousands and include TV and print media spending only.

United States

	Ad spending	
Advertiser	**1986**	**1985**
Procter & Gamble	1,435	1,600
Philip Morris Cos.	1,364	1,400
Sears, Roebuck & Co.	1,005	800
RJR Nabisco	935	1,093
General Motors Corp.	839	779
Ford Motor Co.	649	615
Anheuser-Busch Cos.	644	523
McDonald's Corp.	592	550
K mart Corp.	590	567

(Continued on Page 65)

NDING HORIZONS.

プレジデント
5
「変化」こそチャンス

The largest business magazine in Japan, PRESIDENT is published in cooperation with the Diamond Co.

Circulation: 250,000

LA NAISSANCE D'UN PATRON

A French FORTUNE will be published early in 1988 in cooperation with Hachette-Filipacchi.

Circulation: 50,000

亞洲週刊
在美國建功立業

YAZHOU ZHOUKAN, the world's first independent newsweekly in Chinese, publishes in December, 1987.

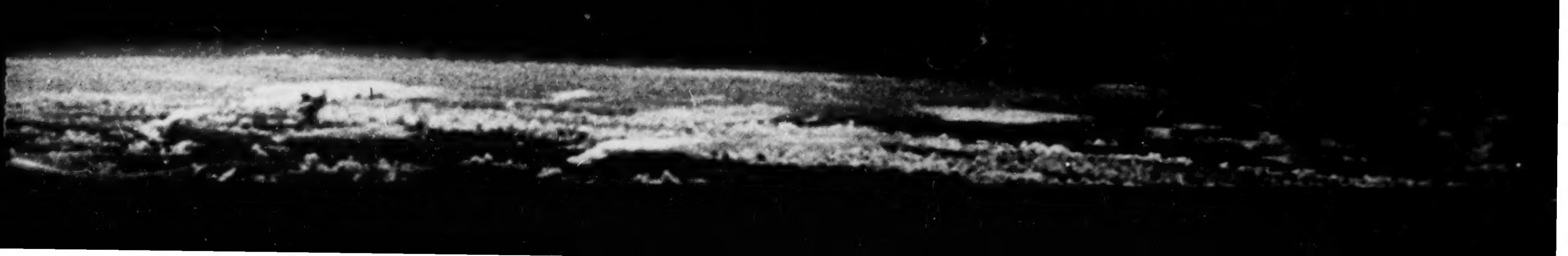
Circulation: 38,000

Around this planet, readers find a wider vision of their world in the international publications of Time Inc.

Our magazine group is growing to meet their growing needs for quality information. The two newest magazines: a handsome new French Fortune and Yazhou Zhoukan, the world's first newsweekly in Chinese.

Our business is expanding horizons. With increasing editorial resources. A wider range of magazines. And a growing audience of the world's most desirable readers.

The International Publications of Time Inc.



Australian media barons' year of changes

Rupert Murdoch's takeover of HWT sparks $4 billion in deals

Major media owners	Major holdings as of January 1987	Trading	Holdings at present
News Ltd. **Rupert Murdoch**	*The Australian*, national *The Daily Telegraph*, Sydney, a.m. *The Mirror*, Sydney, p.m. *The News*, Adelaide, p.m. *The Sunday Telegraph*, Sydney *Daily Sun*, Brisbane, p.m. *Sunday Sun*, Brisbane *Sunday Mail*, Adelaide Eight suburban newspapers near Sydney TEN Network, Sydney and Melbourne Southdown Press magazine group and other magazines	News Ltd.'s $1.4 billion takeover of Herald & Weekly Times Group started the media buying and selling spree. Mr. Murdoch sold his TV holdings—TEN Network in Sydney and Melbourne to Frank Lowy, Channel 7 in Melbourne to Fairfax—and HWT's Perth newspapers to Bell Group. *The News, Adelaide*, and *Daily Sun* and *Sunday Sun* in Brisbane was sold to Northern Star Holdings and staff consortiums.	*The Australian*, national *The Daily Telegraph*, Sydney, a.m. *The Mirror*, Sydney, p.m. *The Sunday Telegraph*, Sydney *Sunday Mail*, Adelaide Eight suburban newspapers near Sydney Southdown Press magazine group and other magazines *Melbourne Herald*, Melbourne, p.m. *Sun News-Pictorial*, Melbourne, p.m. *Courier Mail*, Brisbane, a.m. *The Telegraph*, Brisbane, p.m. *The Advertiser*, Adelaide, a.m. Herald & Weekly Times Group with 20 magazines—plus about 20 suburban newspapers
Herald & Weekly Times	*Melbourne Herald*, Melbourne, p.m. *Sun News-Pictorial*, Melbourne, p.m. *Courier Mail*, Brisbane, a.m. *The Telegraph*, Brisbane, p.m. *The Advertiser*, Adelaide, a.m. *The West Australian*, Perth, a.m. *The Daily News*, Perth, p.m. *The Sunday News*, Perth, p.m. *Sunday Mail*, Brisbane Channel 7, Melbourne, Adelaide Herald & Weekly Times Group with about 20 magazines	Entire company sold to News Ltd.	None
John Fairfax Ltd. **Warwick Fairfax**	*Sydney Morning Herald*, Sydney, a.m. *The Sun*, Sydney, p.m. *Sun Herald*, Sydney *The Australian Financial Review*, national *The Age*, Melbourne, a.m. *The Canberra Times*, Canberra, a.m. *The Times on Sunday*, national *Newcastle Herald*, a.m. *Illawarra Mercury*, a.m. 10 community newspapers 24 Victorian regionals and suburbans Fairfax Magazines incorporating *Woman's Day, Cosmopolitan, Dolly, Time Australia, The Spectator*, weekly *BRW*, weekly *Personal Investments*, weekly Rydge magazines Macquarie Network (radio) Channel 7, Sydney, Brisbane	John Fairfax Ltd. first bought Channel 7 in Melbourne from News Ltd. in July but later sold that station, along with stations in Sydney and Brisbane to Universal Telecasters. In early fall, Warwick Fairfax attempted to privatize the company, but met trouble from Mr. Holmes a' Court and Mr. Packer, who each owned sizable stakes. Both received properties in exchange for their cooperation. Mr. Fairfax is expected to attain control of the company soon. John B. Fairfax (deputy chairman) purchased John Fairfax Ltd.'s rural press and suburban newspapers.	*Sydney Morning Herald*, Sydney, a.m. *The Sun*, Sydney, p.m. *Sun Herald*, Sydney, Sunday *The Age*, Melbourne, a.m. *BRW* *Personal Investment* Rydges magazines *Time Australia*, weekly *The Spectator*, weekly *Ms.*, monthly *Sassy*, monthly
Australian Consolidated Press **Kerry Packer**	Nearly 30 magazines, including *Women's Weekly* and *The Bulletin*, incorporating *Newsweek, Cleo, Belle* and *Australian Business*. Nine Network in Sydney, Melbourne, Brisbane.	ACP sold the Nine Network to Alan Bond. Mr. Packer obtained several Fairfax properties, including much of its magazine group.	Fairfax Magazines, about 30 titles Nearly 30 magazines, including *Women's Weekly* and *The Bulletin*, incorporating *Newsweek* and including *Woman's Day, Dolly, Cosmopolitan.*
Bell Group **Robert Holmes a' Court**	*Western Mail*, Perth Four suburban weeklies, two regional newspapers and four radio stations in Western Australia Channel 7, Perth Channel 10, Adelaide	Mr. Holmes a' Court, who has emerged as a major media owner this year, unsuccessfully attempted to buy News Ltd.'s Channel 7 in Melbourne, but succeeded in buying HWT's Perth papers. Mr. Holmes a' Court received the *Financial Review, The Times on Sunday, the Canberra Times*, and the Macquarie radio network in the deal with Fairfax.	Channel 10, Adelaide *The West Australian*, Perth, a.m. *The Daily News*, Perth, p.m. *The Sunday News*, Perth, p.m. *The Australian Financial Review*, national *The Times on Sunday*, national *The Canberra Times*, Canberra, a.m. Macquarie Radio Network Expected to sell Channel 7, Perth to Universal Telecasters
Bond Media **Alan Bond**	Channel 9 in Perth Sky Channel satellite	Mr. Bond became a major media owner this year, with purchases such as ACP's Nine Network.	Nine Network in Sydney, Melbourne, Brisbane and Perth Sky Channel Intelsat Nine Network satellites, plus 30-watt transponder TV-AM, London Fiji TV Papua New Guinea TV Nine radio stations throughout Australia WIN News (New York) Interests in film and TV marketing and production
Universal Telecasters **Christopher Skase**	Channel 0, Brisbane Two regional channels	Universal Telecasters bought John Fairfax Ltd.'s Seven Network stations in Sydney, Melbourne and Brisbane. It sold Channel 0, Brisbane, to Northern Star Holdings	Two regional channels Seven Network in Sydney, Melbourne and Brisbane Expected to buy Channel 7 in Perth from Bell Group
BDC Investments **Kerry Stokes**	Channel 7, Canberra, Adelaide TEN Network in Perth	BDC exited the media scene by selling its Channel 7 in Canberra and Adelaide and Channel 10 in Perth to Frank Lowy. Mr. Stokes is likely to reenter media through buying regional stations.	No media holdings
Northern Star Holdings, **Westfield Capital Corp.** **Frank Lowy**	Northern Star Holdings newspaper group of eight regional papers	Mr. Lowy purchased Mr. Murdoch's TEN Network as well as the *News*, Adelaide, and Brisbane's *Daily* and *Sunday Suns*, as well as BDC's entire stable.	Northern Star Holdings newspaper group TEN Network in Sydney, Melbourne and Perth, Channel 7 in Adelaide and Canberra, Channel 0 in Brisbane and one regional, four radio stations, Festival Records

Research by Geoffrey Lee Martin in Australia

Where Ad Age got its data

ADVERTISING AGE in this special section takes a look at worldwide advertising from both the media and advertiser side.

In its first ranking of the 50 largest non-U.S. advertisers, AD AGE pooled ad totals from its international reporting network and sources around the world.

Rankings of advertisers from 34 regions on six continents were compiled, including the Arabian Peninsula, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Argentina, Brazil, Chile, Colombia, Australia, Austria, Belgium, Finland, France, West Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland, the U.K., Canada, Mexico, Puerto Rico, South Africa and the U.S.

The Arabian Peninsula includes Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Qatar, Oman and Jordan. Belgium includes spending in Luxembourg.

Although every effort was made to compile advertising expenditures by these companies in all countries, only rankings of the top 10 advertisers were available in some countries.

Data from several countries was reported by brand, rather than by advertiser. Brand spending was added into parent company spending wherever possible. Also, in some instances, local sources compiled parent company spending by monitoring brand spending—but only including brands closely associated with the parent company. This resulted in some low local parent total spending figures.

Local sources and media information are listed beneath the top ten advertisers by country on Page 62.

Data from the U.S. is based on AA's 100 Leading National Advertisers, Sept. 4, 1987, and Second 100 Leading National Advertisers, Nov. 23, 1987.

BAR/LNA reports supplies the bulk of U.S. measured media information. Magazine and newspaper supplements are supplied to Leading National Advertisers by Publishers Information Bureau. Outdoor is supplied to LNA by the Outdoor Advertising Association of America and Institute of Outdoor Advertisers. Network TV, spot TV, network radio and cable TV networks are supplied by Broadcast Advertisers Reports.

Other U.S. monitored media include newspapers from Media Records, business publications from Rome Reports, farm publications from AGRICOM and spot radio from Radio Expenditure Reports.

U.S. advertising expenditures include estimated unmeasured media spending for direct mail, promotion, co-op and couponing, to name a few, unless otherwise noted.

The worldwide ranking includes all advertisers monitored by AD AGE, regardless of whether any foreign advertising expenditures were reported for this issue.

* * *

AD AGE's third annual compilation of the key indicators judging global publications appears in chart form on Page 54. Criteria for a publication's admission to the chart were:

- Substantial mass circulation on at least three continents.
- Worldwide circulation of at least 50,000, although the circulation of its international editions must equal at least 10% of the domestic circulation.
- Editorial content global in scope and primarily in English.
- Advertising in all editions purchased through one central office.

Trade publications are not mass-circulation publications and were excluded from this listing.

Licensed publications also were excluded because, for the most part, they are not centrally controlled either on the advertising or editorial side.

Kevin Brown

Top 10

(Continued from Page 63)

Advertiser	Ad spending 1986	1985
PepsiCo	581	478

Source: Advertising Age 100 Leading National Advertisers, September 24, 1987, including data from BAR/LNA reports, Media Records, Radio Expenditure Reports, Rome Reports and AGRICOM. Notes: Dollars are in millions and include measured and unmeasured media.

S. AMERICA

Argentina

Advertiser	Ad spending 1986	1985
Aurora	12,092	2,788
Philip Morris Cos.	9,034	2,981
Batus Industries	8,123	3,717
NV Philips	7,379	3,007
Unilever	6,004	3,291
S.C. Johnson & Son	5,567	N/A
Kenia Saic	5,022	1,122
Jacobs Suchard	4,730	2,321
Loterie Chaquena	4,627	3,156
Drean	4,544	1,059

Source: Fuentes & CIA, Buenos Aires. Notes: Dollars are in thousands and include TV ad spending only. Conversion rate: 1.184 dollars to the Austral.

Brazil

Advertiser	Ad spending 1986	1985
Grupo Dorsay	25,287	13,338
Grupo Pao de Acucar	18,070	10,772
Unilever	13,520	6,295
Nestle SA	11,884	5,735
Lopes Cons Imoveis	11,484	2,042
Mesbla	10,867	7,080
Lundgren	10,234	4,870
NV Philips	10,220	4,884
CX Economica Federal	10,052	2,973
B.A.T. Industries	9,725	6,433

Source: Advertising Age. Notes: Dollars are in thousands and include measured media only. Conversion rate: 0.072686 dollars to the Cruzado.

Chile

Advertiser	Ad spending 1986	1985
Unilever	12,547	N/A
Nestle SA	6,368	N/A
Coca-Cola Co.	3,359	N/A
Bayer AG	3,196	N/A
Corona	2,783	N/A
CCU	2,698	N/A
Comercial Eccsa	2,530	N/A
El Mercurio	2,459	N/A
Editorial Portada	2,310	N/A
La Tercera	2,142	N/A

Source: Megatec, Santiago. Notes: Dollars are in thousands. Conversion rate: 0.0054 dollars to the Peso.

Colombia

Advertiser	Ad spending 1986	1985
Colgate-Palmolive Co.	7,663	N/A
Unilever	6,642	N/A
Postobon	5,017	N/A
Nestle SA	4,293	N/A
Technoquimicas	2,711	N/A
Varela	2,624	N/A
Gillette Co.	2,603	N/A
Disa	2,446	N/A
Cine Colombia	1,998	N/A
Federacion Natl. de Cafeteros	1,814	N/A

Source: A.C. Nielsen & Co. Notes: Dollars are in thousands and include measured media only. Conversion rate: 0.0054 dollars to the Peso.

Coordinating this report were Kevin Brown, Ilse Cermak, Craig Endicott, Karen Brodsky Fine, Nancy Giges and Julie Skur Hill.

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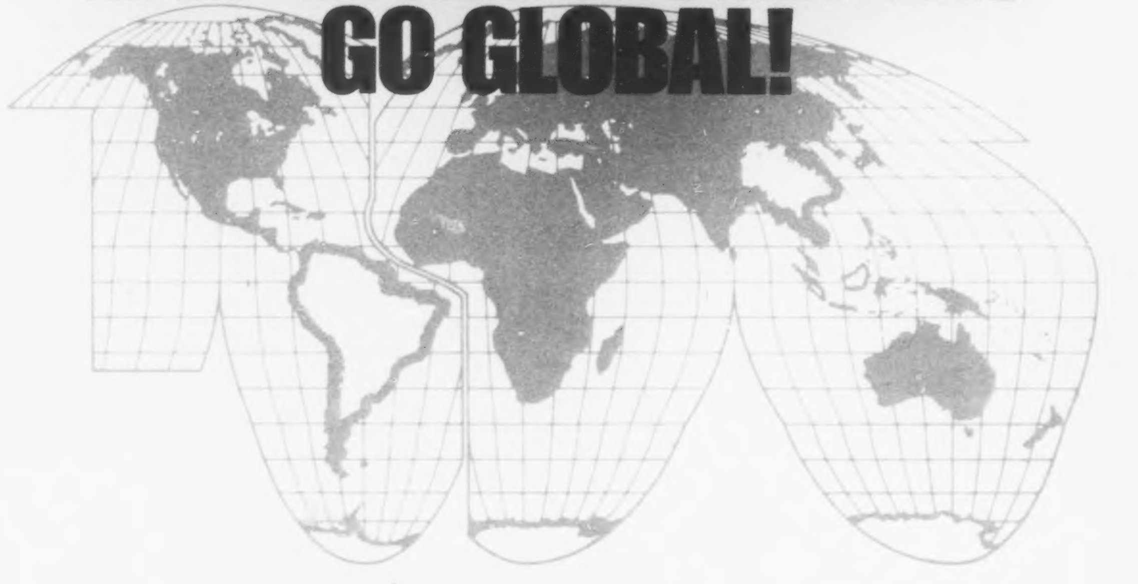

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December 21, 1987

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Make-goods stagger networks

By VERNE GAY

NEW YORK—The people-meter revolution is costing the Big 3 TV networks millions of dollars in advertiser "make-goods," setting the stage for possible changes in the way commercial airtime is purchased.

The demand for make-goods will accelerate during the next two weeks as advertisers scramble to secure what is due them for the fourth quarter.

The problem is so troublesome that some agency and network TV executives are contemplating changing next year's buying practices to eliminate guarantees on upfront—or advanced—buys.

In an upfront buy, advertisers purchase time as much as a year in advance and get a "guarantee" that the buy will meet certain ratings goals.

If the TV show falls short, the advertiser gets make-goods in the form of commercial units.

This season's paybacks are the result of an unexpectedly severe drop-off in daytime and prime-time ratings by A.C. Nielsen Co.'s people meters, which in September replaced the traditional diary system of measuring TV audiences.

The blow may be softened somewhat by a so-called "cushion" the nets built into last summer's upfront buys, to compensate for the unknowns involved in the changeover.

At that time, many advertisers agreed to pay the networks artificially-arrived-at prices and slight cost-per-thousand increases. The average cushion at ABC was 5%, while CBS' cushion was 7.5%.

Sources said CBS has been particularly hard hit by the make-goods situation. The network's 1987 national prime-time household ratings have fallen 15% from the same period last year. Fourth-quarter daytime ratings have fallen 10%, from 1986 to 1987, although CBS News ratings have increased.

CBS reportedly has exhausted its reserve of commercial time—that which it held from the market to satisfy make-good demand. The network said it is covering shortfalls with units it would have sold during the "scatter" market, the time sold much closer to actual airdate.

Unusually large reserves of make-good slots were set aside during upfront sales, again because of the expected lower numbers. But CBS' reserve reportedly is the smallest.

NBC's was the largest, but it is believed to be close to

(Continued on Page 34)

Apple buys Jan. 1—Page 2

Staff photo by Michael A. Marcotte

Mistletoe Bears weren't selling fast enough at Marshall Field's so the retailer posted a 33%-off sign.

Bear market

Hot holiday promotion cools off

An Advertising Age roundup

Stuffed Christmas bears, the hot promotional trend of the last few years, are stumbling in the final stretch of this holiday season.

HOLIDAY MARKETING

In sharp contrast to their wild popularity last year, the plush-animal ploys—sold at a discount to shoppers who spend above a certain amount overall in the store—are moving slowly in some major outlets.

It is a case of a good idea that got old and tired, retail experts speculate. "It was a fad that has run its course. As a special promotional gimmick, I think it's passe," said Kurt Barnard, publisher of *Retail Marketing Report*, New York.

"The market is saturated with the creatures," said James Williams, president of the National Retail Merchants Association.

Only those merchants who ordered conservatively or jazzed up the marketing of their purchase-with-purchase toys have enjoyed good sales, it seems. For instance, Dayton Hudson Corp., Minneapolis, which launched the trend with its hugely successful Santa Bear, still is going gangbusters with its bear family, helped by merchandise and advertiser tie-ins.

Elsewhere, however, the promotion is faltering, either because too many stores are doing the

(Continued on Page 34)

WPP ponders sister agency to Thompson

By LAUREL WENTZ

LONDON—WPP Group is considering setting up a second agency network in Europe to operate separately from J. Walter Thompson Co.

The decision hinges on whether the agency group wins the European account of Alfa Romeo, the Italian automaker seeking an international network for its $20 million ad business.

WPP Chairman Martin Sorrell is believed to be masterminding a plan that would circumvent the conflict problems faced by JWT, which handles $300 million of Ford Motor Co. business in the U.S. and other countries.

JWT's Ford business, however, is diminishing. Last week, Ford shifted $5 million in billings from JWT in Latin America.

Ford moved $100 million from JWT in Europe to Ogilvy & Mather in July, and the company has refused to allow JWT to take on competing car accounts.

A new agency network would operate separately from JWT as a wholly owned WPP Group subsidiary, sources said.

The offices would be "set up uniquely to do that [Alfa] job," sources said, but could serve as a base for winning new business. Even though it would be separate from JWT, such a network could draw on JWT resources and staff, agency sources said.

Oddone Camerana, ad director of Fiat S.p.A., Turin, Italy, which

(Continued on Page 34)

Last Minute News

BBDO resigns GE consumer electronics

NEW YORK—BBDO Worldwide has withdrawn from GE/RCA Consumer Electronics' review of its $15 million-to-$20 million combined account. Still competing for the business are Ammirati & Puris, McCaffrey & McCall and Young & Rubicam; Fallon McElligott, Minneapolis; and Hal Riney & Partners, Chicago. Leo Burnett USA, Chicago, earlier resigned the RCA portion of the account, citing demands for reduced compensation (AA, Oct. 5, *et seq.*). BBDO had handled the GE division.

Donald Mitchum leaves L.A. for Atlanta

LOS ANGELES—BBDO/West President Donald C. Mitchum, 50, will leave his post in mid-January to become president of the agency's Atlanta office. He succeeds Atlanta President-CEO F. Glenn Verrill, who will retire within a year. Mr. Mitchum's successor has not been named yet. Sources say BBDO plans to merge its BBDO/Slightly Fur-

(Continued on Page 8)

Lotus opens Pandora's box—P. 6

Apple makes huge bowl buy

By PATRICK McGEEHAN

Apple Computer has resolved to start 1988 with a return to its old ways, by purchasing an unusual, all-day exclusive sponsorship of NBC-TV's Jan. 1 college bowl game telecasts.

The sponsorship, which makes Cupertino, Calif.-based Apple the only computer advertiser in the Fiesta, Rose and Orange bowls, is Apple's biggest one-day buy, costing about $4 million.

For NBC, it is the largest sale of bowl-game inventory to a single sponsor.

In a deal reminiscent of the "event marketing" concept Apple used to introduce its Macintosh computer in 1984—which included the award-winning "1984" commercial shown during the Super Bowl—Apple has purchased 22 30-second units in NBC's powerhouse New Year's Day lineup.

Apple's sponsorship also will receive mention on 10 "billboards"—short "brought to you by Apple" announcements during the games.

The company is considering running newspaper ads, including a page in *USA Today*, to draw attention to the buy, as it did with the "1984" spot.

Macintosh spots that have aired only on Sunday morning news shows will be included in the lineup, said Steve Grubbs, VP-director of national TV buying at BBDO Worldwide, New York.

"We have new creative and we haven't had a chance to expose it a lot. We felt we needed to make a big push like this to reach the business target," he said.

The company has followed a broadcast strategy during the past year that limited buys to highly targeted programs, primarily Sunday morning shows and sports.

Mr. Grubbs said the spots would reach "somewhere around 45% of [U.S.] households . . . maybe more than the Super Bowl," on Jan. 1.

Apple sees the sponsorship package as a "morale-builder," said Steve Hayden, exec VP-senior creative director at BBDO, Los Angeles. "It shows that Apple is still a company that can pull off an event."

While the unusual buy marks a distinct change in Apple's TV strategy this year, financial results for the fourth quarter are ahead of projections, sources said, freeing up additional ad dollars for 1988.

The new effort comes at a strategic time. Apple is losing its exclusive franchise in "desktop publishing," once the strongest argument for purchasing a Mac and a companion LaserWriter printer.

IBM Corp. and marketers of IBM-clones now offer similar packages.

Furthermore, IBM has been outspending the No. 2 Apple by as much as five to one. IBM is extending its "M*A*S*H reunion" campaign from personal computers to cover additional products, from typewriters to minicomputers.

In exchange for Apple buying out the remaining inventory in the three games, NBC worked out trades to remove other computer advertisers, including IBM, from the Jan. 1 games. That enabled Apple to have computer exclusivity on NBC that day from 1:30 p.m. (ET) until the end of prime-time programming.

Arthur Watson, president of NBC Sports, said the arrangement of exclusivity over such a long stretch of airtime was "one of the few times it has ever been done."

The buy includes three spots during the Fiesta Bowl, which begins at 1:30 p.m.; three spots during the Rose Bowl pregame show; eight spots during the Rose Bowl; and eight spots during the Orange Bowl.#

Cleveland Horton in Los Angeles contributed to this story.

Highlights

NEWS

4 Serving 'tough client' Gallo

Bet on it: Ernest and Julio Gallo will find an agency to succeed Hal Riney & Partners, which resigned the $75 million account this month.

6 WPP buys hispanic shop

After 18 months of negotiation, WPP Group has acquired the largest hispanic ad agency in the U.S., Mendoza, Dillon & Asociados.

14 Eveready, set, go

Ralston Purina Co.'s Eveready division is giving the battery industry a jolt by segmenting the market with a new line.

15 China fights ad claims

China has issued tough regulations to protect consumers and raise the standard of advertising.

16 Blau holds on to its belt

Barry Blau & Partners will expand its business and remain independent through acquisitions.

17 AAF forms watchdog groups

The American Advertising Federation is developing watchdog groups to track ad tax proposals in all 50 states.

32 Philly paper zones out

The *Philadelphia Inquirer* is introducing more zoned inserts as suburban competition intensifies.

33 CBS wants drug advertising

CBS-TV is forming an industrywide group to study how to open mass media to prescription drug advertising.

37 Local sales key for cable

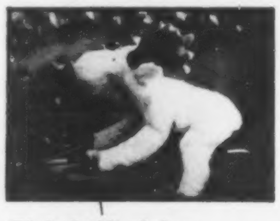
Many cable industry executives predict local spots would be cable's fastest-growing revenue source.

INTERNATIONAL

24 Salting the wound

A potato chip battle is sizzling in Bonn, West Germany, where snack-foods marketer Bahlsens has been accused of running misleading ads, and may be forced to delay the European rollout of a low-fat chip.

Chevrolet startles Garfield with straightforward truck spots. Page 36.



Global gift-giving: AA's International section takes a look at what's hot for the holidays around the world this year. In West Germany, consumers are falling in love with Sigikids, shown above; Aussies are flipping over The Great Australian Gambling Game; and the Irish are cheering up over the legalization of the drink poteem.

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Hoover ups ad spending

By JULIE LIESSE ERICKSON

Hoover Co. is picking up the tempo in the $2 billion vacuum-cleaner industry with three new products and a $12 million ad program set for the first half of 1988.

The campaign represents a 300% increase over the $3 million Hoover spent on measured media advertising during the first half of 1987, and nearly five times the $2.5 million spent during all of 1986, according to Leading National Advertisers.

Hoover, No. 1 with a 32% market share, will introduce its Innovation upright vacuums at the January Housewares Show in Chicago.

Two other undisclosed products will follow in early 1988.

In 1987, the North Canton, Ohio-based marketer introduced the Quik-Broom and Dubl-Duty, a battery-operated, hand-held vacuum.

Also this year Hoover broke a new multimedia campaign, tagged "Hoover keeps making it better," via Griswold Inc., Cleveland.

Additional commercials featuring the three new-product lines will break in March and April, said Neal Davis, exec VP-client service for Griswold.

The Dubl-Duty vacuum takes on three children in this TV spot.

The 1988 media schedule includes the company's heaviest network TV schedule, with buys on early-morning and evening news, as well as prime-time sports news breaks; spot TV; consumer magazines; the Paul Harvey radio show; and local newspapers.

Hoover is trailed by Bloomington, Ill.-based Eureka Co., which claims a 25% market share, according to *Appliance Magazine*.#

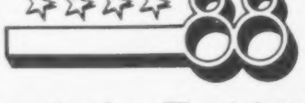
Hart aches

Ad execs offer advice

By STEVE COLFORD

"Hi, I'm Gary Hart."

A line that might have worked as a vote-getter for the Democratic presidential aspirant now provokes snickers and jokes.



Even political image-makers are asking whether Mr. Hart, who reentered the presidential race last week, can be taken seriously or will he require repackaging?

"The first thing he ought to do is be born-again," said Jerry Franz, VP-account supervisor at Doremus Porter Novelli, a Washington public relations firm. "Then, in keeping with summit fever, he should hold a summit with the Ayatollah."

Vic Kamber, president of the Kamber Group, Washington, suggested Hart commercials starring Donna Rice. "She at least could tell us how good he was," Mr. Kamber said.

Bob Gardner, president of Gardner Communications, San Francisco, suggested a retrospective TV spot, featuring presidents such as Franklin Delano Roosevelt, Dwight D. Eisenhower and John F. Kennedy "and their mistresses.

"The ad could say that all these guys did a pretty good job governing despite their indiscretions, and I could be a good one, too."#

Blau maps growth

Will expand, build presence to keep hold of independence

By JUDITH GRAHAM

Barry Blau & Partners, the nation's largest independent direct-response agency, is preparing to expand its business next year through acquisitions and joint ventures.

Blau's ambitious plans are designed to ensure its survival as an independent in a business increasingly dominated by direct-response subsidiaries of ad agencies. All the top 10 direct-response shops, except Blau, are owned by ad agencies.

Blau's immediate goals are to either acquire or form joint ventures with a computer data base company, telemarketing company, video production outfit and a TV direct-response agency. Officials said its acquisition budget is "flexible."

Discussions are under way with CMSA, Downers Grove, Ill., a privately held computer data base company, and Harbor Associates, a Greenwich, Conn.-based TV production company working with Blau as its TV response arm.

In line with its conviction that advertising is a local business, Blau wants to build a presence in at least six major markets by acquiring or merging with local ad agencies, direct-response agencies or sales-promotion companies.

"The concept is regionalization," said Barry Blau, the firm's founder and chairman. The markets he wants to enter include Atlanta, Boston, Dallas, Los Angeles, Phoenix, Ariz., and Seattle.

So far, only one regional acquisition or merger is scheduled next year. Five to 10 are planned by 1990.

Blau also is evaluating the possibility of buying mail-order businesses. It operates a mail-order coin and collectibles business and sells a general-merchandise calendar through Bank of America, San Francisco, to its credit card customers.

Blau is offering acquisition candidates a chance to keep their identity but operate in the context of a larger organization, a source close to the firm said. "They're looking at entrepreneurial firms that want to cash out and are looking for a big brother, but not too big."

If all goes according to plan, Blau will grow to a $250 million business in the next five years, or more than three times its current $70 million in fees and commissions.

The company, which secured access to the public capital markets through an initial public offering in December 1985, will finance its growth through bank loans, private placements, a preferred stock offering or a debt offering.

Based on its asset base, Blau's financial advisers estimate it could borrow as much as $15 million. But extra funds could become available, depending on the earnings of its acquired businesses.

Recent changes in the company's executive ranks permit Mr. Blau to relinquish day-to-day operating responsibility and focus on acquisitions and new-business development.

The changes elevated Dennis Eastham, 40, former exec VP-general manager of the Chicago office, to president and chief operating officer. Ron Friedman, 39, former exec VP-general manager of Fairfield, Conn., and New York offices, became vice-chairman, a new post. Mr. Blau, former president, remains chairman and CEO. Altogether, Blau has added 16 staff members since January.#

Top 10 direct-response agencies

Agency (parent)	'86 fees/commissions
1. Wunderman Worldwide (Young & Rubicam)	$224.5 million
2. Ogilvy & Mather Direct (Ogilvy Group)	$207.4 million
3. MARCOA Direct Advertising (Omnicom Group)	$110.0 million
4. Grey Direct (Grey Advertising)	$94.0 million
5. Kobs & Brady (Saatchi & Saatchi)	$81.0 million
6. Chapman, Stone & Adler (Young & Rubicam)	$80.4 million
7. Rapp & Collins (Rapp & Collins USA)	$80.1 million
8. FCB Direct (Foote, Cone & Belding)	$78.4 million
9. Barry Blau & Partners	$63.1 million
10. McCann Direct (McCann-Erickson)	$42.0 million

SOURCE: Direct Marketing Association

WCRS broadens DM base

By JENNIFER PENDLETON

WCRS Group's purchase of San Francisco-based direct-marketing agency Cohn & Wells gives the British company a foothold in the West Coast.

WCRS' deal is the latest in the merger trend that is reshaping the fast-growing field.

In recent years, almost all the major ad agencies either have set up direct-marketing units or bought independent shops specializing in direct marketing.

Most recently, Foote, Cone & Belding, Chicago, bought Los Angeles-based Krupp/Taylor.

Cohn & Wells Managing Partner Bradley Wells said his 3-year-old shop will operate autonomously, retaining its name and its 19-person staff.

WCRS is paying Mr. Wells, 45, and Martin Cohn, 41, the other partner, $3.2 million initially. It will make further payments up to $14.8 million, depending upon future performance.

Both principals, who were formerly with Ogilvy & Mather, New York, have signed five-year contracts to continue with the agency.

"We will have complete day-to-day operational control," Mr. Wells said.

Among Cohn & Wells' principal clients are Bank of America, Pacific Bell and Gumps gift stores.

With annual billings of about $20 million, Mr. Wells said he believes the shop is among the top 25 direct-marketing agencies in the U.S.

WCRS is the parent of New York agencies Della Femina, Travisano & Partners and HBM/Creamer. The company already has a direct-marketing unit at Della Femina. But Cohn & Wells will not work directly with that agency, although Mr. Wells said he believes its new sister shop will be a source of potential new-business referrals.#

HDM Direct taps Eaton

LOS ANGELES—Peter Eaton, 46, has been named senior VP-executive creative director, HDM Worldwide Direct, a new post. He was group creative supervisor, Wunderman Worldwide, New York.

DM BRIEFS

HOUSTON—**Entertainment Marketing**, a direct-mail company, is looking for a buyer for its home shopping service Consumer Discount Network.

In a letter to shareholders, Entertainment Marketing Chairman-CEO Elias Zinn said the network "has not been profitable so far."

"We do not plan to operate any business segment that does not make money for the company," he added.

CHICAGO—Maxwell Sroge, president, Marke-Sroge Communications, direct-marketing industry consultants, estimates consumer mail-order sales volume will total $56 billion for 1987, up 12% from last year. During the last five years, the consumer portion of the direct-marketing field has grown 12% to 15% annually. The business-to-business portion is growing even faster, Mr. Sroge said.

"In the days when media costs were low, advertisers could afford to blow it [their ad budgets] on mass media," said Mr. Sroge. "Today, with media costs going up, advertisers are saying, '. . . Let's target the people who really count.' "#

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Art & antiques

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Art & Antiques (10X)	62.9	51.5	729.5	568.9
Art News (10X)	98.0	91.0	1,147.9	969.9
Southwest Art	64.3	85.7	1,013.1	906.8
Total Group	**225.1**	**228.2**	**2,890.6**	**2,445.5**
% change		**-1.3%**		**18.2%**

Auto/cycle/rec. vehicles

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
ATV Sports	44.0	49.0	512.2	661.2
Autoweek (52X)	140.4	139.0	1,826.0	1,653.8
Car & Driver	104.6	77.1	1,131.6	1,030.0
Car Collector & Car Classics	18.3	22.8	209.8	210.0
Car Craft	58.6	57.4	999.2	872.3
Circle Track	58.4	48.3	891.6	716.2
Cycle World	36.0	28.1	569.7	506.2
Dirt Rider	45.2	485.0	446.9	470.2
Dune Buggies & Hot VWs	71.0	75.3	906.6	1,032.2
Family Motor Coaching	149.0	129.3	1,865.6	1,716.0
4 Wheel & Off-Road	78.5	76.3	1,058.1	1,022.7
Four Wheeler	91.0	86.0	1,043.0	978.0
Hot Rod	58.6	39.4	876.2	724.5
Motorcyclist	23.1	16.5	524.5	495.0
Motor Trend	73.1	80.9	896.6	802.6
Motorhome	77.5	77.6	1,009.0	1,073.0
Rider	26.5	29.1	459.9	546.5
Road & Track	97.1	114.5	1,204.8	1,184.9
Trailblazer	44.2	30.5	576.1	453.0
Trailer Life	93.4	86.3	1,245.9	1,300.4
Total Group	**1,388.4**	**1,748.4**	**18,253.2**	**17,448.7**
% change		**-20.6%**		**4.6%**

Boating & yachting

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Chesapeake Bay	31.8	27.5	548.9	464.5
Cruising World	108.9	91.8	1,502.6	1,535.5
Lakeland Boating (11X)	69.5	57.0	785.6	686.2
Motor Boating & Sailing	123.1	119.7	1,903.3	1,961.3
Sail	60.7	69.3	1,237.5	1,310.1
Small Boat Journal(6X)	39.0	38.7	307.0	287.9
Trailer Boats(11X)	—	—	571.0	446.9
Western Boatman(6X)	—	—	216.1	226.3
Yachting	111.6	106.4	1,679.8	1,631.0
Total Group	**544.6**	**510.3**	**8,751.8**	**8,549.7**
% change		**6.7%**		**2.4%**

Canadian

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
L'Actualite	83.7	94.4	987.5	1,027.0
Chatelaine:				
English Edition A.	86.9	74.6	1,015.5	1,095.4
French Edition	77.2	72.5	914.3	947.6
City & Country Home(10X)	71.8	68.6	626.6	619.2
Equinox	—	—	250.1	236.0
Flare A.	103.0	58.9	1,062.1	964.4
Macleans (52X) A.	97.0	146.0	1,412.6	1,610.8
Moneywise	38.5	47.4	409.2	438.3
Reader's Digest:				
Canadian-English A.	57.4	65.8	692.6	877.8
Canadian-French A.	39.5	47.5	525.6	715.4
Toronto Life	177.4	145.6	1,274.4	1,208.3
Vancouver	107.5	117.2	881.2	960.7
Total Group	**940.0**	**938.5**	**10,051.7**	**10,701.0**
% change		**0.2%**		**-6.1%**

Civic/fraternal

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
American Legion	21.5	17.1	396.7	290.8
Elks (10X)	—	—	196.2	187.9
Kiwanis	—	—	179.5	181.3
Lion (10X)	—	—	83.8	64.6
Rotarian	14.6	13.3	180.4	177.5
V.F.W. (11X)	29.0	31.5	349.0	286.6
Total Group	**65.1**	**61.9**	**1,385.6**	**1,188.7**
% change		**5.2%**		**16.6%**

Comics

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Archie Comics Group	5.0	3.0	74.0	46.0
DC Comics	7.5	7.0	76.5	65.5
Marvel Comics Group	8.5	6.0	107.0	84.0
Total Group	**21.0**	**16.0**	**257.5**	**195.5**
% change		**31.3%**		**31.7%**

General

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
American Health (10X)	47.9	46.9	706.1	612.5
American Heritage (7X)	27.8	33.0	264.8	118.1
American West (6X)	—	—	213.2	234.2
The Atlantic A.	46.0	32.2	465.0	456.6
Bon Appetit A.	113.6	128.9	1,020.2	1,035.1
Changing Times	75.2	44.1	780.2	626.6
Conde Nast's Traveler	40.9	—	198.9	—
Connoisseur	101.5	74.6	994.7	889.8
Consumers Digest (6X)	—	—	145.3	173.2
Ebony	104.0	100.6	1,126.1	1,125.4
Fifty Plus	23.3	29.6	447.2	431.9
Food & Wine	96.0	89.7	753.1	686.6
Games (6X)	—	17.0	91.6	201.4
Golden Years	44.8	21.3	479.3	310.8
Gourmet	156.3	121.5	1,322.6	1,168.8
Harper's A.	26.9	21.4	363.0	268.8
Harrowsmith (6X)	—	—	289.0	237.0
Let's Live	42.0	42.0	545.0	589.0
Life	70.0	52.4	581.8	787.7
Mature Outlook	47.8	50.8	303.0	273.4
Modern Maturity (6X)	28.6	41.5	256.9	270.0
Money	146.4	145.2	1,563.9	1,490.0
Money Maker	6.0	—	42.8	—
Mother Jones (9X)	14.3	18.2	151.4	190.0
National Geographic	180.4	26.5	242.3	277.0
National Geographic Traveler(4X)	34.0	24.7	151.0	130.9
Natural History	31.7	34.8	423.2	484.8
Prevention	40.2	53.9	723.2	736.2
Psychology Today	27.9	25.9	360.9	354.8
Reader's Digest A.	120.4	121.6	1,181.4	1,178.8
Saturday Evening Post (9X)	30.8	29.5	356.5	336.2
Smithsonian	100.1	74.4	1,061.7	963.0
Town & Country	182.3	161.1	1,703.4	1,625.7
Travel-Holiday	35.7	40.5	611.8	518.8
Travel & Leisure	92.5	114.8	1,218.7	1,274.1
Vanity Fair	106.0	76.5	868.0	595.8
Writer's Digest	27.8	22.7	341.3	301.6
Yankee	68.1	72.7	963.6	931.7
Total Group	**2,337.0**	**1,990.3**	**23,312.0**	**21,886.1**
% change		**17.4%**		**6.5%**

Home

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Americana (6X)	—	—	126.7	151.8
Architectural Digest A.	125.0	139.2	1,574.6	1,559.1
Better Homes & Gardens	142.6	119.5	1,422.9	1,333.0
Colonial Homes (6X)	59.3	71.4	385.3	387.3
Columbus Monthly-Homes (4X)	—	—	121.1	105.4
Country Home (6X)	78.3	63.3	356.1	294.5
Country Living	82.7	67.6	1,066.8	882.8
Family Handyman (10X) A.	41.6	41.1	561.0	575.1
Flower & Garden (6X)	41.7	38.0	253.7	228.6
Home	28.1	30.1	609.2	591.3
Home Mechanics	42.8	42.7	688.8	679.4
The Homeowner (10X)	23.4	18.1	348.8	300.3
Horticulture	42.5	33.4	441.7	425.2
House Beautiful	51.9	51.1	863.0	844.5
House & Garden	92.5	90.9	1,161.9	1,159.7
Houston Home & Garden	69.1	61.3	838.2	883.9
Metropolis	50.0	50.1	635.6	435.1
Metropolitan Home	61.4	46.2	801.5	679.1
1,001 Home Ideas	38.5	33.9	615.3	545.6
Organic Gardening	46.4	42.5	565.4	647.3
Phoenix Home/Garden	75.0	58.0	908.8	819.5
Practical Homeowner	—	—	426.1	467.7
San Diego Home/Garden	80.3	68.6	789.2	815.3
South Florida Home/Garden	44.4	30.8	514.8	381.1
Southern Accents (6X)	105.8	—	706.8	596.7
Southern Living	103.5	125.2	1,451.9	1,671.0
Sunset Magazine A.	109.9	116.9	1,476.0	1,620.6
Workbench (6X)	—	—	281.7	279.6
Total Group	[illegible]	**1,439.8**	**19,992.9**	**19,360.3**
% change		**13.7%**		**3.3%**

In-flight & other passenger

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Aboard Group (7)(6X)	41.3	29.0	176.5	159.4
Alaska Airlines	54.8	45.5	654.5	689.3
America West Airlines	63.3	51.6	622.2	328.4
American Way (24X)	128.7	72.7	1,411.2	1,153.5
East/West Network:				
Eastern Review	59.8	76.7	803.6	1,152.2
Northwest	41.3	34.5	533.8	547.7
PSA Magazine	60.2	79.2	973.5	1,105.1
Pan Am Clipper	53.0	38.7	555.8	523.2
Spirit	48.0	94.5	712.4	1,151.1
TWA Ambassador	50.8	56.5	609.5	165.0
Vis 'A Vis	58.3	84.8	727.9	1,142.8
Halsey Publications:				
Delta Sky	86.7	61.3	995.9	897.8
US Air	52.5	41.5	639.0	552.2
Piedmont Airlines' Pace	78.1	64.9	1,082.1	982.3
Spirit of Aloha (6X)	—	—	379.2	328.4
Total Group	**876.7**	**831.4**	**10,877.1**	**10,878.3**
% change		**5.5%**		**0.0%**

Men's

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Esquire A.	140.2	156.3	1,155.8	1,246.0
Firehouse Magazine	44.2	40.2	550.9	542.1
Gentlemen's Quarterly A.	208.4	167.2	1,949.6	1,916.8
M Magazine	78.5	81.2	910.7	780.1
Muscle & Fitness	126.0	115.3	1,494.4	1,326.4
Penthouse A.	55.9	55.7	502.9	460.9
Playboy A.	61.5	61.8	662.7	721.5
Salute (8X)	—	25.8	215.9	142.4
Total Group	**714.5**	**703.5**	**7,442.9**	**7,136.2**
% change		**1.6%**		**4.3%**

Metropolitan

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Aloha (6X)	37.4	39.8	188.8	180.3
Atlanta	82.1	72.5	755.8	659.6
Baltimore	89.4	118.2	942.3	1,000.3
Boston	205.5	216.7	2,024.5	1,961.8
California	69.3	69.9	746.7	773.0
Chicago	142.3	154.2	1,322.9	1,640.1
Chicago's North Shore	111.2	129.1	1,061.8	1,057.3
Cincinnati	78.8	67.7	781.3	789.2
Cleveland	110.0	101.3	859.8	884.6
Columbus Monthly	78.5	87.1	879.6	866.2
Connecticut	106.3	101.5	1,215.9	1,137.4
D/Magazine, Dallas/Ft. Worth	125.9	151.4	1,360.4	1,492.8
Denver	65.5	52.5	466.5	450.2
Detroit Monthly	160.3	94.1	1,134.7	975.0
Grand Rapids	43.8	36.8	516.7	481.4
Gulfshore Life (10X)	71.0	69.0	837.0	745.0
Honolulu	84.2	69.7	883.0	777.0
Louisiana Life (6X)	—	—	238.3	248.9
Madison	76.0	77.0	768.9	780.0
Memphis	89.0	83.5	978.0	905.0
Miami/South Florida	93.0	81.0	727.8	793.4
Mid Atlantic Country	25.5	25.3	409.2	463.5
Milwaukee	101.2	92.0	789.6	825.6
Minneapolis/St. Paul	131.8	123.4	1,287.3	1,228.9
New England Monthly	66.5	59.4	567.5	500.8
New Jersey Monthly	94.0	76.1	1,140.2	960.3
New Mexico	39.5	35.8	397.7	336.1
Ohio	41.5	41.5	720.1	721.6
Oregon (6X)	27.0	—	259.0	—
Orlando	84.8	79.7	1,085.7	1,160.9
Palm Beach Life	102.8	107.3	786.3	765.9
Palm Springs Life	128.9	124.5	1,387.4	1,329.3
Philadelphia	168.1	174.5	1,820.0	1,663.0
Phoenix	69.9	98.3	800.5	1,163.3
Pittsburgh	78.2	75.2	843.3	821.7
St. Louis	102.2	75.7	708.1	618.7
San Diego	181.5	173.4	1,734.5	1,673.4
San Francisco Focus	129.6	121.2	1,249.3	1,181.0
Texas Monthly	167.3	146.8	1,271.2	1,496.5
Twin Cities	79.9	75.3	857.3	693.6
The Virginian (6X)	—	—	361.1	347.8
Washington (7X)	54.8	40.0	421.8	413.5
The Washingtonian	170.3	165.1	1,922.6	1,869.0
Total Group	**3,964.5**	**3,783.4**	**39,510.5**	**38,832.7**
% change		**4.8%**		**1.7%**

Movie/romance/radio/tv

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Macfadden's Women's Group:				
Modern Romances	27.1	19.8	302.7	262.7
Secrets	27.1	19.8	302.7	262.7
True Confessions	27.1	19.8	302.7	262.7
True Experience	27.1	19.8	302.7	262.7
True Love	27.1	19.8	302.7	262.7
True Romance	27.1	19.8	302.7	262.7
Sterling Women's Group:				
Daytime TV	25.2	25.5	298.4	306.2
Modern Screen (6X)	14.5	14.5	83.0	93.7
Movie Mirror (6X)	—	14.5	14.5	33.0
Soap Opera Stars (6X)	16.8	14.5	99.3	93.1
TV Movie Screen (6X)	7.3	7.3	45.8	50.1
TV Picture Life (6X)	6.5	—	40.8	14.2
Total Group	**232.8**	**195.2**	**2,397.8**	**2,166.2**
% change		**19.2%**		**10.7%**

Music/entertainment

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Audio	106.3	97.1	1,224.8	1,140.7
Dance Magazine	58.8	59.4	578.2	511.9
Playbill	65.9	55.0	570.2	560.3
Stereo Review	116.5	111.3	982.4	963.2
Total Group	**347.4**	**322.9**	**3,355.6**	**3,176.2**
% change		**7.6%**		**5.6%**

National Sunday magazines

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Parade (52X)	49.6	42.1	608.4	637.2
Total Group	**49.6**	**42.1**	**608.4**	**637.2**
% change		**17.8%**		**-4.5%**

Outdoor & sport

	Current month 1987	Current month 1986	Year-to-date 1987	Year-to-date 1986
Alaska	41.0	41.0	429.9	509.1
The American Handgunner (6X)	—	—	290.0	229.0
American Hunter	16.7	17.6	262.6	254.1
American Rifleman	16.3	18.4	294.0	294.6
Bass Master (10X) A.	40.0	37.5	624.3	535.0
Bicycling (9X)	65.8	—	883.4	686.9
Ducks Unlimited (6X)	—	—	217.5	210.6
Field & Stream	49.6	56.6	975.2	1,052.4
Fins & Feathers A.	29.0	24.3	340.2	386.1
Fishing World (6X)	—	—	210.8	219.0
Florida Sportsman	107.8	93.8	1,390.1	1,249.5
Golf Digest	101.4	90.6	1,200.1	1,108.7
Golf Magazine	61.4	46.9	879.0	765.6
Gun Dog (6X)	—	—	242.2	218.0
Guns	38.0	33.0	413.0	383.0
Guns & Ammo	53.1	48.7	609.8	608.1
In-Fisherman (6X)	58.0	66.5	459.0	411.7
Outdoor Life	54.2	48.8	961.4	902.1
Outside Magazine	54.4	52.4	653.0	592.6
Petersen's Hunting	59.0	51.2	669.8	650.1
Runner's World (12X)	30.6	29.0	441.1	368.4
Salt Water Sportsman	69.8	53.9	1,188.4	1,004.0
Sierra (6X)	—	—	241.4	256.4
Shooting Times	34.8	28.5	453.6	442.3
Ski (8X) A.	167.9	167.1	961.4	864.1
Skiing (7X) A.	175.4	150.0	1,006.7	893.6
Skin Diver	106.5	90.2	1,254.3	1,104.2
Southern Outdoors (9X)	—	57.8	275.2	398.2
Southern Saltwater(8X)	—	—	224.4	—
Sport	49.1	59.7	494.3	474.9
Sports Afield	51.0	53.4	869.0	713.7
Tennis	46.7	56.3	847.4	840.6
Waterski (8X)	—	—	493.6	395.5
Western Outdoors (10X)	—	—	414.5	434.7
Wildfowl (6X)	28.4	19.1	118.6	96.9
Wing & Shot (6X)	—	—	99.4	27.9
World Tennis	22.9	14.5	423.8	332.9
Total Group	**1,628.9**	**1,506.7**	**21,812.5**	**19,914.4**
% change		**8.1%**		**9.5%**

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads.

All figures represented in this chart are supplied by the magazines. ADVERTISING AGE makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

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DECEMBER

Photography

	Current month		Year-to-date	
	1987	1986	1987	1986
Petersen's Photographic	41.0	31.5	355.5	315.6
Popular Photography	—	—	—	—
Total Group	41.0	31.5	355.5	315.6
% change		30.2%		12.6%

Religious

	Current month		Year-to-date	
	1987	1986	1987	1986
Charisma	59.6	47.7	631.6	612.1
Christian Herald (11X)	23.8	25.5	300.2	306.4
Christianity Today (18X)	31.7	32.5	549.5	537.9
Ministries Today (6X)	—	—	234.7	256.5
Moody Monthly	30.8	32.6	386.4	459.4
Our Sunday Visitor (52X)	13.6	10.0	171.9	136.6
Today's Christian Woman (6X)	—	—	229.9	203.3
Total Group	159.5	148.3	2,504.2	2,512.2
% change		7.6%		-0.3%

Science/electronic /mechanic

	Current month		Year-to-date	
	1987	1986	1987	1986
Discover	36.9	49.4	521.8	433.2
Family & Home Office Computing	63.4	73.0	531.2	549.5
Omni	83.4	76.3	754.6	727.8
Personal Computing	220.7	139.7	2,134.6	1,514.3
Popular Mechanics	80.3	74.8	1,003.9	1,085.7
Popular Science	62.3	53.8	839.8	794.7
Scientific American	63.7	44.8	559.7	436.4
Spectrum	70.3	69.9	795.9	983.5
Total Group	680.8	581.7	7,141.5	6,525.1
% change		17.0%		9.4%

Woman/fashion/service

	Current month		Year-to-date	
	1987	1986	1987	1986
Bride's Magazine (6X) A.	374.9	304.4	2,476.7	2,095.5
Cosmopolitan A.	171.2	170.6	2,409.5	2,445.4
Essence	76.8	74.6	931.0	965.5
Family Circle (17X) A.	193.4	199.7	1,649.0	1,792.3
Glamour	134.4	164.6	2,222.0	2,173.2
Good Housekeeping A.	159.4	193.8	1,707.2	1,973.9
Harper's Bazaar	93.0	113.8	1,605.3	1,711.5
Health	36.9	33.0	559.1	479.5
Ladies' Home Journal	137.6	116.7	1,296.7	1,350.0
Mademoiselle	111.0	142.6	1,779.4	1,639.0
McCall's	101.8	116.6	1,145.1	1,149.2
Military Lifestyle	68.6	69.2	509.7	522.2
Modern Bride (6X)	272.0	260.0	1,993.0	1,794.0
Ms.	42.7	40.5	518.0	475.7
New Woman	82.1	76.2	969.2	877.5
Parents Magazine A.	127.3	123.8	1,377.8	1,228.1
Redbook	102.3	116.7	1,222.4	1,183.3
Savvy	59.9	52.6	410.7	380.0
Self	60.5	72.8	1,194.3	1,167.3
Seventeen	80.9	81.0	1,459.6	1,376.5
Shape	65.7	68.6	871.2	860.5
Soap Opera Digest (26X)	21.2	20.6	220.7	199.2
'Teen Magazine	51.1	50.5	710.0	627.2
True Story A.	52.7	45.7	647.3	616.9
Vogue	223.9	204.0	3,302.7	3,193.9
W Magazine	68.2	64.7	1,493.3	1,352.1
Woman (9X)	37.0	35.0	327.0	196.5
Weight Watchers	25.3	23.5	375.7	398.2
Woman's Day (16X) A.	142.1	217.6	1,696.1	1,722.0
Women's Sports & Fitness	—	—	—	—
Workbasket	—	—	328.4	350.1
Working Mother	—	—	—	—
Working Woman	89.0	90.6	1,164.9	1,298.4
Total Group	3,262.7	3,343.9	38,572.9	37,594.6
% change		-2.4%		2.6%

Youth

	Current month		Year-to-date	
	1987	1986	1987	1986
Boys' Life	27.1	14.9	217.4	198.1
Campus Life (10X)	56.8	50.5	470.1	447.2
Total Group	83.9	65.4	687.5	645.3
% change		28.4%		6.5%

NOVEMBER

Business/national

	Current month		Year-to-date	
	1987	1986	1987	1986
Barron's	258.3	221.8	2,372.6	2,095.2
Black Enterprise	66.4	63.2	763.3	792.0
Business Week (52X) A.	665.6	457.9	4,254.0	3,530.2
Business Month	—	—	—	—
Financial World (26X)	85.1	56.3	678.7	604.7
Forbes (26X)	512.7	340.9	3,380.4	3,048.9
Fortune (26X)	308.9	324.4	2,776.3	2,631.7
Frequent Flyer	71.0	67.2	647.3	672.6
Futures	119.8	78.5	735.5	547.0
Income Opportunities	85.9	74.6	773.0	610.1
Industry Week (25X) A.	185.0	141.4	988.4	1,091.1
Nation's Business (12X) A.	34.4	40.7	369.1	382.0
Personal Investor (6X)	—	—	—	—
Venture	102.8	86.4	745.2	781.9
Total Group	2,496.0	1,953.3	18,483.7	16,787.3
% change		27.8%		10.1%

Business/regional

	Current month		Year-to-date	
	1987	1986	1987	1986
Arizona Bus. Gazette (52X)	79.3	79.3	893.0	820.5
Baltimore Bus. Journal	114.8	86.0	1,003.9	745.3
Boston Bus. Journal (52X)	168.8	135.4	1,561.6	1,469.4
Business Atlanta	45.8	64.6	687.7	753.0
Business First of Buffalo	—	—	—	—
Business First of Columbus	101.8	154.5	1,202.2	980.7
Business Journal-Milwaukee	352.0	280.0	1,623.0	1,337.0
Business Journal-Sacramento	104.1	54.7	762.8	528.3
Business North Carolina	35.5	36.0	485.1	469.5
Capital Dist. Bus. Review (52X)	109.2	—	902.9	—
Cincinnati Business Courier	127.2	98.5	1,241.1	898.6
Corporate Report Kansas City	26.3	24.1	235.2	275.3
Corporate Report Minnesota	85.0	99.0	843.0	887.0
Crain's Chicago Bus. (52X)	200.0	183.0	1,718.0	1,819.0
Crain's Cleveland Bus. (52X)	83.8	61.1	717.8	709.9
Crain's Detroit Bus. (52X)	106.1	84.2	888.1	739.6
Crain's New York Bus. (52X)	50.5	35.0	440.6	394.0
Florida Trend (13X)	75.8	98.2	839.9	922.7
Georgia Trend	62.7	69.5	739.6	616.2
Grand Rapids Bus. Journal	47.5	36.2	516.5	393.5
Hawaii Business	53.3	49.6	516.8	519.9
Houston Bus. Journal (52X)	102.0	82.0	795.0	914.0
Indianapolis Bus. Journal (52X)	163.5	147.8	1,648.3	1,654.9
Kansas City Bus. Journal	50.5	35.0	440.6	394.0
Los Angeles Bus. Journal(55X)	92.7	50.5	880.4	412.8
Manhattan Inc.	86.2	106.7	835.6	811.7
New England Bus. (20X) A.	97.5	130.0	908.8	1,060.7
Pacific Bus. News (52X)	126.4	121.9	1,285.7	1,294.6
Philadelphia Bus. Journal (52X)	169.6	168.5	1,555.2	1,365.0
Pittsburgh Bus. Times (52X)	123.9	102.9	1,361.3	1,205.6
Providence Business News	88.4	44.0	782.0	278.2
Regardie's/Washington	183.0	104.0	1,625.0	1,393.0
San Diego Bus. Journal (52X)	39.2	50.3	360.7	401.8
San Jose Bus. Journal	90.6	95.3	1,123.5	1,216.6
St. Louis Bus. Journal (52X)	169.8	157.5	1,459.5	1,553.3
Texas Business	47.6	59.8	391.9	632.9
Total Group	3,660.2	3,184.8	33,272.2	29,868.5
% change		14.9%		11.4%

National Sunday magazines

	Current month		Year-to-date	
	1987	1986	1987	1986
Parade (52X)	59.3	67.4	558.8	595.1
USA Weekend (52X)	53.9	58.4	445.6	555.9
Total Group	113.2	125.8	1,004.4	1,151.0
% change		-10.0%		-12.7%

Newspaper Sunday magazines

	Current month		Year-to-date	
	1987	1986	1987	1986
Boston Globe	220.9	243.7	2,030.1	2,067.8
Chicago Tribune	159.7	115.5	1,251.6	1,026.7
Cleveland Plain Dealer	116.6	108.2	738.3	644.0
Columbus Dispatch	65.0	29.3	404.5	461.7
Detroit News	102.0	135.0	815.0	888.0
L.A. Times	84.5	80.1	616.1	757.4
Miami Herald	38.1	68.7	413.1	533.9
New York Times Magazine	528.4	492.2	3,842.4	3,778.9
Philadelphia Inquirer	95.7	110.5	851.4	771.0
Seattle Times	122.0	91.0	742.0	684.0
St. Louis Post Dispatch	150.5	110.1	881.8	671.5
Toledo Blade Magazine	44.4	47.9	432.5	500.6
Washington Post	119.9	170.9	1,367.8	1,431.1
Total Group	1,847.6	1,803.1	14,386.5	14,216.6
% change		2.5%		1.2%

Weeklies/bi-weeklies

	Current month		Year-to-date	
	1987	1986	1987	1986
The Advocate (26X)	145.3	132.0	1,516.6	1,411.3
Army Times Military Group:				
Air Force Times (52X)	199.2	219.7	1,847.9	1,984.2
Army Times (52X)	200.7	213.7	1,805.1	1,868.6
Navy Times (52X)	216.7	222.2	2,007.2	2,074.8
The Blood-Horse (52X)	378.7	350.3	3,692.0	4,138.7
Capper's (26X)	23.3	31.6	288.5	305.7
Commonweal (22X)	13.5	10.5	89.6	76.8
Golf World (43X)	61.5	37.8	949.1	784.5
Grit (52X) A.	29.1	35.9	300.5	282.6
National Journal (50X)	62.7	55.0	728.5	638.4
National Review (25X)	46.2	36.2	385.8	336.5
New Republic (48X)	58.5	49.5	458.0	403.5
New Yorker	452.5	354.7	[illegible]	2,391.8
Newsweek (52X) A.	341.4	286.4	2,380.9	2,258.8
People (52X)	493.4	407.9	3,253.3	3,318.7
Rolling Stone (25X)	261.6	157.7	1,597.2	1,268.1
Sporting News (52X)	77.2	70.9	[illegible]	578.2
Sports Illustrated (52X) A.	341.0	286.1	2,440.9	2,451.4
Time (52X) A.	324.1	278.3	2,193.8	2,314.1
Travelhost (52X) C.	3,226.0	3,086.0	35,290.0	[illegible]
TV Guide (52X) A.	360.8	454.2	3,399.8	3,323.5
Us Magazine (26X)	82.0	88.3	546.0	489.9
U.S. News & World Report (52X) A.	214.3	180.6	1,489.1	1,427.9
Total Group	7,609.7	7,045.4	69,606.8	69,413.9
% change		8.0%		0.3%

Foreign

	Current month		Year-to-date	
	1987	1986	1987	1986
Business Week Int'l (52X)	323.9	150.4	1,512.0	1,454.6
Geomundo:				
Argentina	4.0	3.0	42.0	18.0
Central America	9.0	7.0	70.0	47.0
Chile	5.0	7.0	52.0	52.0
Colombia	15.5	17.5	142.0	100.3
Ecuador	7.0	7.0	62.5	43.0
Mexico	12.0	22.5	94.2	110.7
Peru	5.0	4.0	54.0	34.0
Puerto Rico	7.5	4.0	63.5	32.5
U.S.	10.3	6.7	56.0	55.0
Venezuela	29.5	20.5	204.0	147.0
Hombre De Mundo:				
Central America	12.0	5.0	69.0	54.3
Chile	9.0	5.0	63.0	54.3
Colombia	32.0	20.7	170.3	162.3
Ecuador	11.0	4.0	61.0	46.3
Mexico	17.0	29.7	124.0	191.3
Peru	8.0	2.0	42.0	31.3
Puerto Rico	13.0	4.0	74.5	44.3
U.S.	12.3	11.7	136.8	110.3
Venezuela	38.5	45.5	212.5	226.3
Ideas Para Su Hogar:				
Argentina	5.3	—	27.0	18.2
Chile	—	1.0	—	1.0
Colombia	28.2	31.0	152.0	144.2
Ecuador	—	6.0	24.5	27.0
Mexico	23.2	23.2	119.5	109.0
Peru	10.0	7.0	63.5	36.0
Puerto Rico	—	—	—	0.2
U.S.	3.3	4.0	48.8	47.0
Venezuela	31.0	13.8	142.5	100.5
Mecanico Popular:				
Argentina	10.7	5.0	89.5	52.3
Central America	10.7	13.5	100.3	101.8
Chile	6.0	6.3	52.3	51.7
Colombia	19.3	20.7	204.0	172.0
Mexico	18.3	22.7	200.0	146.7
Peru	17.0	16.0	145.2	127.8
Puerto Rico	7.3	10.5	82.8	78.0
U.S.	6.3	7.3	45.5	65.0
Venezuela	19.7	20.3	163.7	136.5
Vanidades Continental:				
Argentina	20.3	2.0	175.8	78.8
Central America	47.8	47.3	228.5	219.7
Chile	15.7	9.7	66.5	50.3
Colombia	162.8	155.2	881.3	954.5
Ecuador	23.7	26.8	196.2	214.0
Mexico	143.3	154.2	900.7	930.2
Peru	45.3	41.7	251.5	195.5
Puerto Rico	59.2	35.2	402.8	344.5
U.S.	58.8	46.0	535.5	487.0
Venezuela	85.8	89.2	510.5	473.2
Hearst International Publications:				
Buenhogar:				
Central America	3.0	3.0	15.0	16.0
Chile	1.0	4.0	12.0	17.0
Colombia	41.5	53.8	369.0	378.2
Ecuador	11.0	17.0	105.0	128.0
Mexico	53.7	56.3	379.2	391.3
Peru	23.5	26.5	157.0	120.5
Puerto Rico	16.8	6.5	69.8	99.0
U.S.	9.3	13.7	194.7	213.8
Venezuela	54.3	41.3	313.8	252.3
Cosmopolitan en Espanol:				
Central America	12.3	13.3	76.2	60.0
Colombia	39.0	42.8	240.8	204.2
Ecuador	3.0	1.0	23.0	3.0
Mexico	93.5	76.8	503.8	487.5
Peru	1.0	1.0	7.0	2.0
Puerto Rico	21.8	16.3	168.3	120.7
U.S.(Spanish language)	14.8	18.0	256.5	266.7
Venezuela	43.5	34.3	227.8	181.3
Cosmopolitan Foreign Editions:				
Australia	117.8	114.8	724.4	775.1
Brazil	78.2	136.3	692.8	773.9
China	77.5	70.5	519.5	500.4
France	124.0	143.5	1,120.6	1,048.3
Germany	173.0	184.0	1,389.5	1,251.9
Great Britain	175.0	182.0	1,246.0	1,282.5
Greece	70.0	60.0	453.0	462.0
Holland	110.0	125.0	774.0	820.0
Italy	98.3	89.5	827.8	747.2
Japan	64.9	57.7	542.9	539.9
South Africa	122.0	120.0	850.0	905.0
Good Housekeeping Foreign Editions:				
Australia	50.6	65.4	403.5	426.1
Great Britain	201.4	203.8	1,512.4	1,451.5
Johnston International:				
Alam Attijarat	29.7	58.8	260.9	391.2
Far East Business	—	—	—	—
Modern Africa (6X)	17.2	13.0	81.1	115.7
Latin America Finance (6X)	20.0	18.1	113.2	111.1
Newsweek International A.:				
Atlantic (52X)	152.8	125.0	912.2	919.5
Latin America (52X)	44.6	33.9	294.2	329.0
Asia (52X)	91.4	65.8	594.8	637.0
Progreso (9X)	7.3	11.6	57.1	83.2
Reader's Digest:				
Arabic	8.0	7.5	87.5	78.0
Asian	140.0	184.0	1,694.0	2,224.5
Australian	59.3	61.3	525.8	610.1
Belgian-Flemish	104.0	132.5	583.0	810.1
Belgian-French	73.0	82.5	391.5	477.6
British	91.9	65.2	584.8	536.2
Chinese B.	92.5	85.5	989.4	1,107.3
Danish	29.5	29.3	324.3	351.1
Dutch	58.5	45.0	436.9	422.4
Finnish	43.0	61.8	479.5	507.6
French	35.8	25.5	285.2	177.2
German	129.9	100.5	860.1	711.9
Iberian	1.0	3.0	3.0	20.5
Indian-English	80.5	86.0	787.5	784.0
Indian-Hindi	4.5	15.5	117.5	112.5
Italian	53.3	45.5	513.8	375.5
Korean	40.0	25.0	383.1	280.8
Latin American:				
Argentina	12.0	19.0	137.0	151.5
Brazil	—	—	—	18.0
Central American	4.0	5.0	43.0	75.0
Chile	25.0	8.0	141.0	134.0
Colombia	50.0	41.0	[illegible]	251.0
Ecuador	4.0	6.0	[illegible]	67.0
Mexico	91.9	77.7	684.0	644.2
Peru	3.0	6.0	37.0	78.0
Puerto Rico	4.0	4.0	36.0	49.5
U.P.B.	3.0	9.0	34.5	71.0
U.S. Spanish	20.0	9.5	109.0	166.0
Venezuela	3.0	4.0	38.0	67.0
New Zealand	50.5	63.5	530.8	612.8
Norwegian	9.0	13.0	171.6	86.0
Portugal	60.0	50.5	453.5	430.5
South African	34.5	95.5	817.5	878.0
Swedish	17.5	13.0	85.5	143.5
Swiss-French	40.0	42.0	275.5	260.3
Swiss-German	51.0	46.0	386.0	324.0
Time International:				
Time-Asia	98.9	82.0	644.2	761.1
Time-Atlantic	189.1	142.1	1,038.3	1,067.0
Time-Canada	303.6	245.9	1,759.0	1,962.2
Time-Latin America	57.6	47.1	368.2	473.9
Visao (52X)	157.9	189.3	1,241.6	1,598.0
Vision/Latin America (24X) A.	41.7	39.7	301.3	313.4
Total Group	6,154.9	5,811.3	44,323.7	45,159.3
% change		5.9%		-1.9%

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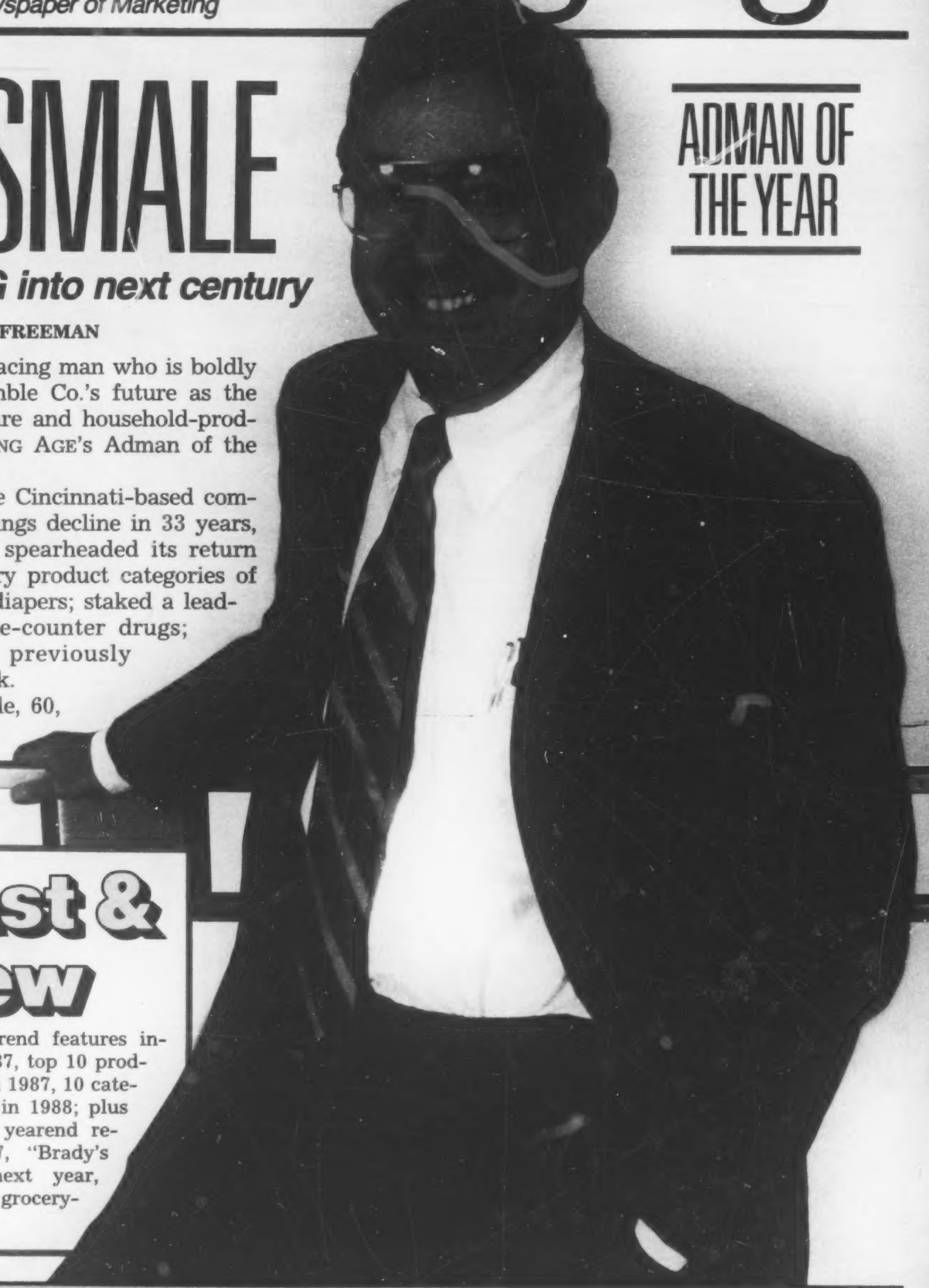
JOHN SMALE

ADMAN OF THE YEAR



Ceo pushes P&G into next century

By LAURIE FREEMAN

John G. Smale, a self-effacing man who is boldly shaping Procter & Gamble Co.'s future as the nation's leading personal-care and household-products company, is ADVERTISING AGE's Adman of the Year.

In the two years since the Cincinnati-based company reported its first earnings decline in 33 years, Chairman-CEO Smale has spearheaded its return to dominance in the primary product categories of dentifrices, detergents and diapers; staked a leadership position in over-the-counter drugs; and given the company's previously stodgy advertising a new look.

By all accounts, Mr. Smale, 60,

(Continued on Page 26)

Forecast & Review

INSIDE: Our annual yearend features include: 10 newsmakers of 1987, top 10 products of 1987, top 10 events in 1987, 10 categories that will make news in 1988; plus International and Regional yearend reviews, Ad Follies of 1987, "Brady's Bunch" predictions for next year, SAMI's annual review of hot grocery-product categories.

What's behind Mars candy shifts?

Page 4

Forecast & Review 1987-88

10 EVENTS *that moved the market in '87*

Stock market fall
Account shifts
People meters
Rafting tragedy
Agency consolidations
Magazine rates
Tax on advertising
NFL strike
AIDS
15-minute celebrity

Stock market fall

The Oct. 19 stock market dive evoked deep anxiety about consumer spending during the Christmas season and sent financial companies scrambling.

Initial studies showed high levels of consumer confidence immediately after the crash. But later surveys revealed deterioration in the outlook of consumers.

The big issue—whether the market plunge signaled the onset of a recession—remained unanswered at yearend.

Analysts watched retail sales closely for signs of unexpected slowdowns in consumer spending, especially in hard goods and high-ticket items. Results were mixed. Merchants admitted concern, but were generally pleased by post-Thanksgiving sales that were on or slightly above target.

Overall, Christmas sales were expected to rise about 4.5% to 6%, unadjusted for inflation.

In the financial-services arena, the October bust burst the market's bubble.

Merrill Lynch, Pierce, Fenner & Smith was the first major company to pull existing advertising and to put its top executives on the air Oct. 21 in new TV commercials.

Several major securities companies followed with messages asserting their stability, urging consumers to seek professional advice or pointing out investment opportunities.

Banks stepped in quickly to tout their safety and financial strength to consumers scared by the stock market's turbulence. Mutual funds adeptly shifted the focus of their advertising and promotion to relatively "safe" investments such as bond funds.

Discount brokers for the most part stayed out of the limelight, with the notable exception of Charles Schwab & Co., which ran a page newspaper ad apologizing for customer service problems during the market plunge.

Once it appeared the worst was over, Wall Street relaxed, but not for long. Responding to changes in the business climate caused in part by tax reform, several companies, including Kidder, Peabody & Co. and L.F. Rothschild Co., followed Salomon Bros.' lead in announcing staff layoffs and cutting their municipal bond departments to the bone.

Then the directors of E.F. Hutton Group, one of Wall Street's best-known companies, decided Hutton was not strong enough to go it on its own. After a flurry of offers from potential partners, Hutton accepted a $960 million offer from Shearson Lehman Bros. Holdings.

The Shearson/Hutton combination created a financial giant poised to mount a serious challenge to Merrill Lynch's leadership and threatened to spark a marketing battle among the top Wall Street brokerages.

Account shifts

A half-dozen top accounts representing more than $600 million in billings changed hands in 1987 in what will be remembered as a tumultuous year that tested client-agency relationships and shifted fortunes among the nation's leading agencies.

ADVERTISING AGE estimates the value of account shifts during 1987 at well over $1.2 billion. That figure included the two largest accounts ever to shift from one shop to an-

(Continued on Page 10)

10 CATEGORIES *that will make news in '88*

Olympics
Elections
Financial services
Olestra
Agency compensation
Consumer electronics
Skin care
Luxury sports cars
Ethical drug ads
Children's TV

Olympics

Every four years they come around together, presidential elections and the Olympics. But it was not the U.S. election in 1988 that executives at NBC-TV were most concerned about; it was the recent presidential election in South Korea, site of next year's Summer Games.

South Korea has earned an image of political volatility in the last year, causing advertisers to question the wisdom of holding such an important international event in Seoul. In mid-December, NBC had sold only about two-thirds of the commercial time in the 180 hours of Olympics programming it has planned for the last two weeks of September 1988.

Early on, the cost of a 30-second spot averaged across all dayparts was $176,000. The network's goal is to take in $600 million on the games.

NBC remained optimistic. "Right now, we're between 65% and 70% sold," a spokesman said. "We're happy with it, happy enough that we're considering raising our price."

Ironically, the games in Seoul are expected to be the least politically divisive in recent times. The deadline for nations to declare whether they will participate is Jan. 17, but for the first time since 1976, none of the major players is expected to boycott.

To date, the Koreans have been cooperative with NBC, agreeing to schedule many important events, including the opening ceremonies, between 10 a.m. and 2 p.m. so they can be shown live in U.S. prime time.

Among the major advertisers NBC has signed are American Isuzu Motors, Anheuser-Busch, Coca-Cola Co., Dow Chemical Co., Eastman Kodak Co., Federal Express Corp., General Electric Co., General Motors Corp., Hyundai Motor America, IBM Corp., Johnson & Johnson, K mart Corp., McDonald's Corp., Miller Brewing Co., Northwest Airlines, Quaker Oats Co., Prudential Insurance Co. of America, United Airlines, US Sprint Communications and Visa International.

Going into December, ABC was still an estimated $30 million short of its ad revenue goal of $425 million for the Winter Games in Calgary, Alberta. ABC, scheduled to devote almost 100 hours of airtime to schussing, skating and slaloming in the last two weeks of February, was asking $265,000 for a 30-second prime time spot in mid-February.

Other advertisers signed up for the Winter Games include American Airlines, Blue Cross & Blue Shield Associations, Chrysler Corp., Ford Motor Co., E&J Gallo Winery, Merrill Lynch & Co. and Stanley Works.

ABC, which paid the astronomical sum of $309 million for broadcast rights, has acknowledged it will lose a substantial amount on its Olympics venture.

Elections

Cable TV and videocassettes might be what is new in political advertising for 1988, but it is the old stories of money and negative TV spots that are expected to dominate the political advertising landscape in the upcoming presidential election year.

To date, cable's modest role in political advertising has been as a local-race medium, where a county office candidate, for example, can reach every wired home in his county.

But it is national cable that's showing signs of growth as a politician's medium.

Already the presidential campaign of Sen. Robert Dole (R., Kan.) is planning a national cable fund-raiser on Financial News Network, and Vice President George Bush's people also admit they may exploit national cable advertising in their candidate's bid for the Republican nomination.

Videocassettes are attractive substitutes for the real candidate. Instead of a fleeting glimpse of Sen. Hometown at a fund-raiser, groups are receiving lengthy cassettes that allow a candidate to lay out policies and platforms.

Campaign 88

But in the end, the campaign's prime ad topic again is expected to be how much money is spent, and whose ads were the nastiest. Already, projections of how much will be spent this presidential election year lurch past $500 million.

That alone practically guarantees that soon after the fall elections, some lawmaker will introduce legislation to cap campaign spending.

The regular exercises in anguish over negative political advertising could be more intense this coming year, at least if the politics of 1987 is any barometer.

With candidates admitting to such indiscretions as adultery, drug use and plagiarism, there's a greater chance than ever that 1988's negative advertising could be the sharpest ever.

That, in turn, could spark a resurgence of congressional interest in restricting who can say what in political spots.

But past interest in such legislation has been so limited that chances of any such bill becoming law are unlikely.

Financial services

Financial service marketers will struggle with new marketing problems and severe financial pressures in 1988. There is general agreement that the stock market's boom years are coming to a grinding halt.

Wall Street watchers anticipate further consolidation in the industry and additional layoffs as securities companies trim their bloated staffs.

The mood shift in the financial sector will be accompanied by a shift in marketing strategies, many observers said. The hard sell to investors will be less acceptable and

(Continued on Page 13)

Highlights

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8 **Godfather's has new cook**
Godfather's Pizza moves its $6 million-to-$8 million account to Fallon McElligott.

22 **Reynolds spritzes Salem package**
R.J. Reynolds Tobacco Co. is giving Salem cigarettes its first new packaging in 31 years.

23 **Computers put new byte in design**
J.S. Mandle & Co. devises a revolutionary computerized package design system.

29 **PC direct marketers fight fraud**
Direct marketers of personal computers are trying to improve the PC mail-order industry's image.

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ABP MPA RED TAG ABC

Why Mars is shifting shops

By JANET MEYERS

Mars Inc. is poised for a major overhaul of its candy advertising after yanking more than $40 million in combined billings from two of its largest U.S. shops.

The action apparently was a display of anger over perceived conflicts and agency megamergers.

The decision cost Leo Burnett USA, Chicago, an estimated $30 million in Mars assignments, including 3 Musketeers, Mars Bar, DoveBar, Twix, Ethyl M and P.B. Max, a new candy bar in test in Wisconsin.

Backer Spielvogel Bates Worldwide, New York, lost Milky Way, an estimated $10 million assignment.

Burnett is off the Mars roster; Backer still handles the most Mars business in the U.S. and overseas.

The changes come just weeks after a major shift of top executives at M&M/Mars, Mars Inc.'s confection division in Hackettstown, N.J.

But Backer Spielvogel Bates' loss of Milky Way is seen by sources as more of a disciplinary action by top executives at the parent company's McLean, Va., headquarters.

Reports are the executives considered offensive a recent newspaper ad from Backer's owner, Saatchi & Saatchi Co., which trumpeted Saatchi's 1987 profits.

Burnett's three-year marriage to Mars was considered a success by M&M/Mars, said Hans Fiuczynski, M&M/Mars external relations director.

But a conflict may have been simmering as Burnett client H.J. Heinz Co., Pittsburgh, and its Terminal Island, Calif.-based Star-Kist Foods unit in recent months began buying pet-food operations.

Burnett is the longtime agency for that company's 9-Lives cat food. But the recent acquisitions have significantly expanded its business.

Mars Inc. "feels the [Burnett-Heinz] conflict does not allow it to evolve the relationship internationally," Mr. Fiuczynski said.

Company executives were uncomfortable with the situation because Heinz' growing presence in the pet-food business posed more of a threat to Mars' Kal Kan Foods division. Mars ranks fourth in cat food, slightly ahead of 9-Lives. It also is a major pet food marketer overseas.

Mr. Fiuczynski said he did not know when the Milky Way brand would be reassigned and gave no indication if outside shops would be invited to pitch the account.

Mars' other major worldwide shops are D'Arcy Masius Benton & Bowles, New York and St. Louis, which has domestic and international brands; Grey International, which in 1985 signed on for a limited number of pet-food and candy assignments; and Tatham-Laird & Kudner, Chicago, which has about $3 million for DoveBar's Forever Yours and Rondos brands.

Mars bought DoveBar International last year.

Those agencies stand to gain from Burnett's loss. Because ultrasecretive Mars likes to keep a small stable of agencies, it may have wanted to whittle down the roster, sources indicated.

J. Langdon, VP-brands and sales for M&M/Mars, said the former Burnett brands will be reassigned within the existing family of Mars agencies by April 1.

Burnett won two new assignments from Mars just this summer—the DoveBar ice cream confection and P.B. Max, Mars' first new candy bar in several years (AA, Aug. 3).

Burnett is finishing production of

(Continued on Page 29)

CORRECTIONS & CLARIFICATIONS

- The GE/RCA Consumer Electronics account was not Leo Burnett Co.'s only piece of business that the agency handled on other than a 15% commission basis (AA, Nov. 23, P. 1).
- Control Data Corp., Minneapolis, which owns Arbitron Ratings Co., New York, will become the world's second-largest marketing/-advertising research organization after it completes its acquisition of SAMI/Burke, Cincinnati, from Time Inc. (AA, Dec. 21, P. 14).
- Linda Petrillo has been named associate marketing manager at the Stendhal division of Sanofi Beauty Group, New York. She previously was advertising and sales cooordinator (AA, Nov. 30, P. 78).
- Among the 15 daily newspapers owned by Hearst Corp., the *Boston Herald* is not among them, as was reported in a profile in the Second 100 Leading National Advertisers (AA, Nov. 23, P. S-29).
- AC&R/DHB&Bess personnel on the Paramount Pictures Corp. account listed under Paramount's parent, Gulf & Western Industries, in the Second 100 Leading National Advertisers are Cheryl Lodinger, exec VP, and Vito Mandato, senior VP-account management. Norman Trell, reported as exec VP-media, no longer is with the agency (AA, Nov. 23, P. S-28).
- Miami's population is 43% hispanic, not 83% (AA, Nov. 23, P. 44).#

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SPOTLIGHT ON FOOD SALES

High-flying product categories, 1987

52 weeks ending Nov. 6, 1987. *Source:* SAMI/BURKE

Category	Annual food store retail sales ($ millions)	Annual tonnage gain (%)
DRY GROCERY: FOOD		
Misc. snacks & dips	$180.4	+45%
Misc. fruit juices	8.4	+23
Bottled water	347.8	+23
Juice & juice-drink concentrates	40.4	+21
Fruit rolls & bars	308.7	+20
Low/reduced calorie salad dressings	169.6	+14
Cat food snacks	25.3	+12
Fruit pectin	180.4	+11
Blended fruit juices	132.9	+11
DRY GROCERY: NON-FOOD		
Mildew removers	41.2	+15
Car-care products	30.4	+10
Heatable plastic bars & wraps	19.6	+ 9
Fireplace logs & bricks	52.0	+ 9
FROZEN FOODS		
Frozen yogurt	24.8	+105
French toast & pancakes	81.4	+30
Corn dogs	49.2	+24
Breakfasts	198.7	+22
Mexican dishes	249.9	+22
Misc. prepared vegetables	73.0	+16
Dinner bread & rolls	341.6	+15
Sandwiches	99.6	+14
Prepared vegetables/cream sauce	24.3	+10
American-style prepared vegetables	48.9	+10
REFRIGERATED FOODS		
Misc. yogurt products	9.6	+205
Misc. juices	105.0	+119
Misc. dough products	42.9	+34
Yogurt	998.2	+19
Puddings	49.3	+15
Drinks	287.7	+15
Pie crust	44.4	+11
Apple juice/cider	37.2	+11
HEALTH & BEAUTY AIDS		
Lipcare products	42.4	+34
Eyecare products	203.3	+16
Hair spray	273.8	+14
Mouthwash	312.2	+14
Natural vitamins, minerals, supplements	63.4	+11
Hand & body creams/lotions	183.9	+11
Dental aids	28.1	+11
Stick deodorants/pads	308.4	+10
Cosmetic & medicated skin aids	114.3	+10

Food stores' sales log sluggish gains

By ALAN B. MILLER JR.

Food store sales did not rise much in 1987, and many product categories suffered volume losses.

Of the 474 categories of warehoused package goods tracked by SAMI/Burke, sales rose only 0.8% in units and just 2.2% in dollars for the year ended Nov. 6.

Among edible foods, there were 87 categories with 52-week tonnage gains, compared with 151 registering poundage losses. In the "dry grocery: non-food" arena, including household cleaners and supplies, paper and laundry products, and soaps and detergents, there were volume losses in 45 and gains in only 33.

Frozen-food gainers outpaced losers 39 to 33.

In the refrigerated foods categories, thanks in large measure to the growth of chilled juices and drinks, the growth categories outpaced the decliners 20 to 14.

Gains and losses were nearly even in the health & beauty aids categories, with 27 on the plus side and 25 with red ink.

Despite flat food-store volume in 1987 compared with 1986, there were important shifts. Frozen sweet goods as a category, for example, suffered a poundage decline of 6%, but within this category Boston cream cake volume soared 66%.

In the internal analgesic category, national food-store unit sales declined 1% overall, but volume of ibuprofen items rose 49%.

In some categories recording significant volume increases, the gains can be traced directly to important new-product introductions. Much of the growth in Italian, meat and poultry frozen entrees was provided by new Swanson Homestyle Recipe lines introduced by Campbell Soup Co. early in the year.

New premium or calcium-added refrigerated orange juice items from Procter & Gamble Co.'s Citrus Hill, Coca-Cola Foods' Minute Maid and Beatrice Cos.' Tropicana Products have contributed to the continuing growth trend in this category.

In other categories, important new products have created a churning. Four of the top 10 new dry grocery food brands were dry dog foods —Purina O.N.E., Grrravy, Tender Chops-All Tender and Tender Chops-Crunchy & Tender. But in spite of this high volume, poundage in the dry dog-food category fell 3.3%.

Common denominators

There are common denominators behind many of the upward trends of 1987. It would appear that new products with certain attributes have a leg up on those that cannot take advantage of basic changes or preferences in buying behavior.

Microwaveability, when accompanied by good quality, appears to have a high rate of acceptance, particularly in the case of frozen foods and, to a growing extent, shelf-stable foods. Volume sales in products especially formulated or packaged for specific use in microwave ovens amounted to $760 million in 1987, up 46% from '86.

The category with the highest volume of microwaveable items was shelf-stable popcorn, with sales of $269 million in 1987. That represented a gain of more than 59% from last year.

Another major upswing was exhibited by aseptic packages of juices and drinks, which passed $500 million in retail volume, reflecting a growth rate of more than 15%. More than 1.6 billion aseptic packages were bought in food stores during 1987.

Volume of low-sodium products in selected categories grew slightly from 1986, accounting for more than $370 million in '87. The highest-volume levels were found among butter and butter/margarine blends, snack nuts, salt and canned corn or green beans.

Sales of selected light or sugar-free items showed mixed trends. They ranged from a 52-week dollar gain rate of 24% for low-calorie mayonnaise or spoonable salad dressing to an 18% loss for sugar-free milk modifiers.

Health buzzwords

Another common denominator is fiber, which SAMI has been tracking in the ready-to-eat cereal category. Some 17 high-fiber brands in this category account for $794 million, a gain of 6% in dollars.

Decaffeination is another health-oriented buzzword that figures into coffee and tea sales. Decaffeinated tea bags in 1987 accounted for 13.1% of total dollar volume and sales rose 16%. Decaffeinated ground coffees gained share in 1987, while instant coffees' share fell slightly to 31.2% in dollars in '87 from 32.7% in '86.

Growth also is in evidence among foods in squeezable containers. In the 11 product categories in which these plastic food containers are being scrutinized on a continuing basis, dollar sales rose 9% to $659 million.

Squeezable containers now account for 47% of ketchup sales, 55% of maple syrup and 36% of prepared mustard. They have lost share in the jams, jellies and preserves category.

Another special universe being tracked is high-quality, new frozen entrees and dinners, paced by Campbell, ConAgra Inc. and Stouffer Corp., among others. These "gourmet" entrees now account for $1.1 billion in sales, growing 2.3% since 1986. Sales of the higher-price frozen winners increased 18% in annual dollars and 12% on a poundage basis.

Some of the other universes exhibiting growth going into 1988 are low-cholesterol products; Cajun items; high-quality items other than frozen foods; and products with health-oriented additives such as calcium and fish oil.#

Mr. Miller is a New York-based consultant to SAMI/Burke, Cincinnati.

Foodservice to gain data

Product tracking planned

By SCOTT HUME

Food manufacturers serving the $200 billion foodservice industry will gain access next year to data on market shares and sales trends.

The availability of the new data is expected to change significantly companies' marketing strategies and ad spending. About $75 million is spent annually on foodservice trade advertising.

The International Foodservice Manufacturers Association, which represents nearly 500 food, equipment and supply manufacturers, has begun soliciting member participation in a series of Product Tracking Studies.

Those studies are intended to provide the first data on manufacturers' shipments of foodservice products. While Cincinnati-based SAMI/Burke has for many years tracked chain warehouse food shipments to retail grocery stores, no such data on foodservice sales have been available.

"This is an industry that's hungry for numbers," said Ken Miller, marketing manager at J.M. Smucker Co., Orrville, Ohio. "Collecting this kind of data has been tried before, but never successfully. IFMA has the clout to do it, and this looks like the best, most organized effort to date."

Food manufacturers' reluctance to divulge sales and product-specification data has been a major stumbling block. To overcome that, quarterly product shipment reports will be sent to accounting firm Ernst & Whinney, Cleveland, which will tabulate and prepare reports.

Companies subscribing to the reports will get category totals from which they can extract their market shares, but not hard figures on individual competitors' sales or shares.

Subscription costs will be $2,500 per category per year.

These data are expected to influence decisions on new-product development, ad budgets and seasonal timing of sales promotions.

"There never have been hard sales numbers available in the foodservice industry, which means you have major companies like Kraft, Quaker and the others marketing in the dark," said John Orr, managing partner of Wheaton, Ill.-based Armantrout Orr Associates. The consultancy is working with IFMA to develop product categories being tracked.

"Foodservice is a very tough industry to track, because you've got more than 500,000 outlets being served and because the distribution is so dispersed," Mr. Orr said. "The major companies only account for about 12% of the total, with the rest handled by guys with one or two trucks.

"By tracking shipments from the manufacturers, we'll finally get a fix on this market."

Armantrout Orr Associates is working with manufacturers to determine how product categories are defined and how data will be presented (in dollars or pounds or however participants desire).

Once participation in any given product category is determined to represent at least 80% of that category's volume, collection of data and creation of quarterly reports will begin.

The Chicago-based IFMA already has fielded two pilot studies, covering foodservice sales of cheeses and of jams and jellies.

The success of those studies prompted the rollout of the program to other categories.

Baking mixes, bacon and coffee are the next studies planned, with 100 product categories expected to be involved during the next two to three years.

"What we gained from the pilot tracking study [on jams and jellies] was data on the mix of product package sizes and volumes of specific flavors we never could get before," Smucker's Mr. Miller said. "We're a company that believes in market planning and that data quantifies product potential."

The marketing reverberations should be immediate and significant, Mr. Orr said.

"If you're a manufacturer of baking mixes and you see that chocolate cake shipments are rising, you'd better be in that category or at least increase advertising and promotional support for it if you are in it," he said. "The data on which to base those decisions has been awfully sketchy until now."#

E-II buys Cajun food company

CHICAGO—Jumping onto the Cajun-Creole bandwagon, E-II Holdings, a company that owns various former Beatrice Cos. brands, has acquired Zatarain's Inc., Gretna, La.

Zatarain's is a regional marketer of Cajun and Creole seasonings and condiments. Its principal products are breadings, seasonings, rice mixes and sauces.

E-II Holdings spent $35 million to acquire the company from Wyndham Foods, Houston.

When formed in July, E-II Holdings stated its intent to acquire large and small consumer-product companies that fit in with its existing businesses.

E-II will run Zatarain's through its Martha White Foods subsidiary, Brentwood, Tenn. Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis, handles Martha White; Zatarain's does not have an agency of record.#

MARKETING TO HISPANICS

Perspectivas

Edited by Ed Fitch

NUMBERS GAME

PHONES KNOCK ON DOOR'S DOMAIN

More shots are being fired in the war over the merits of using telephone interviews to sample U.S. hispanics.

Detractors say phone ownership levels are not high enough to accurately represent the U.S. hispanic population (AA, Sept. 28). Strategy Research Corp., Miami, claims only 69% of U.S. hispanic households have telephones and only 31% have listed numbers.

Troy Thomas

Market Development Inc., San Diego, reports 85% of hispanics have phones, claiming this makes phone sampling a viable, cost-effective research method.

"If 30% of hispanics don't have phones, you can't accept phone studies because too many are missed. But if only 10% or 15% of the total sample are excluded, it becomes an acceptable methodology," said Peter Roslow, director-marketing, Telemundo Group, New York.

As part of the television network's recent study of hispanics in Los Angeles, Miami, New York and San Francisco, Telemundo reports 40% of hispanics surveyed have listed phone numbers, 39% unlisted, 9% did not have a phone and 13% refused to say.

"A gray area exists on the question of whether a phone is available to them," Mr. Roslow said. "But the difference between the 9% [that say they don't have a phone] and the 30% that's often claimed shows that the 15% that the U.S. Census claimed was realistic." The 1980 census estimated 84% of households in the 11 largest U.S. hispanic markets had phones.

Hispanic research is geared to door-to-door interviews, and the infrastructure needed to perform phone surveys is not yet established, he said.

"Once the infrastructure is up, then savings will be realized. It's hard to pinpoint, but they could be up to 20%."

Phone surveys also offer greater control in interviewing, said Mr. Roslow, who started his career in the hispanic market as a researcher.

A recent study conducted by Information & Analysis, Hicksville, N.Y., for the Spanish Radio Advisory Council, New York, found respondents reported higher Spanish-language radio listenership when interviewed in person than when questioned by telephone (AA, Nov. 30). "There tends to be more bias in door-to-door," he said.

Mr. Roslow did not dismiss door-to-door methods; the Telemundo data was gathered via in-home interviews. "Whether you use phone or not depends on what you're looking to measure," he said.

It also depends on who you are measuring. MDI's study, which analyzed phone ownership in Chicago, Los Angeles, Miami, New York and San Antonio, shows the disparity in phone ownership between hispanics and non-hispanics is greatest at lower income levels.

English-dominant hispanics also are more likely to own phones than Spanish speakers, although this was not much of a factor in the bicultural markets of Miami and San Antonio.

According to Telemundo's findings, 93% of Miami respondents claimed to have a phone. However, that figure fell to 56% in San Francisco, which is experiencing a surge of new hispanic arrivals. In Los Angeles and New York, phone ownership stood at 75% and 77%, respectively.

In another move that bolsters phone methods, the SRAC recommended in early December that the Spanish-language radio industry use the same type of telephone sampling techniques utilized by I&A in its test. Beginning next spring, stations in 15 of the top 16 U.S. hispanic markets—Sacramento, Calif., a one-Spanish-language-station market, is excluded—are being asked to survey listeners by phone.

The SRAC, made up of representatives from such general-market agencies as D'Arcy Masius Benton & Bowles and Saatchi & Saatchi Advertising Worldwide and companies such as Procter & Gamble Co. and McDonald's Corp., said findings based on in-home interviews were too high to be believed and did not offer enough sampling controls and random selection, said Eduardo Caballero, president of Caballero Spanish Media, New York, who observed the meeting.

Although the stations his company represents may report lower listener levels, Mr. Caballero welcomed the request. "Now we won't have to sell the research concept. I prefer a 40 share that people believe vs. an 80 share that no one puts any faith in."

Mr. Caballero suggested that more media outlets will follow similar methodologies to satisfy general-market agencies and clients.

■ Other findings of the Telemundo study, conducted by **Market Opinion Research**, back up recent results of a **Univision**-sponsored analysis of hispanics TV viewing habits (AA, Nov. 30).

The Telemundo study reported that hispanics spend 6.7 hours each day watching TV. Of this, 4.9 hours are spent viewing Spanish-language TV.

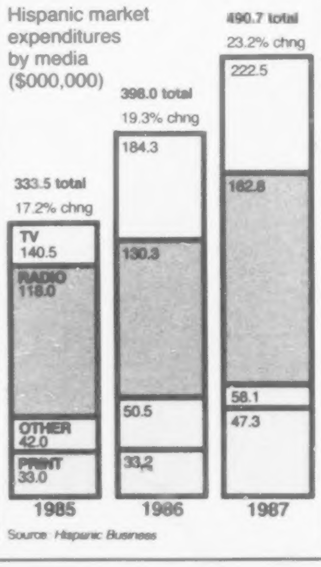
About 47% of respondents do not understand English at all or not very well. Even among those who understand English, almost 60% spend most or all of their time watching Spanish-language TV; 23% of the total sample watch English-language TV most of the time and only 6% watch it exclusively.

Concerning advertising, 64% said they would be more likely to buy products advertised on Spanish-language TV vs. English-language TV; 80% agreed that an advertiser that uses Spanish-language TV "really wants my business."

■ ***Hispanic Business,*** Santa Barbara, Calif., has released its annual study of hispanic market advertising expenditures.

Philip Morris Cos., New York, was rated the market segment's No. 1 advertiser. Philip Morris reportedly increased its spending 77.3% to $13.3 million in 1987. **Procter & Gamble Co.**, Cincinnati, slipped from No. 1 in 1986 to the No. 2 slot, spending $12 million, up 50% from 1986. **Adolph Coors Co.** jumped to the No. 3 position by boosting its budget 145% to $9.8 million.

The market steps up



Source: Hispanic Business

ON THE AIR

COLUMBIA SERIOUS ABOUT SITCOM

Columbia/Embassy Television, Burbank, Calif., is considering a Spanish-language broadcast of "Trial & Error," a sitcom scheduled as a midseason replacement and described as an hispanic-oriented "Odd Couple."

"It's not a reality yet," said Don DeMesquito, VP-corporate communications at Columbia/Embassy. "We're still studying whether it's technically possible."

Spanish-language broadcasts would be offered on CBS affiliates in the six largest U.S. hispanic markets when the show debuts in January or February. If the response is positive, the concept probably would be considered for additional markets and other shows, Mr. DeMesquito said.

■ Don Raider, exec VP-chief operating officer at **Telemundo Group**, New York, denied reports that the network has committed to a Spanish-language news show developed by **Cable News Network**, Atlanta. The CNN pilot reportedly would have replaced the network's "Noticiero Telemundo" news show, produced by **Hispanic-American Broadcasting Corp.** (HBC), Miami.

On Jan. 2, the network will launch "Telemundo SportsCenter," a Saturday afternoon feature that will cover boxing and soccer events and feature Olympic reports and sports news wrapups. An action/adventure-oriented programming block targeting men will be added on Jan. 16 to tie into "SportsCenter."

The network added "Estrenos y Estrellas," which reviews movies and TV shows, and features music videos and personality interviews.

Mr. Raider said the network's satellite probably will go up Jan. 11.

■ **Univision**, Los Angeles, also will expand sports programming in 1988, breaking into Saturday and focusing on auto racing, soccer and boxing events. A college football package also will be introduced.

A second two-minute daily sports brief will be added. **Adolph Coors Co.**, Golden, Colo., sponsored the segment in 1987.

"We had a 700% increase in billings in 1987," said Joe Weidensall, Univision's director-sports. "We represent 4% of programming, but 10% of ad revenue."

Univision also revamped its *novela* lineup, adding "El Camionero y La Dama" and "Rina" in the 7:30 to 9:30 a.m. slot and "La Dama de Rosa," "Quinceanera" and "La Indominable" from 7 to 10 p.m. Topo Gigio, the mouse puppet of "Ed Sullivan Show" fame, stars in a new variety/comedy show airing at 5 p.m. on Saturday.

■ "Sabado Gigante" again is the top-rated Univision show as measured by **Strategy Research Corp.**, Miami. During the Oct. 31 to Nov. 6 sweep, the game/variety show pulled a 43 household rating.

"La Dama de Rosa" and "El Pecado de Oyuki" followed with 41 and 36 ratings, respectively. The network's early evening weekday news also pulled a 36 rating. The network's Sunday night movie followed with a 27 rating.

SRC will begin rating Telemundo programming shortly.

■ **UPI Radio Noticias**, Washington, will add weekend hourly news reports to its Monday-through-Friday broadcasts. Sports reports likely will be added in 1988.

SHOP TALK

NEW SHOP HOPES CABLE ADS SELL

Joseph Orbi, formerly VP-creative director of AC&R/Rossi, New York, and his brother George opened Orbi & Orbi in Hartsdale, N.Y. The agency handles Executive Coffee Break, a division of San Juan, Puerto Rico-based Cafe Crema, and the Westchester Opera, Ossining, N.Y., said Joseph Orbi, chairman. George Orbi will be president.

The agency will run 30-second, English-language cable spots in New York to attract clients, and will pursue both hispanic and general-market advertising accounts.

■ **WPP Group**, London, acquired **Mendoza, Dillon & Asociados**, Newport Beach, Calif. (AA, Dec. 21).

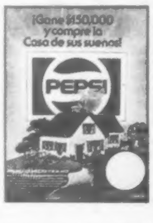
MAIN EVENT

PEPSI FINDS KEY TO PROMOTIONS

Pepsi-Cola USA, Somers, N.Y., has found the key to encouraging hispanic participation in promotions. In November Pepsi gave away $150,000 toward the purchase of a home to the winner of a Univision-televised contest.

Following a weekend of wining and dining 10 finalists in Los Angeles, Luz Ayalla Carrillo, a housewife from Buena Park, Calif., won the contest, in which finalists tried to unlock the door of a toy house.

For 11 weeks before the event, Pepsi placed nine TV spots weekly on Univision promoting the contest and aired a weekly lottery drawing-style segment during which finalists were selected. Point-of-purchase material, print ads and radio spots supported the "Dream House" contest, via agency Publicidad Siboney, New York.


¡Gane $150,000 y compre la Casa de sus sueños!
PEPSI

The contest was an extension of a similar promotion created last year by Pepsi's Los Angeles-area bottler. "We saw it as a good opportunity to do something larger. This is the first promotion of its type nationally," said Hernand Gonzalez, Pepsi's director-hispanic marketing.

Bottlers in Miami and San Antonio, Texas, localized the promotion, also giving away $150,000 toward home purchases in concurrent contests. The Los Angeles bottler offered new furniture.

Response was extremely strong, because hispanics are not jaded by promotional saturation, said Nilda Velez, Siboney's promotions manager. "The effect on sales can't be measured yet, but we generated a phenomenal number of entries. We started with a normal size raffle drum and had to transfer to a swimming pool," she said.

Mr. Gonzalez said the prize's unusual nature encouraged response. "It's not the usual trip or sweepstakes. It creates a lot of excitement among consumers and at retail," he said. "Early reports from the store level are strong."

PRODUCT & ACCOUNT ACTIVITY

■ **Seven-Up Co.**, Dallas, named **Casanova, Pendrill Publicidad**, Irvine, Calif., its first hispanic agency of record. The agency will concentrate on creating a national campaign, and also is expected to work with bottlers.

■ **Polaroid Corp.**, Cambridge, Mass., reassigned its hispanic account to **Conill Advertising**, New York, after having been inactive in 1986. Budget has not been established yet, but Fil Fernandez, Polaroid's marketing program manager-hispanic market, said the account will be very active.

Standard Brand Paint Co., Torrance, Calif., $500,000 account also to Conill (AA, Dec. 14).

■ **Frito-Lay**, Plano, Texas, has assigned **Merced Benitez Machin & Asociados,** San Juan, Puerto Rico, to handle its hispanic marketing and promotional activities in Miami. Casanova, Pendrill remains Frito-Lay's hispanic agency of record.

Doug Boyle, Frito-Lay's director-field marketing/west, cited MBM's proximity to the Miami market as the reason. He also said Frito-Lay's hispanic budget would increase significantly in 1988.

■ **Kraft Inc.**, Glenview, Ill., will introduce two more products to hispanic markets via Spanish-language media in 1988. In addition to Kraft mayonnaise and Kraft Singles, the company will promote Parkay spread and a yet-undetermined fourth brand via **J. Walter Thompson Hispania**, Chicago.

■ **WIND-AM** named **San Jose & Associates**, both in Chicago, to handle advertising, promotions and public relations.

■ **San Diego Wild Animal Park and Zoo** named **Latin Ad**, San Diego, its first hispanic agency of record.

■ **Warehouse Grocery** has appointed **Montemayor & Asociados**, both located in San Antonio, Texas, its first hispanic agency of record. The assignment covers advertising, media placement and promotional planning.

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NEWSPAPER

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Advertising Age®

Crain's International Newspaper of Marketing

How GM is shifting gears

A fresh look at the future

By RAYMOND SERAFIN

DETROIT—General Motors Corp. will make a major effort to revive its sagging image by trumpeting its futuristic technology in an invitation-only show this week at the Waldorf-Astoria Hotel in New York.

But with much less fanfare, GM is putting into place a new market-segmentation scheme that is far more crucial to the automaker's recovery than any gee-whiz technology.

The segmentation strategy departs from the elegantly simple scheme, developed in the 1920s by then-President Alfred Sloan, that has guided GM since that time.

Mr. Sloan envisioned GM's divisions as a price ladder, a system that worked with little change for a half-century and helped GM become the world's biggest automotive company.

Under Mr. Sloan's system, Chevrolet brought the first-time car buyer into the GM system at the lower rung, and, as that customer became more affluent, he moved up to Pontiac, then Oldsmobile, Buick and, finally, Cadillac.

Now the ailing giant faces new challenges, and Chairman-CEO Roger Smith is working to reposition the company for leadership in the 21st century.

GM's share of the U.S. automobile market dropped to 37% from about 42% during the 1987 model year.

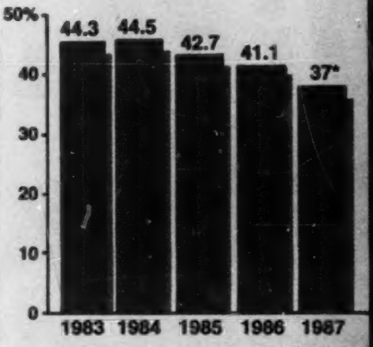
Additionally, the company's earnings are lagging behind archrival Ford Motor Co. for the second straight year and GM is saddled with the highest unit costs in the business.

"We've been competing too much with ourselves, while our competitors carved out parts of the market where we didn't compete," said Jay Qualman Jr., general advertising director for the Buick division.

Crucial to the new segmentation

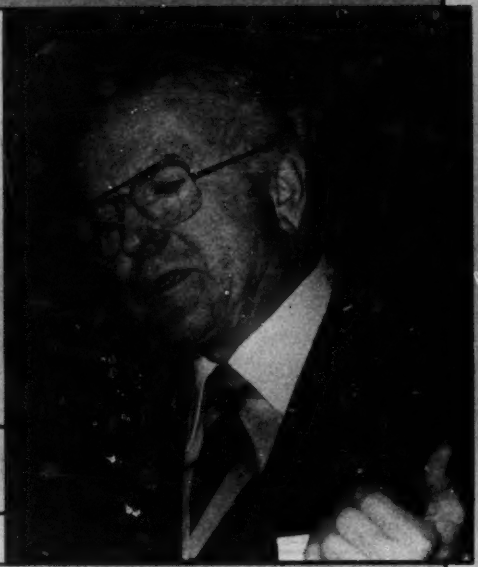
(Continued on Page 42)

General Motors market share



* estimate

Sources: General Motors, Automotive News



GM Chairman-CEO Roger Smith

Last Minute News

Riney may keep some Gallo work

MODESTO, CALIF.—Hal Riney & Partners, San Francisco, which resigned the $75 million E&J Gallo Winery account last month (AA, Dec. 7), may keep an undetermined piece of the Gallo business, an agency source said. There is speculation Gallo may split the business among at least three shops. Senior executives from Wieden & Kennedy, Portland, Ore., met with Gallo Chairman Ernest Gallo. N W Ayer, New York, which handles Gallo media buys, apparently also is under consideration.

Polaroid seeks shop for new camera

CAMBRIDGE, MASS.—Polaroid is seeking an agency to handle an inexpensive camera aimed at teens. It reportedly is talking to Goodby, Berlin & Silverstein, San Francisco, and other shops about the $1 million-to-$2 million account. BBDO Worldwide, New York, is Polaroid's agency of record.

P&G moves $10M Pantene account to Grey

CINCINNATI—Procter & Gamble Co. has moved its $10 million Pantene

(Continued on Page 8)

Campbell faces Nissin with Oriental soup

Bow to the East

By JUDANN DAGNOLI

Campbell Soup Co., a relative newcomer to the instant-soup market, is poised to combat the success of "the Japanese threat" with its own Oriental-style entry.

The Camden, N.J.-based company is developing an Oriental dry soup for market testing early this year. Tentatively called Noodle Nest, the product is expected to have 80% less fat than other dry Oriental-style soups.

No agency has been assigned the new product.

Campbell USA President Herb Baum often has referred to the success of Oriental noodle soups as "the Japanese threat" and said the company was gearing up to match the Japanese production efficiencies.

The U.S. marketer recently introduced its first national entry in the dry-soup arena, Campbell's Cup (AA, Aug. 3). Backer Spielvogel Bates, New York, handles.

Meanwhile, potential Campbell competitor Nissin Foods is claiming victory in the $460 million dry-soup war over category leader Thomas J. Lipton Inc.

Gardena, Calif.-based Nissin, marketer of Top Ramen, Oodles of Noodles and Cup O' Noodles soups, said it surpassed Lipton in dry-soup unit sales for the first time for the 52-week period ended Oct. 9.

The company said it had a 23.2% share of the total

(Continued on Page 8)

Brit spaceways

"Spaceflight," a 60-second TV commercial for British Airways, heads for the U.S. this year. The spot features a supersonic Concorde flying to the moon and Mars. Saatchi & Saatchi, London, created.

Marketers learn: Make plans now or yule be sorry

An Advertising Age roundup

As the 1987 holiday season becomes a ghost of the past, marketers already are preparing for the Christmas yet to come.

"For many of our clients, plans for this year's Christmas have to begin now, in terms of planning new products and buying media," said one executive at Chiat/Day, Los Angeles.

The toy industry, having learned some lessons from disappointing Christmas sales last year, is expected to promote its 1988 lines earlier in the year and to become less dependent on tie-ins with animated children's TV programs, industry observers said.

By advertising earlier, companies will be able to separate the hits and duds sooner and plan Christmas marketing strategies before the fourth quarter.

Tonka Corp., Minnetonka, Minn., is pinning its hopes on the

(Continued on Page 42)

South shops merge

Move forms $125M agency

By JO BETH McDANIEL

ATLANTA—Tucker Wayne & Co., the largest independent ad agency here, is merging with Luckie & Forney, Birmingham, Ala., to form a $125 million Southeastern shop.

The merger follows an agency shakeout here and creates Tucker Wayne/Luckie & Co., the city's largest ad shop. Tucker Wayne & Co. was an $82 million shop; Luckie & Forney's billings are $47 million.

The merger will make both shops "more competitive on the national and regional advertising scene," said Knox Massey Jr., Tucker Wayne president.

"The $10, $20, $50 million accounts are increasingly disenchanted by the mega-agencies," he said. "When you pass $100 million, you pass the threshold of capabilities and services to feed into major advertisers. But it's not like getting lost in a $4 billion agency."

Though the client rosters of the two agencies are remarkably similar, there are no client conflicts, said Robert Luckie, chairman-ceo of Luckie & Forney, who will remain head of the Birmingham office.

The two agencies handle separate BellSouth divisions, Southern Bell in Atlanta and South Central Bell in Birmingham. Other major clients include two large bakeries and three banks—SouthTrust of Alabama, SunTrust of Florida and Trust Co. of Georgia.

The move caps off a yearlong series of Atlanta mergers that saw independent Burton-Campbell swallowed by Earle Palmer Brown Cos., Bethesda, Md.; Omnicom Group's Cargill, Wilson & Acree merged into its Dallas-based Tracy-Locke; and Atlanta's oldest agency, Liller Neal, purchased by Noble Communications, Springfield, Mo.

The two offices will operate separately, with principal officers retaining their titles and no staff changes expected.#

Highlights

NEWS

4 Jovan spots boost Beecham
Beecham Cosmetics may be on the selling block, but it still plans a major Olympics-year marketing push.

18 Launch of the liquids overseas
Colgate-Palmolive Co.'s rollout of its Galaxy liquid dishwasher detergent is sparking a flow of new-product launches in Europe.

19 Chrysler wages European push
Chrysler will back its re-entry into the European passenger car market with a multimillion-dollar ad effort, starting next March in West Germany.

20 Shopping net faces turmoil
Home Shopping Network could lose money this fiscal year if it fails to control expenses and expand its customer base.

36 Studios target tape rentals
Home video companies are determined to revive lagging consumer interest in video rentals with unprecedented first-quarter multimillion-dollar ad blitzes.

40 Shopping for a niche
Natural grocery stores are seeking a larger share of the retail food market by shedding their granola and tofu image to appeal to young professionals.

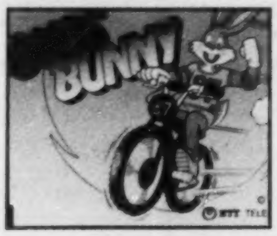
41 Female voice-overs still numbered
Despite a study last year that indicated women's voice-overs are as effective as the male voice, agencies and marketers have not dramatically increased use of them.

43 Homeless featured in PSA
Award-winning director Leslie Dektor has created a wrenching public service spot highlighting the plight of the homeless.

INTERNATIONAL

22 Charro challenges Benetton
Charro SpA, an aspiring Italian fashion design company, is battling Benetton and Stefanel head-on for control of the international youth clothing market.

AD REVIEW: Garfield looks at music. P. 46.



Prepaid cards: The jingling of pocket change in Japan may be a thing of the past, as prepaid magnetic cards gain popularity to pay for phone calls or railway tickets. Consumers are even being allowed to design their own cards *(above)*. McDonald's Japan Corp. plans to introduce them soon. Page 22.

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Lotus ethics suit against agency may be settled

By ALAN RADDING

BOSTON—A controversial client-agency battle over ethics is moving into the next stage, and it may result in an out-of-court settlement.

Rossin Greenberg Seronick & Hill filed its countersuit against Lotus Development Corp. last week, charging the software marketer with damaging the agency's reputation.

N. Hill

Lotus has accused Rossin of trying to market trade secrets to software rival Microsoft Corp. in the course of pitching for that advertiser's business (AA, Dec. 21). Two Rossin employees used to work for Lotus agency Leonard Monahan Saabye, Providence, R.I.

Sources close to the case, however, report that contact between Cambridge, Mass.-based Lotus and the ad agency has been established, and efforts are under way to negotiate a quick out-of-court settlement.

The countersuit was filed after a Dec. 28 ruling against the ad agency in Suffolk Superior Court. In that ruling, the court favored Lotus' request that the proceedings be kept private to protect confidential information. The countersuit was filed in the same court.

The agency opposed the request because its primary defense is that it never had any confidential information to release.

Lotus charged RGS&H with trying to "sell" Lotus trade secrets in an effort to win accounts.

"We're still waiting for Lotus to tell us what is the confidential information that we have. We don't have any," said RGS&H President Neal Hill.

Lotus executives were not available to comment following the Dec. 28 ruling.

Lotus' Dec. 11 lawsuit cited a flier that RGS&H sent to Microsoft, Redmond, Wash.

In the flier, the agency implied it had access to Lotus' plans through the work of the two new employees. LMS joined Lotus' suit the next week.#

Top execs involved

Fallon McElligott act 'shocks' city

By BOB GEIGER

MINNEAPOLIS—Fallon McElligott stirred up a controversy here after playing a crude joke on a woman who criticized a presentation by FM's design subsidiary.

The issue began when Charles S. Anderson, a partner in FM subsidiary Duffy Design Group, made a marketing presentation at Mankato (Minn.) State University attended by Neala Schleuning, director of MSU's Women's Center and a doctorate in American studies.

Ms. Schleuning wrote Mr. Anderson after the October presentation and complained about the use of the words "bitches" and "whores" in agency ads shown by Mr. Anderson. She called it a "male gonad style of doing business."

On Nov. 6, Mr. Anderson sent Ms. Schleuning a letter stating that Duffy was "re-examining not only our approach to design but to life as well." He enclosed a photo of an African Dinka tribe boy's mouth pressed against a cow's anus in a ritual, and suggested Ms. Schleuning write or visit the Dinkas to "put an end to this horrible practice."

Ms. Schleuning sent copies to the Minnesota Women's Consortium, and on Nov. 25 the group wrote Fallon McElligott, after which FM Chairman Patrick Fallon and VP-Creative Director Tom McElligott wrote separate Dinka-related letters that insulted Ms. Schleuning.

Mr. Fallon offered to pay half of Ms. Schleuning's expenses "(or *full* expenses, one way)" for the trip alluded to by Mr. Anderson. "You, Doctor, are the person to handle this problem," the letter said.

Mr. McElligott in his letter told Ms. Schleuning that her doctorate "may not be in English" and said her letter was "amusing" FM's employees.

The Women's Consortium then mailed 35 copies of the series of letters to local media and four FM clients: Federal Express Corp., US West, *The Wall Street Journal* and Wolverine World Wide.

Most ad executives here did not want to comment officially on the matter, which got newspaper coverage, but anonymously said they were shocked or appalled by the FM letters.

FM finally apologized in a Dec. 29 letter to Ms. Schleuning from Mr. Fallon.

"There really can be no excuse or explanation for our behavior," he wrote, "except that we allowed our reaction to your criticism to sweep us beyond the bounds of judgment, taste and common decency. It shouldn't have happened, and it won't happen again."

Mr. Anderson told ADVERTISING AGE he sent the picture of the Dinka boy as a joke, meaning there were bigger problems than sexism to worry about in the world. He said he did not intend for his letter to "hurt [Ms. Schleuning] personally" and added that he is sorry.

He said there has been no reaction from FM clients.#

Underneath the covers

'Vanity Fair' adds to glitter

By PATRICK REILLY

In less than four years, *Vanity Fair* has gone from near-disaster to a *bona fide* success by chronicling celebrities on the order of Liza Minnelli and Calvin Klein.

But Editor Tina Brown, 33, the engineer of its revival, is not content with just lightweight patter, and in 1988 plans to add substance to the glitter.

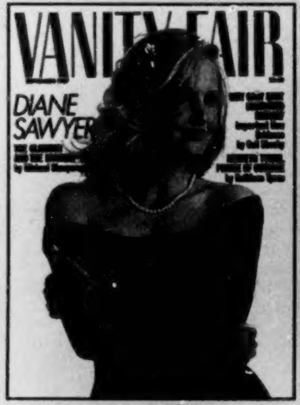
After years of heralding the antics of the chic, wealthy and powerful, *Vanity Fair* is showing its serious side. The January cover of the Conde Nast Publications monthly features presidential candidate Jesse Jackson. It is a weighty selection compared to former subjects, such as Cher, Farrah Fawcett and Bette Midler, but it is an indication of where *Vanity Fair* is heading.

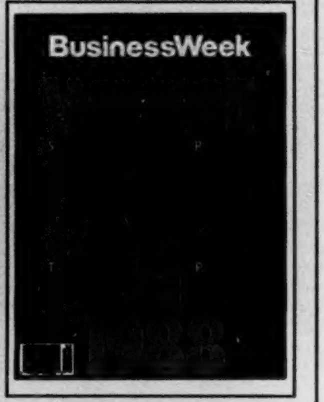
"Even if the sales of the Jesse Jackson cover are not good, it is a cover we needed to do," Ms. Brown said.

Vanity Fair Publisher G. Douglas Johnston said that in 1988, *Vanity Fair* will show it can delve into important social issues. "People now understand we aren't just about trends. We are a chronicle of our time," he said. "We are no longer just entertaining. We are entertaining and important."

The magazine's comeback has fueled speculation that

(Continued on Page 45)





1987 shows ad-page boom

Vanity Fair Year	ad pages	% change	*Business Week* Year	ad pages	% change
1984	335	NA	1984	4,972	7
1985	431	29	1985	4,214	(15)
1986	597	39	1986	3,893	(7)
1987	866	45	1987	4,708	21

Business book surges ahead

By PATRICK REILLY

Business Week proved in 1987 it was the workhorse in the stable of magazines at McGraw-Hill Publications Co. But in 1988, the weekly business news magazine may have to work even harder.

Though a generous space credit program appears to have helped pump up ad pages, the weekly had an undeniably robust year. *Business Week* raised its rate base three times in the past 13 months, newsstand sales rose 50% in the first six months of 1987 and total ad pages rose 21% over 1986.

The magazine is expected to make up more than half of the company's estimated $60 million operating profit in 1987, industry sources said. "*Business Week* this year will make up for a number of poor performances in the publication company," said one industry expert.

Harold "Terry" W. McGraw III, who oversees *Business Week* as president of the New York-based publications company, said he is pledged to making the magazine the "best editorial product of its kind."

Mr. McGraw has targeted a circulation of 1 million by 1990. That would be an increase of more than 17% from current levels. He said he also will increase the editorial

(Continued on Page 45)

World News Roundup

TORONTO—Cineplex-Odeon, North America's second-largest theater chain, reinstituted cinema advertising a year after dropping the idea when customers objected. A 90-second spot for Fisher home electronics, created by Torobin Advertising here, was among the first to be shown.

MADRID—Channel 10, Europe's first Spanish-language satellite TV station, which starts broadcasting this month, will take no advertising initially but may later. Channel 10 is owned jointly by Radio Tele Luxembourg, French-based Canal Plus, an Andorra-based savings bank and a group of entrepreneurs.

HONG KONG—Dentsu will open an office here this month. Sogo and Daimaru, Japanese department stores and Dentsu clients, reportedly are interested in starting operations here. HDM, in which Dentsu is a partner, already has an office here. Separately, Dentsu is opening its Convention Business Division in Tokyo this month to develop business in this area.

DUESSELDORF—Cinzano is breaking a $1.4 million ad campaign in West Germany highlighting Asti Cinzano, the best-selling Italian wine in the country. Westag, Cologne, handles.

BARCELONA—Henkel picked GGK to handle the European launch of its City Men's body deodorant. In Spain, Henkel moved its Shim shower gel and Polykur shampoo brands, worth an estimated $1.5 million in billings, to HDM from GGK.

FRANKFURT, WEST GERMANY—Fiat is expected to pick Michael Conrad & Leo Burnett for the introduction of Tipo autos. D'Arcy Masius Benton & Bowles here and R.G. Wiesmeier Werbeagentur, Munich, also pitched.

SYDNEY—The Australian Trade Practices Commission is blocking Rupert Murdoch's News Corp. from buying John Fairfax Ltd.'s

(Continued on Page 22)

Time is money to nets: $121,860 per :30 spot

By VERNE GAY

NEW YORK—The Big 3 TV networks charged a record $121,860 for an average 30-second prime-time commercial in October 1987, 8% more than the cost one year earlier.

Newly released figures show each network boosted its average 30-second charge, with NBC leading the way and its rivals registering only small increases.

Ratings leader NBC got an average of $150,625 per :30, a 20% increase, while ABC had an October average of $111,800, a 6% increase. CBS trailed with a $103,130 average :30 cost, a 2% increase.

ABC's prime-time average was complicated by "Monday Night Football," which sold at reduced rates in October because of the National Football League players' strike. ADVERTISING AGE's average reflects what the games would have sold for under normal circumstances.

The numbers for October, the first full month of the new TV season, provide the first glimpse of the networks' hugely successful 1987-88 upfront sales market, the period earlier last year when inventory went on sale as much as 52 weeks in advance.

At that time, the networks secured double-digit price increases in cost-per-thousand rates.

> The numbers for October provide the first glimpse of the networks' hugely successful 1987-88 upfront sales market.

Each network has roughly 1,144 prime-time :30s per month, which means the three networks together had a $418 million prime-time sales bonanza in October, not counting the World Series telecasts. Total October network sales for all dayparts were $946 million, according to a Televison Bureau of Advertising analysis.

Due to viewership patterns and advertiser demand during the holiday period, prices are somewhat lower now, while prices in November '87 and April and May of this year, both peak periods, will be higher. November and December figures have not been released.

By using $418 million as a monthly average throughout the 1987-88 broadcast year, the networks could reap $5.019 billion in prime-time ad revenues this year,

(Continued on Page 44)

Ad awareness on the upswing

AdWatch survey of advertising awareness Top 10 in November

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 11/87	10/87	Advertiser	Agency
1	1	California Raisins	Foote, Cone & Belding
2	3	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
3	4	Coca-Cola	McCann-Erickson
4	7	Pepsi-Cola	BBDO Worldwide
5	5	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates
6	6	Ford	J. Walter Thompson USA
7	2	McDonald's	Leo Burnett USA
8	8	Chevrolet	Lintas:Campbell-Ewald
9	—	Toyota	Saatchi & Saatchi DFS
10	—	Tide	Saatchi & Saatchi DFS Compton

By SCOTT HUME

Let's enter the new year on a positive note.

The discussions of personnel layoffs, economic recession, account losses and agency and advertiser belt-tightening that dominated last year's news may have obscured a small but interesting trend: Consumers are paying more attention to advertising.

The California Raisin Advisory Board's campaign was the best-recalled advertising in November, the monthly adWatch survey showed. But possibly more significant was that only 32.2% of those polled were unable to name a specific advertisement when asked to recall the first that came to mind.

That percentage may seem high, but it is comparatively low. Of the 1,000 people interviewed for the November 1986 survey, 49.8% drew a blank when asked which advertising they recalled first.

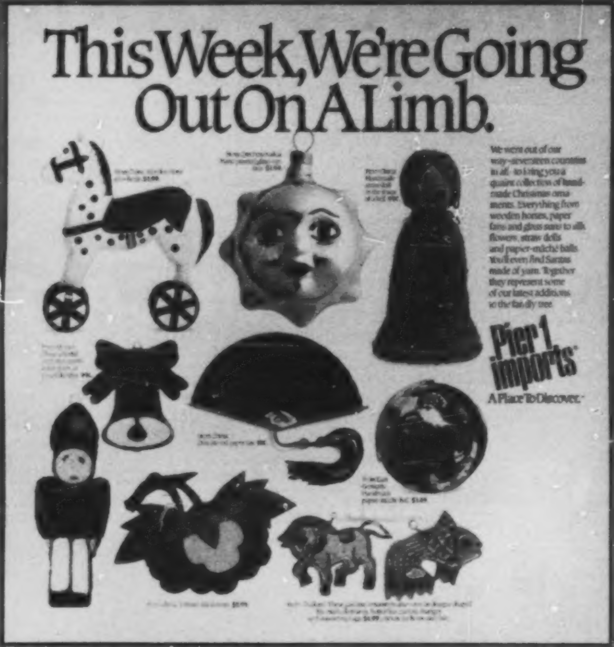
For the survey taken 18 months before the recent survey, the percentage of the sample who did not recall any advertising was almost as high, with 47.1% coming up dry.

The same trend appears in the results for product-specific advertising recall. In November, 13.6% said they could not recall a single ad they had seen, heard or read for soft drinks. A year ago, the "don't knows" accounted for 19.5% of the replies in the soft-drink category. Eighteen months ago, it was 14.5%.

When respondents were asked in November to name the first pet food

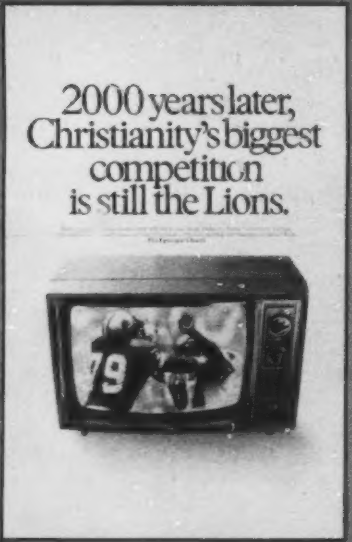
(Continued on Page 44)

BEST OF PRESS

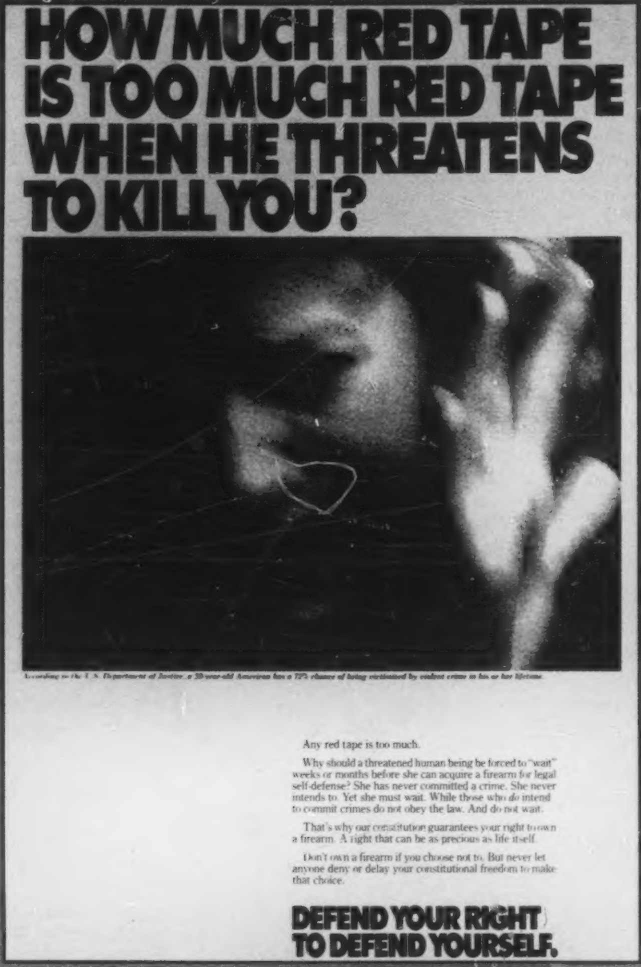


We went out of our way—seventeen countries in all—to bring you a quaint collection of handmade Christmas ornaments. Everything from wooden horses, paper fans and glass suns to silk flowers, straw dolls and paper-mâché balls. You'll even find Santas made of yarn. Together they represent some of our latest additions to the family tree.

Selling Christmas tree ornaments can't be as easy as it looks, and buying them certainly isn't. But here Pier 1 makes it easy for you, using a good headline to sell its one-of-a-kind inventory. Credit the Richards Group, Dallas. Creative directors: Glenn Gill and Grant Richards; copywriter: Ross Myers; art director: Carl Warner; photographer: Jim Bowie.


2000 years later, Christianity's biggest competition is still the Lions.

Credit Fallon McElligott, Minneapolis, for knowing as much about the ritual of the National Football League as the ritual of churchgoing. It shows a church ad, in this case the Episcopal Ad Project, can pack a punch with a light touch. Creative director and copywriter: Tom McElligott; art director: Dean Hanson.


HOW MUCH RED TAPE IS TOO MUCH RED TAPE WHEN HE THREATENS TO KILL YOU?
DEFEND YOUR RIGHT TO DEFEND YOURSELF.

According to the U.S. Department of Justice, a 20-year-old American has a 72% chance of being victimized by violent crime in his or her lifetime.

Any red tape is too much.

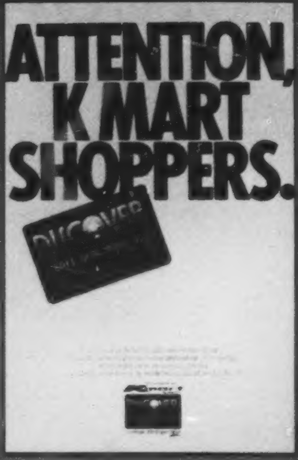
Why should a threatened human being be forced to "wait" weeks or months before she can acquire a firearm for legal self-defense? She has never committed a crime. She never intends to. Yet she must wait. While those who *do* intend to commit crimes do not obey the law. And *do not* wait.

That's why our constitution guarantees your right to own a firearm. A right that can be as precious as life itself.

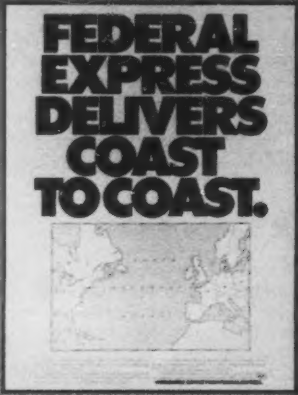
Don't own a firearm if you choose not to. But never let anyone deny or delay your constitutional freedom to make that choice.

Regardless of your politics or opinions about the gun lobby, the common fear and anxiety the ad portrays is inescapable. The artwork is strongest because it's blurred. An unequivocal issue ad from the Ackerman, Hood & McQueen agency, Oklahoma City, Okla., and the NRA. But what else? Creative director: Angus McQueen; copywriters: Tim Odenart and Les Kerr; photographer: Michael Ives.

Best of Press selections are made by a committee of three: Hank Simons, VP-creative director, Newspaper Advertising Bureau, New York; James Dunaway, VP-information, Newspaper Advertising Bureau; and Patrick Reilly, ADVERTISING AGE newspaper industry reporter. National System Inc., St. Louis, provides tearsheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Reilly in AA's New York bureau.



Remember the joke? Here's the punch line, doing good work for both Sears, Roebuck & Co. and K mart Corp. at once. Credit Cramer-Krasselt, Chicago, for a concept as appealing as a blue-light special. Creative director: Maureen Moore; copywriter: Erica Silins; art director: Virginia Celle.



A strong, but not overpowering, headline and type delivers the message, and the map gives it a twist. So ya gotta read it. Again, credit Fallon McElligott for clearly showing Federal Express is more than a U.S. air service. Creative director: Tom McElligott; copywriter: George Gier; art director: Bob Brihn; artist: Bob Blewett.

Newspaper ad spending sputters

NEW YORK—October was a dud for the major market newspapers tracked by the ADVERTISING AGE Flash Report.

Total spending in 16 key ad categories was up 2% from October 1986, a disappointment after September spending levels ran a strong 11.3% ahead of last year (AA, Nov. 30). It was the second weakest monthly performance of 1987. June fell 3.8% behind the year-ago month.

New-car advertising in newspapers, the engine behind much of the year's Flash Report gains, stalled in October at 1986 levels. The retrenchment by auto advertisers, perhaps flinching at lower projected sales, could not be overcome by strong advances in the amusements, bank and trust company and computer stores and supplies categories.

In a month punctuated by Wall Street's jarring Oct. 19 "Black Monday" plunge, spending in the stock, bond and investment house category approached $3 million, up 20.1% from its 1986 pace.

Overall, 10 of the 16 categories measured for the report by Media Records were up, compared to 12 gainers and four losers the previous month. Results reflect spending by advertisers in 29 daily and 22 Sunday papers.

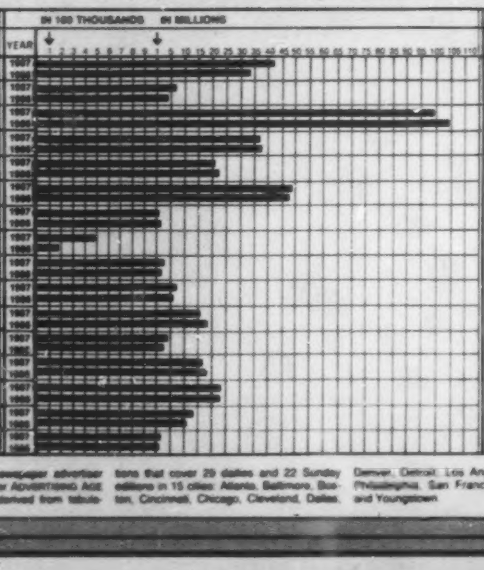
Food stores, like autos, a strong ad spender in September and through much of the year, fell behind 1986 levels in October.

Spending by general-merchandise stores, though up from the year-ago month, advanced only 2.7% after a 12.3% gain in September.

October also dashed hopes that department store spending—the biggest dollar category measured for the report—was rebounding from the weak levels of the summer.

After nearly matching 1986 levels in September, the department store category in October fell $4.6 million, or 4.4%, behind the year-ago pace.

FLASH REPORT: Newspaper advertising investment for October



October 1987		DOLLARS		CHANGE	
CATEGORIES	YEAR	1987	1986	ACTUAL $ G OR L	% G OR L
Amusements	1987 1986	$41,425,190	$33,3[illegible]	8,123,050	+24.4
Computer stores & supplies	1987 1986	6,987,82[illegible]	[illegible]28,783	+2,259,043	+47.8
Department stores	1987 1986	99,872,171	104,471,257	−4,599,086	−4.4
Food stores	1987 1986	37,313,537	37,719,254	−405,717	−1.1
Radio, TV, phonographs, records	1987 1986	20,595,461	22,285,789	−1,690,328	−7.6
General merchandise stores	1987 1986	49,412,457	48,098,087	+1,314,370	+2.7
Alcoholic beverages	1987 1986	2,511,172	2,750,107	−238,935	−8.7
Cameras, photo supplies & services	1987 1986	48[illegible],295	187,103	+294,192	+157.2
Computers, equipment & services	1987 1986	3,018,376	2,063,269	+955,107	+46.3
Public service utilities & communications	1987 1986	7,491,894	6,553,297	+938,597	+14.3
Publishing & media	1987 1986	15,603,393	18,486,570	−2,883,177	−15.6
Cigarettes	1987 1986	4,301,708	3,536,493	+765,215	+21.6
Airlines	1987 1986	17,256,416	17,830,105	−573,689	−3.2
Passenger cars-new	1987 1986	22,424,355	22,056,946	+367,409	+1.7
Banks & trust companies	1987 1986	13,100,553	10,922,388	+2,178,165	+19.9
Stock, bond & investment houses	1987 1986	2,964,880	2,469,035	+495,845	+20.1

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 22 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.

Source: Media Records Inc.

Newspaper Advertising Inches; October 1987 vs. October 1986 (Standard Advertising Units in the Media Records Conversion System)

	1987		1986	
	Full Run	Part Run	Full Run	Part Run
AKRON, OH				
Beacon Journal (M)	107.136	——	111.494	——
Beacon Journal (S)	77.773	——	71.306	——
Grand Total	184.909	——	182.800	——
NOTE: Beacon Journal changed from evening to morning publication effective July 13, 1987.				
ALLENTOWN, PA				
Call (M)	172.101	——	174.276	——
Call (S)	100.598	——	96.796	——
Grand Total	272.699	——	271.072	——
NOTE: Part run figures not available.				
ASBURY PARK, NJ				
Press (E)	213.247	36.302	210.925	35.398
Press (S)	157.129	15.652	151.898	16.939
Grand Total	370.376	51.954	362.823	52.337
ATLANTA, GA				
Constitution (M)	185.808	98.277	193.567	87.045
Journal (E)	173.938	86.801	187.405	86.075
Journal & Constitution (S)	113.482	81.658	132.126	67.721
Journal & Constitution (Sat)	60.507	——	45.956	——
Grand Total	533.735	266.736	559.054	240.841
NOTE: Constitution Morning and Journal Evening published five days a week only				
BALTIMORE, MD				
Sun (M)	148.865	19.498	162.644	7.737
Sun (E)	126.767	19.521	132.662	7.248
Sun (S)	155.427	52.086	166.968	47.647
Grand Total	431.059	91.105	462.274	62.632
BERGEN COUNTY, NJ				
Record (E)	183.010	18.184	187.632	23.424
Record (S)	166.593	42.789	154.959	38.639
Grand Total	349.603	60.973	342.591	62.063
BOSTON, MA				
Herald (M)	98.189	——	108.766	751
Herald (S)	23.644	48.502	21.951	36.441
Globe (M)	167.777	13.271	170.493	20.306
Globe (S)	205.276	43.748	199.685	34.581
Grand Total	494.886	105.521	500.895	92.079
BUFFALO, NY				
News (AD)	114.560	35.089	126.185	26.414
News (S)	52.097	50.998	57.745	35.860
Grand Total	166.657	86.087	183.930	62.274
CAMDEN, NJ				
Courier-Post (E)	143.862	25.615	145.813	19.092
Courier-Post (S)	77.733	22.931	60.611	17.932
Grand Total	221.595	48.546	206.424	37.024
CHARLOTTE, NC				
Observer (M)	143.943	——	145.296	——
Observer (S)	78.797	——	74.261	——
Grand Total	222.740	——	219.557	——
NOTE: Part run figures not available.				
CHICAGO, IL				
*Tribune (M)	142.160	266.085	138.446	270.709
*Tribune (S)	153.122	101.544	[illegible]	116.520
Sun-Times (M)	157.444	87.582	[illegible]	100.520
Sun-Times (S)	61.705	58.069	66.747	[illegible]
Grand Total	514.431	513.280	492.023	526.671
NOTE: Tribune figures supplied by publisher to Media Records. 1987 figures represent advertising for 9/28/87–10/25/87.				
CINCINNATI, OH				
Enquirer (M)	163.078	10.884	179.815	11.138
Enquirer (S)	133.061	8.726	138.765	11.041
Post (E)	87.048	28.574	89.354	21.170
Grand Total	383.187	48.184	407.934	43.349
CLEVELAND, OH				
Plain Dealer (M)	156.578	39.953	155.331	36.341
Plain Dealer (S)	117.232	11.142	124.705	10.023
Grand Total	273.810	51.095	280.036	46.364
DALLAS, TX				
News (M)	281.613	17.066	299.452	15.874
News (S)	164.524	14.139	152.486	12.267
Times-Herald (AD)	202.971	24.095	229.123	45.521
Times-Herald (S)	115.069	28.557	108.229	[illegible]
Grand Total	764.177	83.857	789.290	[illegible]
DENVER, CO				
Rocky Mt. News (M)	275.872	22.333	291.385	6.816
Rocky Mt. News (S)	69.031	27.984	92.842	2.050
Post (M)	166.764	35.516	211.123	12.994
Post (S)	87.435	32.767	111.196	1.132
Grand Total	599.102	118.600	706.546	22.992

	1987		1986	
	Full Run	Part Run	Full Run	Part Run
DETROIT, MI				
Free Press (M)	105.528	65.289	107.742	57.725
Free Press (S)	48.193	48.496	46.493	40.951
News (AD)	178.623	44.909	170.442	48.555
News (S)	98.276	30.695	94.517	26.299
Grand Total	430.620	189.389	419.194	173.530
ESCONDIDO, CA				
Times-Advocate (E)	94.393	2.427	107.080	4.219
Times-Advocate (S)	52.215	——	43.971	35
Grand Total	146.608	2.427	151.051	4.254
FORT LAUDERDALE, FL				
News & Sun-Sentinel (S)	105.131	——	111.186	——
Sun Sentinel (M)	277.192	——	297.839	——
Grand Total	382.323	——	409.025	——
NOTE: Part run figures not available. Morning figures include the Saturday Edition.				
FORT WAYNE, IN				
Journal Gazette (M)	87.551	——	86.993	——
Journal Gazette (S)	73.495	——	74.294	——
News Sentinel (E)	87.281	——	97.360	——
Grand Total	248.327	——	258.647	——
NOTE: Part run figures not available.				
GREENWICH/STAMFORD, CT				
Time (E)	88.987	11.802	91.804	1.119
Time (S)	65.743	7.846	64.271	——
Advocate (E)	116.656	27.096	118.683	16.820
Advocate (S)	65.479	5.452	61.165	2.547
Grand Total	336.875	52.196	335.923	20.486
HARTFORD, CT				
Courant (M)	166.124	48.923	172.087	47.513
Courant (S)	95.248	144.235	89.609	135.540
Grand Total	261.372	193.158	261.696	183.053
HONOLULU, HI				
Advertiser (M)	124.818	——	136.625	——
Star-Bulletin (E)	113.310	——	130.908	——
Star-Bulletin & Advertiser (S)	82.015	——	79.540	——
Grand Total	320.143	——	347.073	——
HOUSTON, TX				
Chronicle (AD)	246.078	34.241	232.688	45.424
Chronicle (S)	123.831	33.772	108.342	38.066
Post (M)	155.456	41.364	147.712	36.562
Post (S)	71.345	34.274	75.337	22.171
Grand Total	596.710	143.651	564.079	142.223
LONG BEACH, CA				
Press Telegram (M)	131.561	45.743	119.400	50.450
Press Telegram (S)	63.936	1.949	66.020	1.993
Grand Total	195.497	47.692	185.420	52.443
LONG ISLAND, NY				
Newsday (E)	113.308	149.696	146.545	124.119
Newsday (S)	77.231	129.095	108.497	83.259
Grand Total	190.539	278.791	255.042	207.378
LOS ANGELES, CA				
Times (M)	327.716	292.626	319.778	304.650
Times (S)	173.366	88.736	164.437	94.374
Herald-Examiner (M)	76.991	7.579	86.585	7.725
Herald-Examiner (S)	17.084	8.157	15.544	9.601
Grand Total	595.157	397.098	586.324	416.350
LOS ANGELES/SAN FERNANDO VALLEY, CA				
News (M)	203.541	26.458	191.694	54.492
News (S)	85.924	3.433	86.608	1.917
Grand Total	289.465	29.891	278.302	56.409
****LOS ANGELES/TORRANCE, CA***				
Breeze (E & S)	221.051	——	220.461	——
Grand Total	221.051	——	220.461	——
NOTE: Figures supplied by publisher to Media Records.				
****MEMPHIS, TN***				
Commercial Appeal (M)	142.725	100.347	139.928	113.738
Commercial Appeal (S)	92.643	11.362	95.934	8.001
Grand Total	235.368	111.709	235.862	121.739
NOTE: Figures supplied by publisher to Media Records.				

	1987		1986	
	Full Run	Part Run	Full Run	Part Run
MIAMI, FL				
Herald (M)	163.054	——	177.273	——
Herald (S)	87.863	——	84.003	——
News (E)	67.247	——	61.989	——
Grand Total	318.164	——	323.265	——
NOTE: Part run figures not available.				
MINNEAPOLIS, MN				
Star Tribune (AD)	128.123	50.517	128.494	25.554
Star Tribune (S)	138.048	2.846	139.160	6.098
Star Tribune (Sat)	34.869	——	25.679	——
Grand Total	301.040	53.363	293.333	31.652
****NASHVILLE, TN***				
Banner (E)	104.487	——	121.595	——
Tennessean (M)	108.790	——	123.120	——
Tennessean (S)	101.116	——	89.024	——
Grand Total	314.393	——	333.739	——
NOTE: Figures supplied by publisher to Media Records.				
NEW BRUNSWICK, NJ				
Home News (E)	101.712	828	105.420	2.354
Home News (S)	82.599	6.295	75.287	8.878
Grand Total	184.311	7.123	180.707	11.232
NEW YORK, NY				
Times (M)	209.383	21.054	212.059	18.159
Times (S)	207.992	147.458	205.095	124.758
News (M)	74.849	95.101	69.217	108.039
News (S)	46.224	83.392	43.906	83.532
Post (AD)	79.737	1.182	62.904	1.192
Grand Total	618.185	348.187	593.181	335.680
NEWARK, NJ				
Star Ledger (M)	236.889	6.299	241.013	6.709
Star Ledger (S)	228.964	32.707	198.276	23.022
Grand Total	465.853	39.006	439.289	29.731
OAKLAND, CA				
Tribune (M)	89.039	80.311	95.478	86.542
Tribune (S)	45.791	40.530	42.321	41.408
Grand Total	134.830	120.841	137.799	127.950
OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY				
Blade-Tribune (E)	97.571	5.507	112.581	6.708
Blade-Tribune (S)	51.653	1.595	46.423	——
Grand Total	149.224	7.192	159.004	6.708
NOTE: Blade-Tribune Evening published five days a week only				
ORANGE COUNTY, CA				
Register (AD)	345.524	85.725	340.945	92.654
Register (S)	120.007	10.196	126.124	6.949
Grand Total	465.531	95.921	467.069	99.603
PHILADELPHIA, PA				
Inquirer (M)	167.880	44.174	176.597	46.791
Inquirer (S)	144.462	61.263	131.528	73.327
News (E)	89.082	4.101	97.425	6.874
Grand Total	401.424	109.538	405.550	126.992
****PHOENIX, AZ***				
Arizona Republic (M)	229.538	[illegible]	[illegible]	13.848
Arizona Republic (S)	150.364	——	[illegible]	——
Gazette (E)	218.894	[illegible]	[illegible]	13.949
Grand Total	598.796	[illegible]	[illegible]	27.797
NOTE: Figures supplied by publisher to Media Records.				
****PROVIDENCE, RI***				
Journal (M)	98.318	119.843	96.115	84.571
Journal (S)	134.219	55.971	112.807	54.493
Grand Total	232.537	175.814	208.922	139.064
NOTE: Figures supplied by publisher to Media Records.				
****ST. LOUIS, MO***				
Post Dispatch (M)	125.520	38.192	114.444	37.431
Post Dispatch (S)	128.771	——	125.313	284
Grand Total	254.291	38.192	239.757	37.715
NOTE: Figures supplied by publisher to Media Records.				
ST. PAUL, MN				
Pioneer Press Dispatch (AD)	105.518	——	107.879	——
Pioneer Press Dispatch (S)	109.278	——	109.453	——
Grand Total	214.796	——	217.329	——
NOTE: Part run figures not available.				
SAN ANTONIO, TX				
Express-News (AD)	124.991	40.508	131.755	40.886
Express-News (S)	74.383	22.954	74.417	35.164
Express-News (Sat)	38.412	——	34.711	——
Light (AD)	122.769	16.082	152.369	23.871
Light (S)	85.873	5.061	94.158	4.940
Light (Sat)	31.627	816	30.347	1.743
Grand Total	477.875	85.121	515.757	106.603
NOTE: Express-News All Day and Light All Day published five days a week only				

	1987		1986	
	Full Run	Part Run	Full Run	Part Run
SAN DIEGO, CA				
Union (M)	239.569	43.513	228.899	44.734
Union (S)	133.026	1.180	130.134	——
Tribune (E)	231.722	41.666	243.897	45.735
Grand Total	604.317	86.359	602.930	[illegible]
SAN FRANCISCO, CA				
Chronicle (M)	142.439	67.625	139.060	84.871
Examiner (E)	136.345	66.788	——	——
Examiner & Chronicle (S)	84.376	27.092	79.599	38.731
Grand Total	363.160	161.505	218.659	123.502
NOTE: 1986 Examiner Evening figures not available				
SAN JOSE, CA				
Mercury News (AD)	303.281	17.860	301.804	29.686
Mercury News (S)	144.745	——	142.412	——
Grand Total	448.026	17.860	444.216	29.686
****STATE COLLEGE, PA***				
Centre Times (E)	86.960	4.879	94.635	9.486
Centre Times (S)	41.941	444	43.080	568
Grand Total	128.901	5.323	137.715	10.054
NOTE: Figures supplied by publisher to Media Records				
****TOLEDO, OH***				
Blade (E)	106.022	——	117.953	——
Blade (S)	109.845	——	106.047	——
Grand Total	215.867	——	224.000	——
NOTE: Figures supplied by publisher to Media Records				
WASHINGTON, DC				
Post (M)	315.198	47.352	303.508	53.810
Post (S)	174.256	35.359	157.435	44.740
Grand Total	489.454	82.711	460.943	98.550
WASHINGTON, DC SUBURBAN GROUP				
Montgomery Journal (M)	70.587	904	76.764	836
Fairfax Journal (M)	81.171	2.383	93.762	1.613
Grand Total	151.758	3.287	170.526	2.449
NOTE: Montgomery Journal Morning and Fairfax Journal Morning published five days a week only				
WESTCHESTER ROCKLAND, NY				
Reporter Dispatch (E)	111.556	18.729	105.445	[illegible]
Reporter Dispatch (S)	93.652	21.051	86.612	[illegible]
Grand Total	205.208	39.780	192.057	45.796
WICHITA, KS				
Eagle-Beacon (M)	115.739	——	123.455	——
Eagle-Beacon (S)	72.869	——	79.410	——
Grand Total	188.608	——	202.865	——
NOTE: Part run figures not available				

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page ....
   Width and Depth in Inches
2. Determine Square Inches of Page ....
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page ....
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page ....
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches ....
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page

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Prime-time

(Continued from Page 3)

less a 15% agency commission. That would represent a 7% increase compared with '86-87 levels. Other dayparts, especially sports, are expected to outperform that.

The total picture is clouded, however, by the ongoing "make-good"—or advertiser rebate—problem now plaguing the networks (AA, Dec. 21).

Prime-time household ratings are off an estimated 10% to date, and when advertisers are guaranteed in upfront buys that certain ratings levels will be met, the network owes make-good time.

If people meters continue to show 10% lower viewing levels throughout the TV year, the networks theoretically could owe as much as $500 million in make-goods to advertisers.

Industry experts, however, say this figure is greatly exaggerated for at least two reasons.

For one, the networks built in artificial increases in their '87-88 CPMs because of the changeover in ratings methodology from diaries to people meters. These so-called "cushions" are expected to soften the blow from decreased viewing levels.

Secondly, the networks usually pay back advertisers with their least expensive—and hardest-to-sell—spot inventory.

Still, the make-good problem is a difficult one for the networks.

"If the ratings picture shows no improvement by February . . . and if advertising shows any sign of slowing down," then two of the three networks would lose money, said Alan Gottesman, an analyst with L.F. Rothschild & Co.

Nevertheless, the networks are riding on an extraordinarily strong sales year, as the price-per-program proves *(see chart)*.

NBC's "Cosby Show" continues to reign as network TV's most expensive program. The show's average $369,500 per :30 increased 4% from October 1986 to October 1987. However, several "Cosby" units have been sold throughout the year for more than $400,000 a :30.

Every NBC show on Thursday night increased its rate, but "Cheers" topped all NBC shows with a 31% increase to $307,000.

ABC's top-priced show for the second year in a row was "Moonlighting," which had a rate increase of 37% to $249,190.

CBS' top performer remained "60 Minutes," which boosted its rate 4% to $160,300.

But the big gainer at CBS was "Magnum, P.I.," which went up 56% to $140,790.

There were some shows registering decline. Among the biggest was former ABC champion "Dynasty," whose price plummeted 30% to $113,540. Close behind was NBC's "Family Ties," which moved from Thursday to Sunday nights, and now has dropped 27% to $219,500. "Dallas" had a surprising 1% decline in October, going to $139,470.

For the full year, revenues could be higher because of the Winter and Summer Olympics.

The unit costs are compiled by Broadcast Advertisers Reports. BAR collects the numbers directly from the networks.#

Networks' 30-second price list, 1987-88 season

Prices reflect the average advertisers paid for a 30-second prime-time unit in October 1987. NBC's average cost was $150,625; ABC has an average cost of $111,820; CBS' average cost is $103,130. The networks provide these numbers to Broadcast Advertisers Reports and A.C. Nielsen Co. The following reflects the most recent schedule with new-for-fall shows shaded in gray; an asterisk (*) denotes where a time period has a different program since October. *Source: BAR and Nielsen.*

		7:00 (ET)	7:30	8:00	8:30	9:00	9:30	10:00	10:30
MONDAY	ABC			MacGyver $90,330		Monday Night Football $195,000			
	CBS			Kate & Allie $102,640	Frank's Place* $100,350	Newhart $149,190	Designing Women $124,790	Cagney & Lacey $115,440	
	NBC			ALF $149,500	Valerie's Family $161,000	NBC Monday Night at the Movies $150,000			
TUESDAY	ABC			Who's the Boss? $197,660	Growing Pains $228,350	Moonlighting $249,190		thirtysomething $125,460	
	CBS			Houston Knights $87,850		Jake & the Fatman $91,520		The Law & Harry McGraw $75,080	
	NBC			Matlock $103,000		J. J. Starbuck $82,000		Crime Story $98,000	
WEDNESDAY	ABC			Perfect Strangers $138,110	Head of the Class $159,290	Hooperman $146,780	The "Slap" Maxwell Story $127,090	Dynasty $113,540	
	CBS			The Oldest Rookie $75,360		Magnum, P.I. $140,790		The Equalizer $134,520	
	NBC			Highway to Heaven $109,000		A Year in the Life $134,500		St. Elsewhere $131,000	
THURSDAY	ABC			Sledge Hammer! $38,740	The Charmings $45,860	ABC Thursday Movie $79,830			
	CBS			Tour of Duty $67,590		Simon & Simon* $85,770		Knots Landing $127,050	
	NBC			The Cosby Show $369,500	A Different World $276,000	Cheers $307,000	Night Court $257,500	L.A. Law $205,000	
FRIDAY	ABC			Full House $79,780	I Married Dora $68,660	Mr. Belvedere* $89,960	Pursuit of Happiness* $79,090	20/20 $80,000	
	CBS			Beauty & the Beast $68,900		Dallas $139,470		Falcon Crest $99,700	
	NBC			Rags to Riches $91,500		Miami Vice $171,500		Private Eye $124,000	
SATURDAY	ABC			Ohara* $55,680		Sable* $37,070		Hotel $83,480	
	CBS			CBS Saturday Movie* $57,000-$100,000				West 57th $48,120	
	NBC			Facts of Life $107,000	227 $111,500	Golden Girls $182,500	Amen $135,000	Hunter $121,500	
SUNDAY	ABC	Disney Sunday Movie $78,734		Spenser: For Hire $64,530		The Dolly Parton Show $138,210		Buck James $94,370	
	CBS	60 Minutes $160,300		Murder, She Wrote $140,560		CBS Sunday Night Movie $121,020			
	NBC	Our House $92,500		Family Ties $219,500	My Two Dads $189,000	NBC Sunday Night at the Movies $155,000			

Ad recall up

(Continued from Page 3)

advertising they recalled, 32.3% drew a blank, compared with 39.5% a year ago and 38.1% 18 months ago. It is possible that the number of pet owners has increased significantly or that November's sample was somehow more tuned in to advertising, but not likely.

Interestingly, overall recall was higher in November 1987 for *every* product category tracked by adWatch than it was for surveys taken one year and 18 months ago.

For one possible explanation of this admittedly unscientific hypothesis, it may not be necessary to look beyond the advertising that ranked as the best recalled in November.

The California Raisin Advisory Board's dancing raisins are not cult figures that transcended the advertising. They drew attention to the craft of advertising. Those commercials added the word "Claymation" to many people's vocabulary.

Several other ad campaigns that ranked among the best-recalled during 1987 also were remembered and discussed as examples of the craft. McDonald's Corp.'s "Mac Tonight" spots combined a familiar song with memorable art direction, sparking a sharp rise in recall.

The witty monologues at the heart of the campaign for E&J Gallo Winery's Bartles & Jaymes wine cooler have drawn as much attention to the craft of advertising copywriting as they have to the two actors who play Frank and Ed.

Similarly, the campaigns for Anheuser-Busch's Bud Light and Miller Brewing Co.'s Miller Lite have ranked among the best-recalled advertising every month in 1987, in part because consumers are watching to see what the creators think of next.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind from all seen, heard or read in the previous 30 days.

In November, 1,000 adults were polled by telephone. Those changes in advertising awareness deemed statistically significant by adWatch researchers are attributable to more than sample variation.

There were a few significant changes in the November survey. Among them:

- Apple Computer's multimedia campaign continues to gain awareness in the **computer** category. In November, Apple's advertising came to mind first for 30.7% of the sample, up 4.4 percentage points from October. Since April, when Apple fell to second place with a 21.1% share of first mentions, it has increased its share by nearly 50%.

IBM Corp. has settled back into second place after taking the top spot in April. In November, it garnered 20.2% of first mentions, down 2.1 points from October. Radio Shack was third in November with a 3.6% share.

- The **wine** category continues to be a battle of Hal Riney & Partners campaigns. In November, the agency's advertising for Gallo wines strengthened its hold on first place with 15.6% of first mentions, up 2.5 points.

Recall of Bartles & Jaymes wine cooler advertising fell 5.2 points to a 6.9% share and third place. Riunite moved into the No. 2 spot with 7.8% of first mentions.#

For more information or data, contact SRI Research Center, 301 S. 68th St. Lincoln, Neb. 68506. Phone: (402) 489-0351.

Whittle spruces up division

Campus Voice changing

By PATRICK REILLY

Whittle Communications' Campus Voice Network division is undergoing a revamp.

Reacting to industry rumors that *Campus Voice*, a 1.2 million-circulation magazine, will fold this spring, media entrepreneur Christopher Whittle said the magazine and its Campus Voice Biweekly wall posters will make "significant advancements.

"We will change the look, the packaging and the marketing of Campus Voice," said Mr. Whittle, founder and publisher at the Knoxville, Tenn.-based company. "There will be big changes."

Mr. Whittle is being secretive about the planned changes, except to say that *Campus Voice's* distribution of three times a year could be increased. He said the division's sales staff will begin selling the magazine to advertisers this week and that changes would appear in the fall 1988 issues.

The newsy wall posters, changed every two weeks during the academic year, are on more than 5,000 campuses in fixed positions, such as student centers.

Mr. Whittle said there would be little change in the Campus Voice Sampler, which distributes more than 1.2 million product-sample boxes.

The new effort will mean revenues from student publications, wall posters and sampling will increase 29.4% to $11 million in 1988, Mr. Whittle said.

Campus Voice, formerly known as *Nutshell*, was one of Mr. Whittle's original properties and was one of the first magazines to target college students directly when it was launched in 1969.

Today, *Campus Voice* is distributed free on more than 400 college campuses and carries an estimated 52% of all national advertising in the student publications.

However, the lucrative college market has become crowded and increasingly competitive. There are now as many as 16 college magazines taking national advertising. The most high-profile and well-funded publications include McGraw-Hill Publications Co.'s *Business Week Careers*, Newsweek Inc.'s *Newsweek on Campus* and Time Inc.'s *Student Life*.

Newsweek on Campus, launched in 1982, has a circulation of 1.3 million on 224 campuses. *Student Life*, which was renamed from *Dorm* when it was bought by Time Inc. last year, has a circulation of 1.2 million and comes out twice a year.#

C2710-1

**************3-DIGIT 200
020190949 AA00 8803 COMP 06Z
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

e—P. 33 | George Will on ads—P. 66

NEWSPAPER

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January 18, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

WPP may unveil new European network

London—WPP Group could announce early this week the formation of a new European agency network affiliated with Lord, Geller, Federico, Einstein, New York. WPP executives are meeting with the network's potential first client, Milan-based automaker Alfa Romeo, which is considering agencies for its $25 million account. Lintas Worldwide previously handled $14 million in Alfa Romeo billings in seven European countries but was not free to handle the automaker throughout Europe. Paul Huybrechts, a 24-year J. Walter Thompson veteran and international VP who has worked on Ford business in Detroit and Europe, most recently in Madrid, would leave JWT to become account group director for Alfa Romeo Europe. The network would be run separately from WPP's J. Walter Thompson Co., New York, a major U.S. agency of Ford Motor Co., Dearborn, Mich.

NutraSweet plans fat substitute

Skokie, Ill.—NutraSweet Co. on Jan. 27 will announce that it has developed a low-calorie, low-cholesterol fat substitute, *Crain's Chicago Business* reports. Pending approval by the Food & Drug Aministration, the company expects to use the dairy-based substitute first in ice cream, perhaps to be marketed under NutraSweet's own retail brand

(Continued on Page 8)

CBS lashes out at meter 'flaws'

By VERNE GAY

New York—CBS has launched a high-level assault on A.C. Nielsen Co. by denouncing the new people-meter system as "unacceptable" and a threat to the entire network television industry.

In a "private" letter to Nielsen Chairman John Holt, CBS/Broadcast Group President Gene Jankowski demanded that errors plaguing the new system be corrected.

Copies of the letter were circulating among several major network advertisers and key ad agencies last week.

The Jankowski letter, dated Dec. 23, is drawing applause from some agency executives, who praised the CBS executive for stepping up the pressure on Nielsen.

Mr. Jankowski's letter also demanded that Nielsen begin an "independent validation" to determine whether the ratings, upon which the networks base their advertising rates, were correct. His language was blunt.

"We have reviewed the performance of the new people-meter service over its first three months of operation as the official Nielsen measurement of national television audiences, and we find that performance unacceptable," Mr. Jankowski wrote.

"More importantly, we find that the shortcomings of the Nielsen people-meter service have already had a disproportionate economic impact on the television network industry and, if not corrected, will

(Continued on Page 92)

P&G, Disney link videos, products

By WAYNE WALLEY

Procter & Gamble Co. is offering free Disney videocassettes with product purchases in a major winter promotion.

In cooperation with Walt Disney Home Video, P&G will offer buyers of specially marked packages of Ivory dishwashing liquid and Tide laundry detergent a free "Special Edition" of Disney's "Cartoon Classics" collection of videotapes by mail.

The Cincinnati-based marketer will support the giveaway with an estimated $15 million national TV and print ad blitz this month.

A 30-second spot from Saatchi & Saatchi DFS Compton, New York, first aired Jan. 15 and will continue through Jan. 31, when the initial phase of the campaign ends with the cover page of a free standing insert in 48 million Sunday newspapers.

Burbank, Calif.-based Disney estimates P&G will distribute as many as 1 million of the specially produced "Cartoon Classics" tapes during the six-month offer.

Disney, which sold an estimated 3 million copies of its "Lady & the Tramp" videotape at $29.95 this past holiday season, will support the giveaway with its own point-of-purchase displays at video stores. The displays, created in-house, also tout Disney's 10-volume cartoon series priced at $14.95 per tape.

The free cassette, in addition to its three cartoons and special introduction, includes a trailer for the other "Classic Cartoons" tapes.

P&G, looking for a 1988 follow-up to its extensive multibrand "Great American Key Hunt" promotion with General Motors Corp. last year (AA, Feb. 23), approached Disney with the idea. "We were obviously interested," said Carole Black, VP-marketing at Walt Disney Home Video. "I knew what it meant to be associated with Tide, and February has always been 'Tide month,' when the company likes to put on

(Continued on Page 92)

Wine coolers press agencies to ignite sales

By PATRICIA WINTERS

Wine cooler marketers, suffering problems with celebrity spokesmen, are pressuring their ad agencies to come up with new creative in time for the key spring/summer selling season.

Leader Joseph E. Seagram & Sons, New York, is unlikely to renew its contract with Bruce Willis for Seagram Golden wine coolers and is asking Ogilvy & Mather to create a new cooler campaign that will be as successful as the Willis campaign.

E&J Gallo Winery, Modesto, Calif., which markets Bartles & Jaymes wine coolers, has asked Wieden & Kennedy to develop speculative creative based on characters Frank Bartles and Ed Jaymes, sources said. Levine, Huntley, Schmidt & Beaver also is talking to Gallo about a campaign.

This development is occurring despite reports that Richard Maugg, who portrays Ed Jaymes, says he is uninterested in working with any agency other than Hal Riney & Partners.

San Francisco-based Riney resigned the $75 million account in December (AA, Dec. 7).

The Willis campaign for Seagram's wine coolers is widely credited with helping the brand vault over Gallo into the leadership position of the category from fourth place two years ago.

Concerned the account will be

(Continued on Page 92)

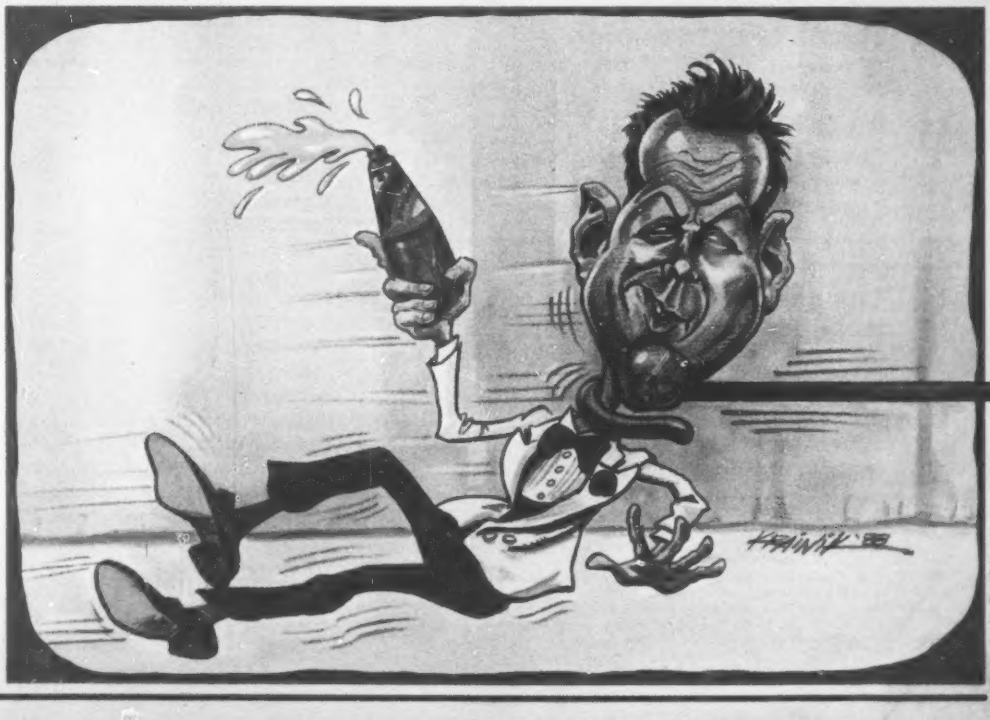


Illustration by David Krainik

FOCUS ON AGENCIES

Fallon rues 'joke'

Agency cast in unfamiliar, negative role

By BOB GEIGER

MINNEAPOLIS—Irv Fish says he has not felt so much heat since the offices of Martin/Williams Advertising, where he worked, burned to the ground in 1978.

But Mr. Fish, as Fallon McElligott's chief financial officer, knows that FM's predicament is no joke.

The question at the agency last week was how many potential presentations FM has lost through a clumsy attempt at humor that has put the agency—which has grown in its seven years to $130 million in billings—in a very unflattering spotlight.

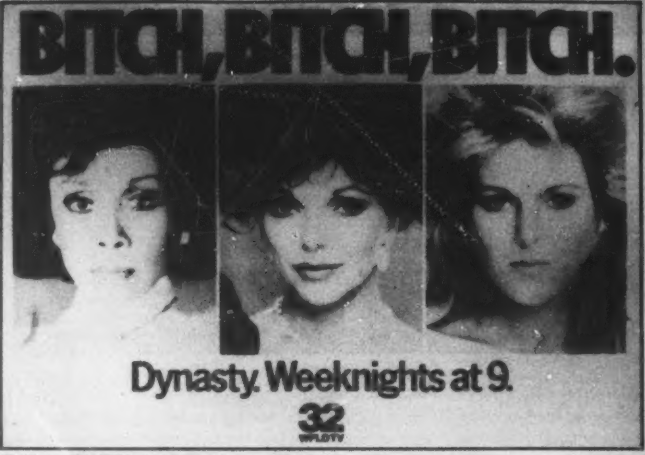
The crude responses to a woman's written complaint about an FM presentation's use of the words "bitch" and "whores" already have cost the agency five-year client US West's $9 million corporate account, have put other clients in an uncomfortable position and threaten to brand fast-rising FM permanently as callous and arrogant.

The incident has sobered agency executives here and elsewhere, as they watched a shop—accustomed to winning accounts, creative awards and praise—let a thoughtless action become the focus of embarrassing national media coverage.

"The silver lining is that it's heightened all of our awareness," said Lee Lynch, chairman of Carmichael Lynch.

It all started when Neala Schleuning, director of the Mankato (Minn.) State University Women's Center, wrote to Charles Anderson, a partner in FM subsidiary Duffy Design Group (AA, Jan. 4). She objected, in part, to a print ad FM had done for WFLD-TV, Chicago, pro-

(Continued on Page 92)


BITCH, BITCH, BITCH.
Dynasty. Weeknights at 9.
32
WFLD-TV

Fallon McElligott's ad for WFLD-TV, Chicago, was one spark that caused the ire of Neala Schleuning and others. Agency brass responded with mocking letters, and now FM is awash in bad publicity.

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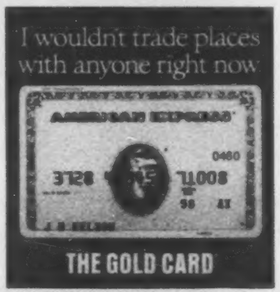
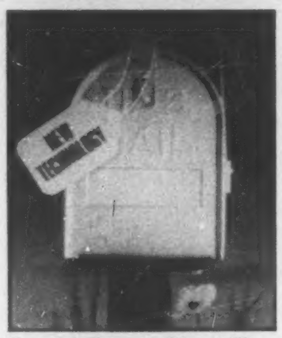
BBDO Worldwide's interest in buying Brazil's second-largest shop signals parent Omnicom Group's desire to boost its status there.


I wouldn't trade places with anyone right now.
AMERICAN EXPRESS
THE GOLD CARD

AD REVIEW: The attitude of money. Page 94.



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Were JWT firings a 'financial thing'?

By GARY LEVIN
and JON LAFAYETTE

NEW YORK—The recent firing of five highly paid senior executives at J. Walter Thompson Co. was motivated by either money or politics, sources say.

Gone are John Cronin, 56, vice-chairman and chief advertising officer of the company, as well as four exec VPs: Harold Clark Jr., 52, charged with organizational development; Ronald Kovas, 45, recently on assignment at JWT's Hill & Knowlton PR unit but earlier regarded as heir apparent to ousted chairman Don Johnston; Terence Martin, 44, the latest in a series of top finance and administration officers; and Stephen Salorio, 45, general counsel and secretary (AA, Jan. 11).

Mr. Clark believes the firings—which saved the agency nearly $2 million in salaries and bonuses—were motivated by the need to increase profits for the company's new shareholders.

"In [JWT Chairman-CEO Burt Manning's] mind I think it was purely a financial thing," Mr. Clark said. "He's not a vindictive man. People who say he's out to get Johnston people don't know him very well."

Emma Hill, analyst at Wertheim Schroder & Co., said Mr. Manning's mission is to "change a fat corporate culture."

She said the agency had a number of highly paid executives and that she expected Mr. Manning to change the compensation system to a bonus arrangement that would reward performance.

But others said the firings were a determined effort by top management—WPP Group CEO Martin Sorrell and Mr. Manning—to rid the company of the last executives nurtured by Mr. Johnston, almost a year to the day after events were set in motion leading to the takeover of JWT.

"My view is that Burt Manning is totally entitled to build his own management team," Mr. Cronin said. "I guess he has to make his own judgments on who he wants on that [team]. He doesn't want me and he told me so."

Messrs. Clark and Cronin together worked on the "advertising management group" and were charged with developing the "Thompson Way," a philosophy of planning and creating ads.

In an internal memo, Mr. Manning

(Continued on Page 92)

L.A. shop taps new president

DDB gets boost

By CLEVELAND HORTON

LOS ANGELES—DDB Needham Worldwide named Dave Park, chairman-ceo of a sister agency in Hawaii, to fill the vacant post of president of DDB Needham here.

Mr. Park, 45, replaces Richard Edler, who left 18 months ago to become exec VP-general manager, McCann-Erickson.

Mr. Parks comes from Milici Valenti Park & Gabriel, Honolulu. After Mr. Edler's departure, DDB Needham West President Alan Pando, who heads five western DDB Needham agencies including MVP&G, acted as president of the Los Angeles shop.

At MVP&G, President Frank Valenti becomes chairman-ceo and Exec VP-Creative Director Tom Gabriel becomes president.

Mr. Park's appointment marks the "culmination of the reorganization" at DDB Needham here, Mr. Pando said.

The agency suffered a string of defections among its senior ranks since Mr. Pando took over in early 1986 (AA July 27, 1987).

Mr. Pando said that with the exception of three people, the departures were "all part of the same reorganization I planned from the day I got here. My idea is run it [the agency] lean."

Mr. Park's new assignment takes effect immediately, but Mr. Pando expects a two-to-three-month transition period during which Mr. Park will split his time between Los Angeles and Hawaii.

Mr. Park spent 22 years in advertising in Hawaii. He founded Mayfield Smith Park in 1969, and 16 years later merged it with DDB agency Milici Valenti.#

Olympic ad onslaught begins

By PATRICK McGEEHAN

With the Winter Olympics in Calgary, Alberta, just four weeks away, dozens of U.S. companies are unleashing advertising and promotion campaigns in the biggest commercial onslaught ever for the Winter Games.

Nine global sponsors paid the International Olympic Committee a total of $120 million to become official sponsors of the Summer and Winter Games and of most national Olympic committees.

The Summer Games will be held in Seoul, South Korea, in September.

The U.S. Olympic Committee, which organizes all activities of the U.S. team, raised more than $70 million from 42 companies, said John Krimsky, deputy secretary general of the USOC.

On top of those sponsorship fees, advertisers will spend $360 million to advertise on ABC-TV's 97-hour broadcast of the Winter Games, industry sources said.

Four years ago, ABC paid a staggering $309 million rights fee for the Calgary Games, more than three times what it paid to carry the 1984 Winter Games from Sarajevo, Yugoslavia.

The network said it will lose money on the Winter Games. "We did the best job ever of marketing the Olympics, and we are very pleased with sales," said Larre Barrett, VP-Olympic sales for ABC.

U.S. Olympic Committee sponsors

Adidas
Jeep
Blue Cross/Blue Shield
Campbell Taggart
Clairol
Maxwell House
Gillette
Merrill Lynch Realty
McDonald's
United Airlines
Waste Management
ALCOA
Anheuser-Busch
Briggs & Stratton
Canon
Data General
General Motors (Buick)
Hilton Hotels
Motorola
Uniroyal
Xerox

T.O.P. sponsors*

Brother Industries
Federal Express
Matsushita
Philips
Visa
Coca-Cola
Kodak
3M
Time

XV Olympic Winter Games sponsors

Anheuser-Busch
Safeway
IBM
Motorola
Petro-Canada
Shell Canada
Atco Development
Buick
Labatt's
Nova (energy)
Royal Bank of Canada
Xerox

* The Olympic Programme, which includes sponsorship of Winter and Summer Games and U.S. team. *Source:* Ad Age.

ABC began selling prime-time 30-second units at $255,000 and now is asking $300,000. Saturday and Sunday daytime units started at $100,00 and are now $125,000; late-night sold out for $60,000 to $75,000. About 2% of ABC's inventory is left for sale.

Notable Olympics-related advertising and promotion plans include:

- Chrysler Corp., Highland Park, Mich., and Ford Motor Co., Dearborn, will share the $50 million automotive category on ABC's broadcast, though Detroit-based General Motors Corp.'s Buick division is the official car sponsor of the USOC.

GM of Canada is supplying vehicles for the Winter Games, and Chrysler's Jeep brand is an official sponsor of the USOC.

Ford, which purchased an estimated one-quarter of ABC airtime, will divide it between corporate commercials and Ford and Lincoln-Mercury division spots.

Ford also is advertising in *Sports Illustrated's* special Olympics issue, and Ford's Lincoln-Mercury division has developed a retail-oriented commercial for its dealers to air during post-Olympics programming.

The campaign, entitled "Drive for the Gold," shows the Mercury emblem resembling an Olympic gold medal.

- Coca-Cola Co., one of the nine official global sponsors, will be the only soft-drink advertiser on the broadcasts of the Winter and Summer Games.

"Can't You Feel It," a song commissioned by the Atlanta-based company that will be sung by the Coke World Chorus at the opening ceremonies in Calgary, will be used in a new TV spot, themed "Thirst for greatness."

That spot, via McCann-Erickson, New York, will break in early February and run through the Winter Games.

Two other new spots, one from McCann and one from Lintas:New York, will run during the Winter Games. An Olympics-theme spot for Coca-Cola Classic is airing in Canada.

Coca-Cola also is sponsoring a "pin-trading" center in downtown Calgary, where its Olympic pins and those produced by other sponsors will be on sale.

The company's Olympics-related marketing activity "exceeds by 50%" the commitment made by Coca-Cola USA in 1984.

- Philips Lighting Co., Somerset, N.J., whose Netherlands-based parent company is a worldwide sponsor, will spend $3 million on network TV for the Winter Games

(Continued on Page 90)

Brewer names new ceo

Miller under pressure

By SCOTT HUME

NEWS ANALYSIS

A top management shift at Miller Brewing Co. last week is the latest, strongest sign that parent Philip Morris Cos. is losing patience with the brewing unit's performance.

It also may set the stage for another Australian buyout of a major U.S. brewer, industry observers suggest.

Newly named Miller President-CEO Leonard Goldstein, 60, formerly senior VP-sales, faces a mandate to build Miller's sales volume, a goal that eluded his predecessor, William Howell, 57, who elected to take an early retirement and move to Florida.

If Milwaukee-based Miller does not show substantial improvement in 1988, PM is expected to sell the company, just as it did last year with Seven-Up Co.

"It's clear PM has been putting the screws on to get [Miller's] numbers turned around," said John Collopy, analyst at Cleary, Gull, Reiland, McDevitt & Collopy. "It's a 'do it or else' situation, and I think the job had become more of a pressure cooker for Bill Howell than he wanted. I don't doubt for a minute that Miller is for sale."

Industry sources say PM has been looking for bids in the $2 billion range for Miller. If 1988 production shows little gain, New York-based PM could begin entertaining lower, more reasonable offers, they say.

One frequently mentioned potential bidder is John Elliott, chairman of Australia's Elder's IXL Ltd. brewery. His longtime Australian

(Continued on Page 93)

Magazines' ad breaks go over big

By PATRICK REILLY

NEW YORK—Time Inc. believes its highly promoted Max-Plan corporate ad discount is an early success.

But *Newsweek* and *U.S. News & World Report* say they have lost no ground in the newsweekly ad wars.

In the battle of Max vs. Match (*Newsweek*) vs. Flex (*U.S. News*), Time Inc. executives boast that the 461 advertisers signed for Max-Plan by Dec. 31 far exceeded their original estimates.

Time Inc. Magazine Group Senior VP Richard B. Thomas, the originator of Max-Plan, said Time originally thought the plan would

(Continued on Page 91)

World News Roundup

BRUSSELS—The European Parliament, in its report on TV broadcasting, advocates strong government control of advertising. The report also recommends a limit of 15% of airtime for advertising, with no more than 18% on any one hour taken up by advertising. A ban on tobacco advertising and strict curbs on alcohol commercials were upheld.

MADRID—Pepsi-Cola de Espana will aggressively promote Michael Jackson's concerts in Spain, hoping to boost its share of the Spanish cola market from 14% to 25%. PepsiCo, through J. Walter Thompson Co., will increase its Spanish ad budget by 50% to $4.1 million and launch caffeine-free Pepsi in mid-1988.

TORONTO—Levi-Strauss Canada moved its $3.1 million account to Harrod & Mirlin from DDB Needham Worldwide.

LONDON—Eddie Shah, founder of the unsuccessful *Today* tabloid, which later was sold to Rupert Murdoch's News Corp., is

(Continued on Page 69)

Jesse Jackson unveils TV effort

Candidate places spots on cable

By STEVEN W. COLFORD

★★★★ Campaign 88

JESSE JACKSON

The Rev. Jesse Jackson, the only major presidential hopeful other than Gary Hart to eschew campaign advertising to date, this week breaks his first TV spots in Iowa and New Hampshire.

The 10 and 30-second "issue-oriented" cable TV spots will spotlight the Rev. Jackson in classic "talking-head" fashion, said campaign manager Gerry Austin, whose Columbus, Ohio, agency, Gerald J. Austin & Associates, is producing all the ads.

In commercials filmed last weekend and this week, the Democrat speaks to such broad themes as justice, peace and economic freedom, in anticipation of the first voter preference tests next month in Iowa and New Hampshire, Mr. Austin said.

Mr. Austin is a public relations and political consulting veteran whose previous clients included Ohio Gov. Richard Celeste. He said the Jackson TV campaign will break Jan. 22 in Iowa and continue through the Feb. 8 party caucuses, the first preference voting of campaign '88.

In New Hampshire, the campaign's first advertising breaks Feb. 9 and continues through the Feb. 16 primary, Mr. Austin said.

The campaign made heavy buys on Cable News Network, ESPN and Financial News Network in both states; the Yankee Cable Network, a Concord, N.H., cable program producer and distributor; and the Country Music Channel in Iowa, Mr. Austin said.

The buys were made on cable systems largely because of financial constraints. Although Mr. Austin said he also plans to buy time on broadcast outlets in both states, his explanation for buying cable first was forthright: "We can afford it."

He said the campaign's cable expenditure of $22,000 in Iowa was "about a third the cost" of a comparable broadcast purchase. Mr. Austin added, "I'd buy broadcast first if I could, but . . ."

In his first presidential foray in 1984, the Rev. Jackson used essentially no campaign advertising. Certainly, his name recognition is not expected to receive any measur-

(Continued on Page 94)

Sears may hold winning card

Prospects brighten for Discover

By LAURIE FREEMAN and KATE FITZGERALD

Credit card watchers and market analysts are spotting signs that Discover, the troubled Sears, Roebuck & Co. card, may have turned the corner.

The most recent encouraging news occurred over the Christmas holidays, when even Sears officials were surprised at the card's strong use, following an intense Christmas marketing campaign created by J. Walter Thompson USA, Chicago.

JWT has been replaced on the $42 million account by DDB Needham Worldwide (AA, Nov. 23).

Paul Marrone, VP-media relations at Dean Witter Financial Services, the Sears unit that administers and markets the card, said the "phenomenal December" has caused executives to "re-evaluate Discover's position in a very crowded and mature industry. Our commitment is firm, and we have a lot of new things planned for 1988."

Across the board, analysts see reason for optimism.

"We think Discover is easily going to become the third big credit card, after Visa and MasterCard," said John DeMarco, VP at Payment Systems Inc., Tampa, Fla., a credit card industry research company. "Right now they're the second-biggest issuer of credit cards, behind CitiCorp."

Citicorp also is the industry leader in credit card volume.

"Their strategy was to first get the cards into the hands of consumers, and our research shows that 16% of all households now have a Discover card," Mr. DeMarco said. "Next they started working on merchant acceptance of the card, and they're still at it. The next step will be to get people to use the card."

John Love, publisher of *Credit Card Management*, a Chicago-based magazine, also believes Discover will succeed and become profitable, possibly even before the end of 1988.

"If you look at Discover right now and conclude that Sears is about to fold up its tent on the project, you're not realizing the practical start-up costs of a brand-new major credit card," Mr. Love said. He thinks Discover may begin to turn a profit by the third quarter.

The new optimism comes at a critical juncture for Discover. Competition in the $200 billion credit card industry is fierce, and profit margins are down, forcing marketers to rely on raiding rivals to boost market share.

Card issuers are slashing interest rates or working with companies and organizations to launch "affinity" cards that are issued jointly for cross-marketing synergies.

Sears already has spent more than $200 million to introduce and support the card. Although Discover in two years has attracted more than 22 million cardholders, it has not proved it can be a real force in the industry dominated by Visa and MasterCard.

"The Discover card has a built-in loss situation" because Sears does not charge an annual fee, said Spencer Nilson, publisher of *The Nilson Report*, a Santa Monica, Calif.-based credit industry newsletter. "While the bank cards are structuring their programs to meet consumers' needs, Discover has one formula. They can't possibly offer what the bank cards do."

Discover's rocky road

Leo J. Shapiro & Associates, Chicago, asked 450 people the following questions.

Will you apply for the Discover Card?	
Definitely	11%
Maybe	19%
Definitely not	70%

If you have a credit card, which do you use most often?	
Visa	60%
MasterCard	47%
American Express	42%
Discover	14%

But the optimists outnumber the pessimists. Bruce Brittain, principal at Brittain Associates, Atlanta, believes Discover will turn a profit but not in 1988.

"Sears is going to keep throwing money at Discover, and they'll accomplish what they set out to do," he said. "But I don't see how they're going to reach their goal of profitability this year."

Merchant acceptance has indeed been slow, though large retailers are starting to come aboard, including K mart Corp.

The question Dean Witter and DDB Needham are wrestling with is whether Discover can find a permanent place in consumers' wallets.

"That's a question that they [Sears] haven't answered to the satisfaction of the consumer," said Leo J. Shapiro, principal of Leo J. Shapiro & Associates, a Chicago-based market research company. "If the point is to use it as a financial services card, then there are cards that are far better. They have a program that's not going anywhere and, at this point, they should be [considering whether to] sell out to Visa or MasterCard."

An independent study by Shapiro indicates Sears is far from its goal of making Discover a major card. Nearly 70% of the 450 persons surveyed said they had no intention of applying for the card.

In April 1986, when the card was introduced, 71% of those surveyed said they would not apply. In May 1987, even after JWT's $40 million ad campaign was in full swing, 70% of respondents said they would not apply for a Discover card.

Also, those who have received a Discover card apparently are not inclined to use it instead of a Visa or MasterCard, the study showed.

Mr. Nilson said Discover cardholders tend to charge less on Discover than on other credit cards. The average Discover charge is $35, compared with Visa's and MasterCard's $60 per purchase. Discover's revolving balances also are lower, $550 per month to the bank cards' $1,000 monthly average.

The need to spur card use prompted the shift of the $42 million Discover account to DDB Needham from JWT.

Although it was JWT's last campaign, during December, stressing usage, that handed Dean Witter its Christmas bonus, sources trace the split in part to the agency's support for marketing strategy focusing on Sears' long-term goal of making Discover an integrated financial services card.

When Sears decided that Discover first should be established as a credit card, JWT found itself at odds with the company.

DDB Needham's first campaign, which will start in late spring, is expected to accentuate Discover's credit card capabilities with more direct comparisons to Visa and MasterCard.

Dean Witter still sees Discover as the first step in linking elements of a financial network.

But there are indications that Discover's ultimate goal is being tempered. In an interview last year with *Crain's Chicago Business*, a sister publication of ADVERTISING AGE, Robert Wood II, chief operating officer of Dean Witter's consumer banking division, said, "From day one, our initial goal was to make money as a credit card. You don't invest $200 million after-tax on the hopes that this is going to be an access vehicle to a lot of banking services."#

Credit card marketers go for gold

By JUDITH GRAHAM

The big three credit card marketers will tangle over the lucrative gold card business this year.

The struggle will pit Visa USA, introducing its Visa Gold credit card in April, against American Express Co. and MasterCard International.

Gold MasterCard unseated Visa's Premier card from the No. 1 spot in the prestige credit card category last year. Visa's Premier card will be replaced by Visa Gold.

At stake is market share in one of the fastest-growing and most lucrative segments of the credit card business. Gold cardholders pay larger yearly fees, charge more on their cards and tend to have larger unpaid monthly balances, industry experts say.

MasterCard says it led the gold card field in December, with 6.5 million Gold MasterCards, compared with 5.5 million Visa Premier cards and 5 million American Express Gold Cards.

Gold cards from AmEx, MasterCard and Visa, including the Premier card, have captured about 66% of the $145.1 billion U.S. prestige card category, according to *The Nilson Report*, a Santa Monica, Calif.-based credit card industry newsletter. That market includes prestige cards from Citicorp Diners Club and others.

Based on dollar volume, Gold MasterCard led the category in 1987 with cardmember charges of $35.4 billion, followed by Visa Premier with $32.2 billion and AmEx Gold with $28.4 billion, Mr. Nilson said. Those figures do not include AmEx's Green and Platinum cards, which also serve an upscale clientele.

Visa Gold is "the most important thing we're doing this year in terms of product development," said David Roberts, advertising manager for the San Mateo company.

MasterCard, New York, assumed dominance in the category in 1987 because "they were more aggressive in selling, they had a unified look and they had a better set of features," he said. In contrast, Visa's Premier cards, controlled more closely by individual banks, had different names, colors and images.

While declining to give details of the upcoming ad campaign, Mr. Roberts said, "Everything we've done since we hired BBDO Worldwide in 1985 is to prove that Visa is better than American Express. We're pretty wedded to that strategy."

AmEx launched its first TV campaign for its Gold Card last November via McCann-Erickson.

The new emphasis on TV will cause Visa to boost ad spending for the prestige category significantly, Mr. Roberts said.

Asked how AmEx intended to respond to Visa's challenge, an AmEx spokesman said, "As the saying goes, imitation is really a form of flattery. But today's sophisticated consumers know the difference between an imitator and the real thing. They know you can't tell a card by its color."

Even before Visa announced its new credit card, MasterCard was planning to focus more attention in the first quarter on its Gold MasterCard. "Our gold card is our fastest-growing product. We want to get behind it while it's growing," said Joanne Black, senior VP-marketing services.

In early January, MasterCard began running print ads and bind-ins tailored to individual banks in women's, business and general-interest magazines. Under the new joint marketing program, banks pay for the bind-ins and MasterCard pays for the ads.

In the second quarter, MasterCard probably will follow the print campaign with spot TV and cable advertising. "We will probably work in a more targeted fashion with our gold card," Ms. Black said, adding that the market for gold cards tends to be concentrated in major markets.

Lintas:Worldwide handles MasterCard.#

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Consumers at home with shopping

By Joanne Cleaver

There's no doubt that home shopping via television is grabbing the interest and money of millions of consumers.

According to Carmel, Calif.-based Paul Kagan Associates, 56 million TV homes will have shopping available to them this year compared with just 3 million three years ago. Sales per home with the service will average $45, and total home shopping industry revenues will leap an estimated 45% from 1987 to $2.55 billion. In contrast, total 1988 U.S. retail sales are estimated at $1.5 trillion.

While some technological breakthroughs have been introduced recently, home shopping executives most likely will utilize existing technologies for cross-marketing purposes.

"What's happened in home shopping is the success of low tech. It uses technology that was already available but was not being used in an imaginative way," says Arnold Fishman, president of Marketing Logistics, Lincolnshire, Ill., a direct-marketing consultancy.

While most home shopping shows and networks are sticking to television-and-telephone, Home Shopping Network, St. Petersburg, Fla., has added an automated phone answering and order-taking system. The computerized voice response system, introduced last June, now handles up to 35% of incoming calls, according to Judy Luden, director of corporate communications, though it primarily is geared to repeat customers familiar with the HSN telephone ordering format.

■ *Home shopping has found success in low tech, using available methods in imaginative ways*

Telaction Corp., a Schaumburg, Ill.-based subsidiary of J.C. Penney Co., New York, has been developing an interactive cable video shopping mall through which consumers use a Touch-Tone phone to order products directly. So far, the service, which has been in development for two years, has 38 retailers signed, half of which are on line including Neiman-Marcus Co., Dallas, Marshall Field & Co., Chicago, J.C. Penney, New York, Express Music Catalog, New York, and a lesser-known Minneapolis-based grocery wholesaler, Nash/Lynch.

Industry consultants and other executives doubt the menu-based system that permits consumers to control the shopping process will eclipse the time-honored toll-free number method.

When the Telaction system goes on line, Express Music Catalog, which is also involved with videotex marketing, will offer 10,000 items representing all categories of music from classical to rock. Customers also will be able to contact Express Music operators through the Telaction system, allowing the customers to order from the company's titles, according to President Bob Hurley. He says that with Telaction, consumers can listen to clips from albums they are considering to buy—a significant marketing edge over mail order and retail stores.

"Telaction is so much easier to use than a home computer system," says Mr. Hurley. "We've have very good reception among the samples that have been tested [with consumers] so far."

Mary Dale Walters, director-corporate communications for Telaction, says the system "meets or exceeds all our test criteria in terms of easy directions and minimal waiting time. [Customers] find it easy to navigate, and liked the grocery store especially."

To help market the program, Telaction offers cable system operators a deal, something critics say the delay-plagued system has been forced to do because of a slow startup. Telaction is scheduled to come on line this month.

Networks are anxious to make deals with operators because of increased competition in the home shopping arena. For example, Los Angeles-based Shop Television Network is offering a six-month unconditional guarantee to participating cable operators. STN will pay those operators a commission that matches the commission paid by the home shopping service with the highest sales levels.

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Shop all the Right Styles... Right now!
more inside

The Fashion Channel's cross-marketing effort included this 14-page catalog-like direct mailer.

According to direct marketing and cable industry consultants, marketing and promotion will be critical for home shopping companies this year, partly because cable operators are realizing the profit potential. Shopping services pay sub-

Joanne Cleaver reported on home shopping services in the Oct. 26, 1987 Special Report on Direct Marketing.

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scriber fees and offer participating operators a commission—based on consumer sales through that system—of up to 10% of net revenues, says Lew Auerhaan, principal with Neil Miles Ltd., a New York-based direct-marketing research company.

"The cable operators were stunned. These guys now see that home shopping is a potential boon to them," says Gary Arlen, president of Arlen Communications, a Washington-based research and consulting company specializing in interactive electronic media.

Mr. Arlen says one of the problems the networks now face is how to reach the 80% of the public that has never watched a home shopping show. "Most of the cable viewing population hasn't seen it," he says. "But of the 20% that have seen it, a high percentage have bought."

Now aware of the need to promote their service, home shopping executives are spinning off specialty mail-order catalogs, offering specialty programming and using print, media and outdoor boards.

When the Fashion Channel, Willow Grove, Pa., went live on Oct. 1, 1987, it already had blanketed its initial markets with a 14-page, catalog-like direct mailer that highlighted the channel and its products. Charlie Gee, the channel's chairman-ceo, says the network's start-up plan called for cross-marketing and promotion including consumer promotions, radio spots, and print ads in local cable and regional TV guides where the channel is available.

"We're using lots of other media to reinforce what we do," says Michael Rosen, chairman of STN. "We'll do catalogs of merchandise that's available or will be available on STN. And we'll have video catalogs, which will be our primary push."

Maxwell Sroge, a mail-order consultant with Marke/Sroge Communications, Chicago, says, "The opportunity for cable people is that specialty is the way to go. And isn't that what built the successful cable networks—CNN, Disney, Discovery?"

According to industry consultants and executives, home shopping shows are being influenced by tried-and-true precepts of merchandising and direct marketing. For example, STN devotes a half-hour program to one particular topic or product category.

Mr. Rosen says that all STN's programming is broken into half hours in which "an expert and a celebrity anchor will talk and romance the item. Sometimes they have two items, sometimes eight per half hour, depending on how long it takes to explain the item. We are a totally different store at 9 p.m. than we are in the daytime format," he continues. "It gives an opportunity to all vendors to find an hour that fits their audience.

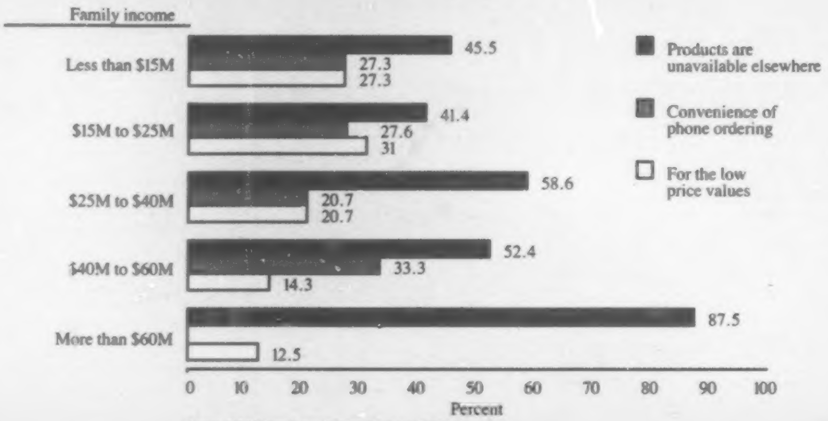
The Fashion Channel is following a similar format, with "featurettes," according to Mr. Gee. The number of these five minute mini-shows will be increased, as well as product tie-ins following these segments.

Several system operators are experimenting with both placing shopping shows on lower-number channels—where viewers are much more likely to notice them—and with creating a video mall effect by placing several shopping shows on consecutive higher-number channels.

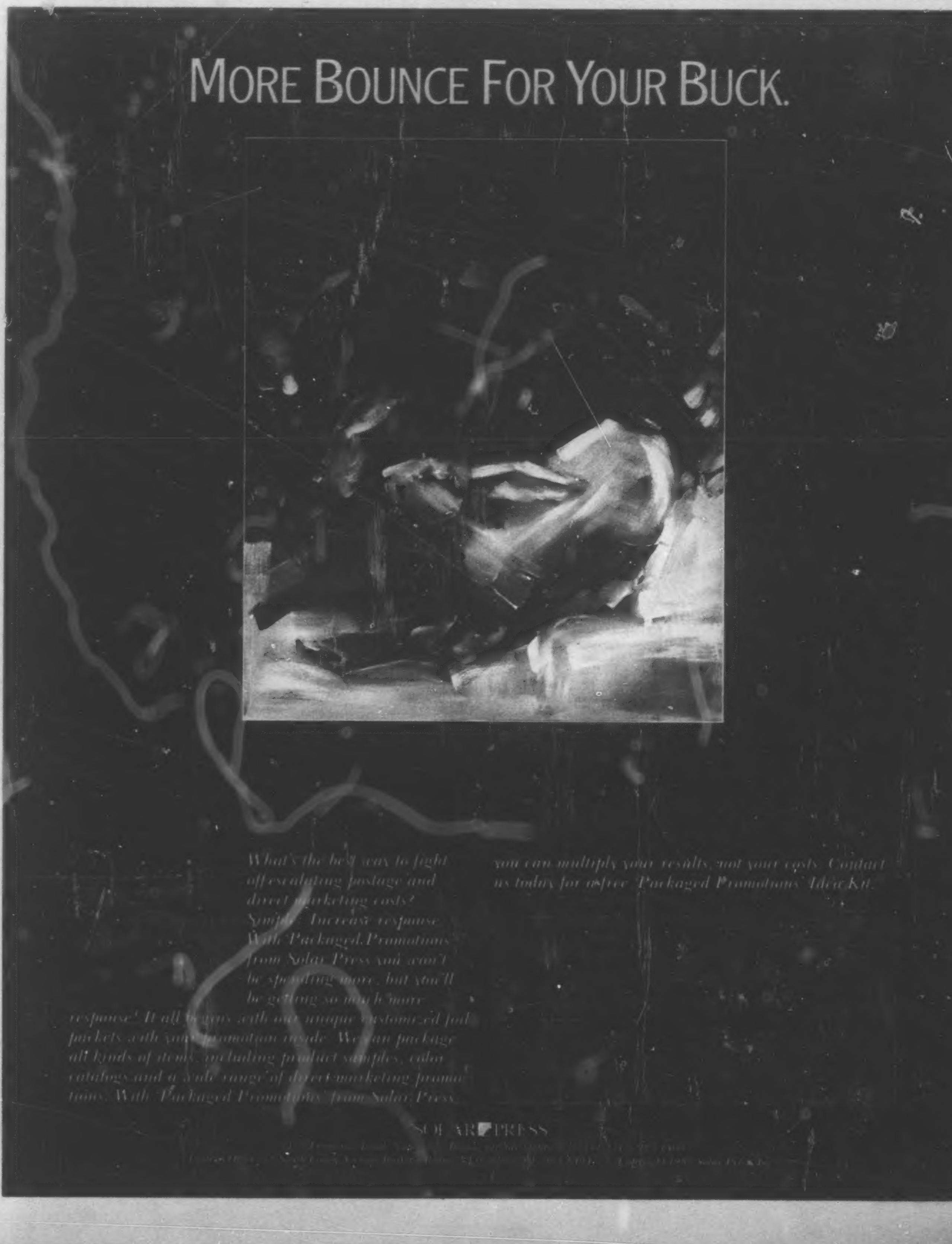
However, at least one network—Consumer Discount Network, Houston—has played the home shopping game and

(Continued on Page S-19)

Why they buy via home shopping programs
Reasons by income



Source: Jack Myers Inc.. Communications Group. Jan. 1987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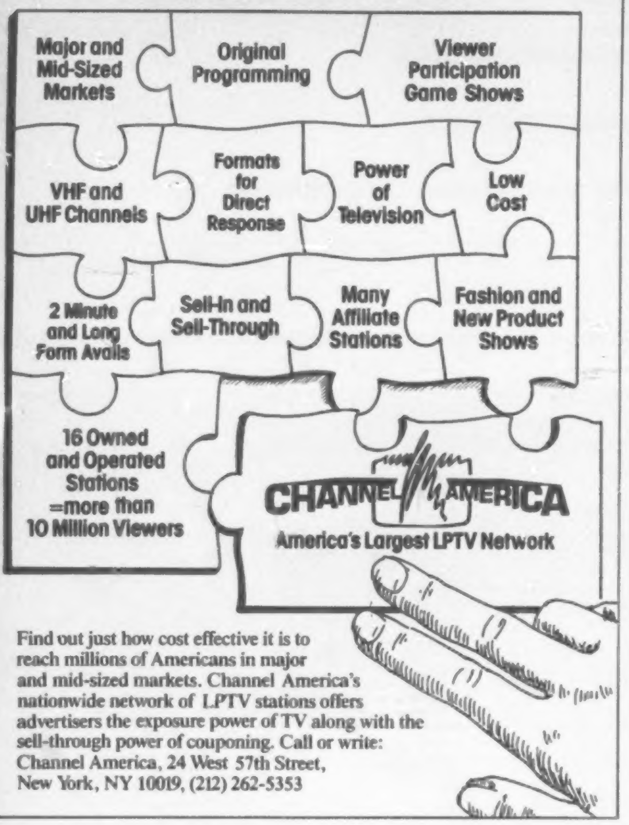
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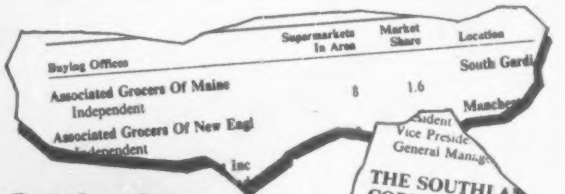
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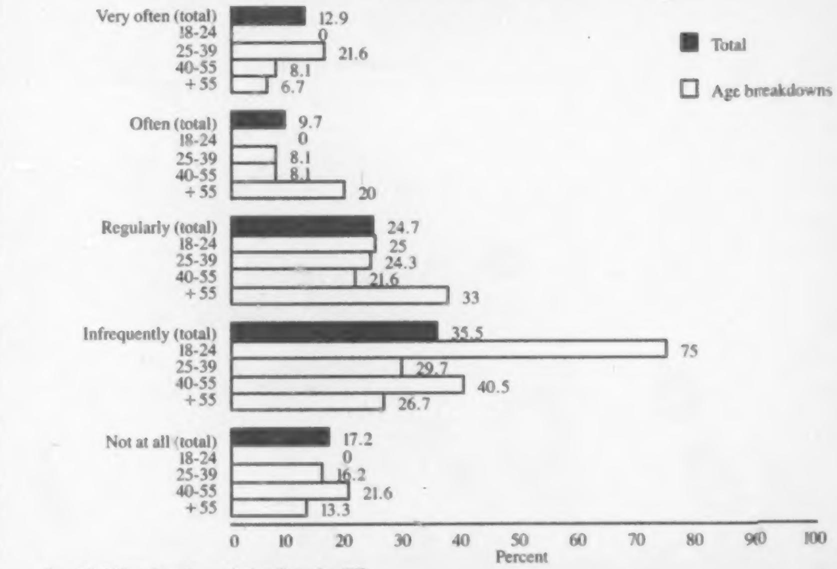
Data bank—Direct Marketing

National 24-hour home shopping services

Services	Launch date	Homes reached Dec. 1987 (millions) Cable	Homes reached Dec. 1987 (millions) Broadcast	Content
Home Shopping Network (includes Home Shopping Network II)	July 1985	21.26	29.30	Jewelry, electronics, hardware, toys and clothing
Cable Value Network	May 1986	18.22	—	Electronics, tools, toys, jewelry and clothing
Quality Value Network	Nov. 1986	10.70	—	Jewelry, electronics and appliances
America's Value Network	April 1987	.840	10.60	Discount merchandise
The Fashion Channel	Oct. 1987	7.60	—	Clothing, cosmetics and accessories
The Travel Channel	Feb. 1987	6.80	—	Travel related items and travel packages

Source: Paul Kagan Associates

How often they watch home shopping programs
By age of viewer



Source: Jack Myers Inc., Communications Group, Jan. 1987

Public awareness of TV home shopping programs

	(Base)	Very familiar	Fairly familiar	Only a little familiar	Not at all familiar	Don't know
Total public	(1001)	15%	22	34	28	1
Northeast	(213)	19%	22	31	28	—
North Central	(250)	13%	22	39	25	2
South	(340)	15%	20	33	31	1
West	(198)	13%	26	35	25	—
Non-metro area	(260)	8%	20	37	34	2
Metro area (under 1 million)	(338)	16%	21	32	30	1
Metro area (1 million +)	(403)	19%	25	35	21	—
Less than 35 years old	(366)	17%	24	40	18	1
35-64 years	(498)	15%	24	33	27	1
65 years or more	(130)	8%	12	25	54	1
High school incomplete	(100)	15%	14	26	44	—
High school graduate	(370)	15%	20	32	31	1
College incomplete	(189)	15%	26	34	24	1
College graduate	(330)	15%	25	41	19	—

*Less than ½%

Source: Opinion Research Corporation, April 1987

Consumers

(Continued from Page S-17)

lost. According to Andrea Baker, public relations manager, the network closed Dec. 31 because it had been unprofitable since it began in September 1986.

She says it would be "very unlikely" that Entertainment Marketing, the Houston-based company that began CDN, would try another home shopping venture.

Although smaller networks may be floundering, the biggest player in the home shopping game, HSN, has seen dramatic increases in sales over the past year. From fiscal 1986 to fiscal 1987, which ended Aug. 31, the company's revenues more than tripled to $532 million, with net earnings nearly doubling to $29.5 million, up 174% from 1986.

> ***Although smaller networks may be floundering, the biggest player in the home shopping game has seen dramatic increases in sales over the past year.***

During that time, it bought 10 UHF TV stations and created HSN 2, which reaches 24.5 million TV viewers, and intends to purchase stations until it reaches the Federal Communications Commission ceiling of 12.

HSN will continue to add affiliate stations and expand services to include financial, travel and pharmaceutical information segments and products on both cable and broadcast networks.

According to Larry Gerbrandt, senior analyst, Kagan Associates, the two second largest home shopping networks, QVC, Westchester, Pa., and Cable Value Network, Minneapolis, are roughly equal, each with projected 1987 gross revenues of about $120 million.

By 1992, 79 million households will have a home television shopping service available, but the industry's annual growth rate will have slowed to about 15%, resulting in total revenues of $5.6 billion, predicts Kagan Associates. ■

Associate editor Anita M. Busch coordinated this report on Direct Marketing.

Coming

Next week ADVERTISING AGE's Special Report will focus on Newspapers.

First in a series of discussions in the M/A/R/C Symposium.

A Candid Discussion About Database Marketing.

Q: What is the difference between database marketing and traditional direct marketing?

A: Database marketing is the next evolution of direct marketing. The primary difference is the ability to communicate more precisely with different market segments and incorporate the consumer response back into the database. Once the response information becomes part of the file it can be used for segmentation purposes in creating the next direct marketing program. The advances in the data processing industry over the last 10 years have made storing of large amounts of information about prospects and customers much more affordable. The real magic is in the analysis of the data and its application to a particular marketing problem.

Q: I currently employ targeting tactics in my media buys. How will this be different in a database marketing environment?

A: It'll give you the ability to communicate more precisely with identified market segments. Analysis of promotion responders can yield strategic marketing direction.

So, the collective intelligence of the database improves with use. By appending the database with additional information from previous promotions or database overlays, targeting can be refined to much higher levels. Each new promotion or database overlay added to your consumer database provides more marketing variables to segment market niches that have a higher propensity to respond to your offer.

Q: What kind of marketing applications should be considered for database marketing?

A: Categories which have a high degree of switching, are mature, or have well-defined niches are excellent candidates. Examples of programs which work well in a database strategy are competitive and continuity promotion programs, frequent traveler and shopper programs, sales lead generation and business-to-business direct marketing programs.

Q: If you had to describe the biggest difference between M/A/R/C Database Marketing and others, what would it be?

A: There is a big difference between just collecting information and knowing what to do with it. The most important difference is our ability to leverage over 25 years of marketing and consumer research experience to design, develop and implement marketing programs that best suit your needs. It becomes a matter of knowing what to ask, and then knowing what to do with the answers. Database marketing allows you to communicate with each customer on an individual basis and create a dialogue that will continually enrich your market intelligence. As an example, we very often uncover information that points to needed changes in the marketing mix. So, the results of the interpretation of the information can optimize strategic marketing programs. M/A/R/C can also identify cross-selling opportunities, either for existing products and services or for new introductions. And, you can use it as a tool to outmaneuver your competition's marketing strategy in as many or as few markets as you choose. With M/A/R/C Database Marketing, pre-emptive planning will become the norm because you will have quantified knowledge of the category consumer base.

Q: Isn't database marketing going to make an already expensive advertising vehicle even more so?

A: The true benefit of database marketing is that it optimizes each marketing program that you run. As mass media costs rise and response to these programs gets harder to quantify, the need for measurable marketing solutions increases. The ability to fine tune your targeting, so you only reach those prospects which have a high probability of responding, can dramatically reduce your costs while improving your volume. M/A/R/C can provide a turnkey test of database marketing with your brand or service for less than $100,000.

Q: I know M/A/R/C has a great reputation in custom research, but I imagine you use a service bureau for database management. Don't you?

A: No. Most direct marketing agencies do use a service bureau. M/A/R/C is unique. Information has long been our business and our state-of-the-art computer capabilities enable us to do everything in-house. We think it is the only way to offer clients a formula for success where one plus one equals four.

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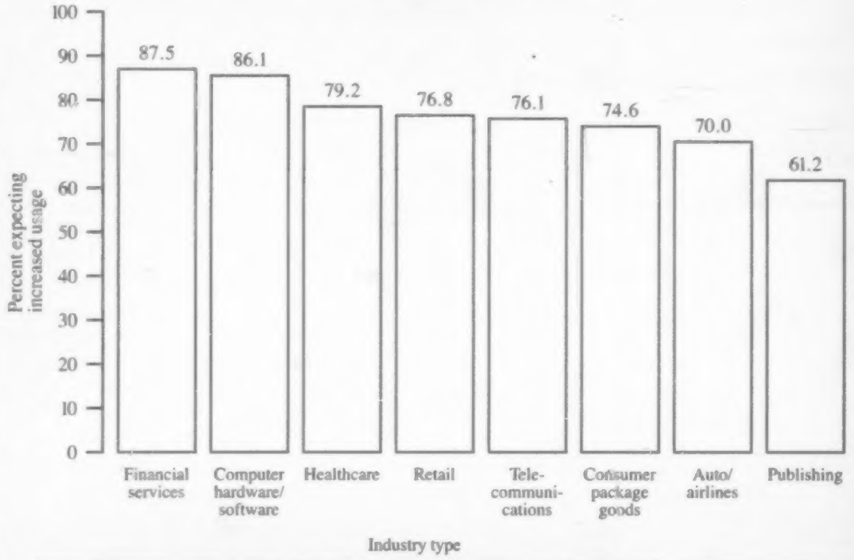
Data bank—Direct Marketing

Media usage
Today's patterns vs. tomorrow's expectations

Media	% For lead generation		% To generate sales		For sales support	
	Today	Tomorrow	Today	Tomorrow	Today	Tomorrow
Direct Mail	61%	52%	66%	56%	24%	22%
Magazines	53%	37%	43%	30%	27%	18%
Catalogs	31%	26%	38%	33%	10%	10%
Telemarketing	30%	32%	42%	42%	15%	17%
Newspapers	30%	21%	26%	17%	19%	11%
Pkg./Stmt. inserts	25%	22%	31%	25%	12%	9%
Free stdg. inserts	22%	18%	24%	18%	11%	8%
Point of sale	19%	13%	18%	14%	11%	8%
UHF/VHF television	15%	17%	15%	14%	15%	13%
Cable TV	11%	20%	13%	19%	8%	11%
Radio	11%	10%	11%	10%	14%	10%

Source: DMA Research Department, Marketing Council, Direct Marketing Practices & Trends Survey, 1986

Future involvement in direct marketing
By industry type



Source: DMA Research Department, Marketing Council, Direct Marketing Practices & Trends Survey, 1986

Direct response advertising trends
Estimated 1985–1986 U.S. ad volume

	1985 ($ Millions)	1986 ($ Millions)	Percent change
National			
Newspapers	3,352	3,376	+ 0.7
Magazines	5,155	5,317	+ 3.1
Network TV	8,285	8,570	+ 3.4
Spot TV	6,004	6,570	+ 9.4
Cable TV	637	752	+ 18.1
Network radio	365	423	+ 16.0
Spot radio	1,335	1,348	+ 1.0
Outdoor	610	600	− 1.5
Direct mail	15,500	17,145	+ 10.6
Other national media	12,112	12,749	+ 5.3
Total national advertising	53,355	56,850	+ 6.6
Local			
Newspapers	21,818	23,614	+ 8.2
Local TV	5,714	6,514	+ 14.0
Cable TV	130	179	+ 37.8
Local radio	4,790	5,178	+ 8.1
Outdoor	335	385	+ 14.9
Other local media	8,608	9,420	+ 9.4
Total local advertising	41,395	45,290	+ 9.4
Total all advertising	94,750	102,140	+ 7.8

Source: Robert J. Coen, McCann-Erickson, 1987

Honoring King: Marketers woo blacks in holiday promotions

By GARY LEVIN

Major marketers are dreaming up new ways to reach black consumers with special campaigns and promotions celebrating this week's observance of the Rev. Martin Luther King Jr.'s birthday and Black History Month in February.

Blue-chip advertisers including AT&T Co., Burger King Corp., Coca-Cola USA and McDonald's Corp. will honor the contributions of blacks in U.S. history and recognize the importance of black consumers with programs that run the gamut from TV campaigns to restaurant tray liners.

Most industry observers agree marketers have boosted their involvement substantially in campaigns and promotions related to the holiday and Black History Month.

Sarah Burroughs, senior VP-general manager at Burrell Advertising, Chicago, said that "there's certainly more [marketing activity] than I personally recall ever seeing," especially since the Rev. King's birthday became a national legal holiday in 1986. "As some companies get in the forefront and really get involved, other companies do it from a marketing standpoint," she said.

"There are a number of advertisers who recognize the importance of showing [blacks'] contributions as a way of showing interest in our markets and their interest in us as consumers," said Greg Walker, VP-management supervisor, UniWorld Group, New York.

Among major efforts running this month, targeted primarily to blacks:

- Burger King Corp., Miami, broke a TV spot and print ad celebrating the Rev. King's birthday, which was Jan. 15 but is celebrated today.

The No. 2 burger chain also plans print ads and a tray liner promotion for Black History Month. The ad shows a U.S. flag with names of prominent black historical figures sewn into it, themed "Black history: woven into the fabric of America."

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than the real McCoy.
Coors
BURGER KING

Adolph Coors Co. and Burger King Corp. are among the marketers gearing their advertising and promotions to the birthday of Martin Luther King Jr. and Black History Month. Their programs run the gamut from print and TV campaigns to restaurant tray liners.

The tray promotion, depicting black Americans' role in literature, music, science and sports, will be made available to BK franchisees systemwide in February. It is supported by radio spots via UniWorld, the agency for BK's minority advertising. N W Ayer, New York, has the general account.

- Coca-Cola USA, Atlanta, will run for the sixth straight year its "Share the Dream" college scholarship sweepstakes. The cola giant broke a new TV vignette-style spot Jan. 15 featuring a montage of a library, grocery and graduation ceremony.

The TV spot, via Burrell, runs through February, supported by February magazine ads and a newspaper ad the week of Feb. 8 with coupons and sweepstakes entry blanks.

- Adolph Coors Co., Golden, Colo., continues its aggressive yearlong minority campaign with print ads tied to its general-market effort, themed "An American original," running in February issues of black-oriented magazines. The brewery also is running a separate print ad, in stark gray tones, offering "a moment of silence in celebration of the life and accomplishments" of the Rev. King.

Both efforts are part of the company's "continuous advertising in black media," said Cinde Dolphin, Coors area manager, who added that the holiday ads supplement both general and black-oriented ads in a major new campaign featuring former boxer Sugar Ray Leonard. GSD&M, Austin, Texas, handles Coors.

- McDonald's Corp., Oak Brook, Ill., offers glimpses of "Black history-makers of tomorrow" in a promotion that "honors the past by focusing on the future," said Melvin Fallis, senior VP at FraserSmith Corp., New York, which developed the promotion.

A new TV spot and print ad breaking in early February highlight 10 teen-agers, selected in a national search and essay contest, who show promise in future careers. Ad support was created by Burrell. The long-term program will be expanded next year to include regional contests with separate winners leading to the national competition.

- Sears, Roebuck & Co., Chicago, is running corporate ads in January and February issues of black-oriented magazines "paying tribute" to King and Black History Month. The nation's largest retailer also is sponsoring "Living the Dream," a syndicated TV special airing tonight on the legal observance of the holiday. An Allstate Insurance Cos. ad, via Leo Burnett USA, and a corporate ad featuring all of Sears' units, produced by Vince Cullers Advertising, will run during the special.
- Eastman Kodak Co., Rochester, N.Y., will run a print campaign next month recognizing black Americans' participation in the Olympics. The ad, also from UniWorld, coincides with the Winter Olympics in Calgary, Alberta.
- AT&T, New York, plans a February sweepstakes tied to Black History Month, themed "Call on your past to enrich your future." It includes several black historical figures and asks magazine readers to "call in and listen to the black history moment," a prerecorded message that provides contest entry information. AT&T also will run separate corporate ads acknowledging both observances. UniWorld handles.

Each of the advertisers using the Rev. King's name, photo or other likeness needed the approval of the civil rights leader's family and had to donate to the King Center for Non-Violent Social Change.#

Ad pages in farm publications for 12 months, 1987-86

Fourth-quarter and year-to-date figures for U.S. and Canadian publications reporting to Advertising Age

	Pages			
	Oct.-Dec. 1987	Oct.-Dec. 1986	Jan.-Dec. 1987	Jan.-Dec. 1986
— Canadian —				
Country Guide:				
Eastern Edition	97.3	85.2	448.3	440.5
National Edition	139.4	118.1	709.2	716.5
Western Edition	95.8	86.7	465.4	506.2
Le Bulletin des:				
Agriculteurs	—	—	—	—
Total Group	332.5	290.0	1,622.9	1,663.2
% change		14.7%		-2.4%
— Dairy & livestock —				
Beef Today	42.7	25.1	181.4	101.9
Beef Magazine A	96.6	83.2	525.8	460.5
Beefweek	93.2	136.7	381.7	519.1
The Cattleman	261.6	216.4	926.8	992.8
Dairy	67.0	49.2	278.0	275.0
Dairy Today	57.7	36.6	234.4	176.7
Dairy Herd Management	—	—	—	—
Drovers Journal (21X) A	—	—	—	—
Feedlot Management	—	—	—	—
Florida Cattleman	202.7	220.0	670.1	776.3
Hoards Dairyman (21X) A	108.6	104.3	484.7	523.4
Hogs Today	62.5	51.4	196.7	162.8
Hog Farm Management	—	—	—	—
National Hog Farmer	175.5	169.9	613.0	642.2
Pork '87	—	—	—	—
The Hog Producer	—	—	—	—
S. Beef	—	—	—	—
Southern Beef Producer (8X)	27.6	42.6	158.2	195.1
Sunbelt Dairyman (6X)	—	—	—	—
Western Livestock Reporter	211.0	184.6	472.6	475.7
Total Group	1,406.7	1,320.0	5,123.4	5,301.5
% change		6.6%		-3.4%
— Fruit & vegetable —				
American Fruit Grower	78.1	88.3	406.4	465.6
American Vegetable Grower	101.2	130.2	556.2	592.3
Citrus & Vegetable	150.2	132.3	586.6	570.8
Hay & Forage Grower	14.6	—	88.0	—
The Citrus Industry	—	—	—	—
The Grower	80.4	80.0	391.0	306.7
Total Group	424.5	430.8	2,028.2	1,935.4
% change		-1.5%		4.8%
— General farm publications —				
American Agriculturalist	56.0	47.0	240.0	246.0
California Farmer (21X) A	105.0	114.0	344.0	425.0
Colorado Rancher & Farmer	—	—	—	—
Farm Futures A	52.9	75.3	351.0	368.0
Farm Industry News (10X)	66.9	86.2	425.5	436.8
Farm Journal (14X)	81.2	103.2	554.2	535.2
Farm Progress Group:				
Prairie Farmer (21X) A	146.0	129.0	700.2	801.5
Indiana Edition (21X)	—	—	—	—
Wallace's Farmer (21X) A	—	—	—	—
Wisconsin Agriculturist(21X)	—	—	—	—
Florida Grower & Rancher	77.7	72.5	279.5	317.1
HBJ Farm Unit:				
Colorado Rancher & Farmer (12X)	39.6	44.9	221.6	288.6
Kansas Farmer (16X)	52.8	59.0	348.1	432.6
Michigan Farmer (16X)	71.3	64.2	384.7	426.9
Missouri Ruralist (16X)	49.1	61.0	362.0	476.0
Nebraska Farmer(23X)	120.5	147.5	787.8	909.4
Ohio Farmer (16X)	64.6	72.8	464.4	515.3
Oklahoma Farmer-Stockman (12X)	39.4	36.4	192.8	181.1
Pennsylvania Farmer (16X)	55.5	46.4	359.4	354.0
Texas-Farmer Stockman (12X)	35.2	34.8	181.1	169.0
High Plains Journal:				
Eastern Kansas (52X)	433.3	378.5	1,785.2	1,776.2
Colorado	437.5	385.9	1,815.9	1,812.5
Nebraska	421.4	362.7	1,758.9	1,719.6
Oklahoma-Texas	441.4	392.6	1,817.3	1,795.2
Western Kansas	482.4	437.3	1,970.1	1,983.2
Kentucky Farmer	27.0	36.3	205.5	241.7
Lancaster Farming (52X)	1,608.3	1,555.5	6,986.0	6,684.2
Pecan South (6X)	20.3	24.5	78.7	70.6
Progressive Farmer A	128.4	115.7	582.6	612.7
Specialized Agricultural Publications:				
Flue Cured Tobacco Farmer	20.6	15.5	94.0	92.2
Peanut Farmer (8X)	—	—	102.7	94.3
Successful Farming Now A	143.5	102.8	627.8	547.2
Tennessee Farmer	18.7	20.3	116.5	131.8
The Farmer (24X)	100.8	118.3	586.7	702.4
Top Producer	27.6	32.3	183.6	161.4
Western Farmer-Stockman Magazines:				
Ariz. Farmer-Stockman (12X)	42.9	40.5	158.1	212.1
Idaho Farmer-Stockman (20X)	74.8	61.1	356.2	418.5
Mont. Farmer-Stockman (20X)	98.7	88.6	507.4	572.9
Ore. Farmer-Stockman (20X)	60.9	50.5	278.8	324.2
Utah Farmer-Stockman (20X)	64.7	49.5	253.0	262.2
Wash. Farmer-Stockman (20X)	62.2	49.2	299.0	341.3
Total Group	5,828.9	5,511.9	26,760.3	27,438.8
% change		5.8%		-2.5%
— Poultry —				
Broiler Industry	171.3	149.6	621.5	571.5
Egg Industry	58.0	46.3	228.7	217.0
Poultry Digest	98.4	81.7	283.9	253.7
Poultry & Egg News	—	—	—	—
Poultry Times	—	—	—	—
Northeast/Midwest	—	—	—	—
Pacific Edition	—	—	—	—
Southeast Edition	—	—	—	—
Southwest Edition	—	—	—	—
Poultry & Egg Marketing	—	—	—	—
Total Group	327.7	277.6	1,134.1	1,042.2
% change		18.0%		8.8%

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

All figures represented in this chart are supplied by the magazines. ADVERTISING AGE makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

Why some won't play the Games

By LAURIE FREEMAN and JANET MEYERS

Procter & Gamble Co., the giant consumer-products company that spends about $1.4 billion a year on advertising, will not play a marketing role in the 1988 Olympics.

The cost is too high, executives say.

The company is not alone in its opinion. Black & Decker Corp., Colgate-Palmolive Co. and other major advertisers think the cost of becoming an Olympics sponsor or advertiser is not efficient.

The cost of an Olympic sponsorship varies with the product or service involved.

P&G, Cincinnati, did sign a yearlong agreement with the U.S. Hockey Team for its Sure antiperspirant. But that agreement does not cover the Olympic Games.

"Once the Calgary Games open, you have to be an official sponsor to [promote your] affiliation with a team," said a spokesman for Hill & Knowlton, New York, which is handling Sure's public relations.

Like P&G, Colgate investigated possible sponsorships and media buys during the Olympics but declined to participate. Colgate "found that the cost-efficiency is out of line with other network opportunities," a company spokesman said.

Lever Bros. bought TV time for several of its food and household products during the Olympics but decided against becoming an official sponsor.

"The person buying our products generally is the homemaker, who buys the products that are used throughout the house. We have found that women are not all that interested in the Olympics, and there is no reason for us to be a primary sponsor in that environment," a Lever spokesman said.

M&M/Mars, Hackettstown, N.J., which sponsored the official snack food of the 1984 Olympics, declined any sponsorship this year, partially because there is no product category for snack foods and also because the Games are not in the U.S., said Hans Fiuczynski, M&M/Mars external relations director.

For the 1984 Los Angeles Games, M&M/-Mars' top two candy brands, Snickers and M&M's, were the Olympics official snack food, a crucial nomenclature for Mars, which was trying to reposition its confections as wholesome snacks.

In 1988, Nabisco Brands, East Hanover, N.J., will be the official sponsor for cookies, crackers and confectionary products—a broader category than M&M/Mars wanted.

Black & Decker Corp., the Towson, Md.-based marketer of housewares and power tools, considered a sponsor role for the '88 Olympics a year and a half ago. B&D then was changing newly acquired General Electric Co. household products to the B&D name, and the Olympics represented an alluring international marketing possibility, said Barbara Lucas, B&D VP-public affairs.

But the steep sponsorship costs forced B&D to nix the idea.#

Olympic sponsors set world record

(Continued from Page 3)

beginning Feb. 13. The kickoff commercial, created by Cliff Freeman, chairman-chief creative officer at Cliff Freeman & Partners, New York, a Saatchi & Saatchi DFS Compton agency, features a female speed skater in the dark, then cuts to a series of fluorescent Philips lights blazing onto the rink.

- Visa International, San Mateo, Calif., which has been lording its global sponsorship status over rival American Express Co. since May, plans to spend about $15 million on Olympic-associated advertising this year.

Visa purchased half the broadcast time available in the credit card category, said Jan Soderstrom, VP-advertising and marketing communications.

The company will break a new spot continuing its 3-year-old "It's everywhere you want to be" theme during coverage of the Winter Games.

The commercial will focus on an establishment in Calgary that accepts Visa but not the AmEx card.

During the last days of the Games, Visa will start airing a spot promoting its donation program for the Summer Games in Seoul.

That spot, like the one Visa broke last July to promote donations to the winter teams, will use the tagline "Pull for the team."

- Federal Express Corp., a global sponsor and the sole air-freight-express advertiser on ABC, will air spots from its new "It's not a package. It's your business" campaign that focus on international delivery.

Fallon McElligott, Minneapolis, handles.

Memphis, Tenn.-based Federal Express is concentrating its promotional efforts in Calgary on a nightly multimedia show that it will stage at the Olympic Plaza after presentations to each day's medal winners.

The shows will include lasers, fireworks and a giant Fed Ex Olympic logo.

- Eastman-Kodak Co., Rochester, N.Y., worldwide sponsor for film, photo processing, batteries and non-35 millimeter cameras, is the only advertiser on ABC in those categories.

The 39 spots it will air during the Winter Games will be divided evenly among film, batteries and its Colorwatch processing.

A spot for Kodak's VRG film that will air only during the Games will feature skier Debbie Armstrong, who won a gold medal in Sarajevo, "growing up" on Kodak film.

The company also will insert a 10-page viewing guide in the Feb. 13 issue of *TV Guide* that will carry ads from several Kodak divisions.

J. Walter Thompson USA, New York, is Kodak's main agency.

- Anheuser-Busch, St. Louis, will air Olympics-themed commercials for all major brands, including a "Light up the night" spot for Michelob Light that will show people skiing and skating at night.

A-B corporate advertising created by Hal Riney & Partners, Chicago, also is expected.

- Miller Brewing Co., Milwaukee, will air spots throughout February for a promotion of its High Life, Genuine Draft and Lite brands.

For every case of the beers sold in the month, Miller will donate 5¢ to the Olympic Training Center.

Backer Spielvogel Bates, New York, handles.

- McDonald's Corp., Oak Brook, Ill., is a USOC sponsor and shares the fast-food category on ABC with Wendy's International, Dublin, Ohio.

Although it will advertise heavily during the Winter Games, McDonald's is saving its promotional muscle for the summer, sources said.

Summer plans include a reprise of the "When the U.S. wins, you win" scratch-card game it ran during 1984.

During the winter, sources said they expect special discounting promotions and commercials featuring athletes preparing for the Games.

Leo Burnett USA, Chicago, is McDonald's agency.

Wendy's will unveil its long-awaited first major campaign from Backer Spielvogel Bates.

The campaign will continue the "Best burger in the business" theme with a product quality message.

- East Hanover, N.J.-based Nabisco Brands, which signed on as USOC sponsor too late to produce Olympics-themed TV spots, has scheduled a Feb. 7 free standing insert promoting its cookie and cracker division.

The insert will include a sweepstakes offering official Olympics jackets and trips to Olympic cities.

Nabisco's Del Monte USA and Planters divisions also have official sponsor status and will advertise on ABC's broadcast.

Nabisco's main cookie/cracker agency is Saatchi & Saatchi DFS Compton, New York.

- General Foods Corp.'s Maxwell House, the official coffee brand of the USOC and the Winter Games, apparently is brewing up a big Olympics effort.

The Rye Brook, N.Y.-based company drastically cut its coffee ad budget in the second half of 1987 and plans to break a new Maxwell House campaign during the ABC broadcast. Ogilvy & Mather, New York, handles.

- Apple Computer, Cupertino, Calif., has made a large buy on ABC that probably will make it the No. 1 personal-computer advertiser during the Games, said Sharon Lack, advertising and sales promotion manager.

Apple is not a sponsor—IBM Corp. is the computer sponsor of the Winter Games—but Ms. Lack hinted that Apple's involvement "is not just in media time."

Apple's entire Olympics campaign will promote the Macintosh computer. BBDO Worldwide, New York and Los Angeles, handles.

- Hilton Hotels Corp., Beverly Hills, Calif., a USOC sponsor, in February will expand its Olympics-themed frequent traveler program to include an instant-winner promotion.

A TV spot for the program, featuring Hilton Chairman Barron Hilton, will break during ABC's coverage.

The spot, shot in Calgary, shows Mr. Hilton standing among U.S. Olympics team members. McCann-Erickson, Los Angeles, handles.

- K mart Corp., Troy, Mich., is not an official Olympics sponsor but is spending about $20 million on commercials during telecasts of the Winter and Summer Games.

An additional $10 million is being spent on its sponsorship of the U.S. hockey team, a special Olympics national newspaper and magazine campaign, and a 2,200-storewide customer sweepstakes. Ross Roy Inc., Detroit, handles.

- Blue Cross & Blue Shield Association, Chicago, is spending about $15 million on its USOC sponsorship, which includes a huge buy on ABC. TV spots have been running since the fall, and new print ads break in February.

Hal Riney & Partners, Chicago, is its agency.

- Prudential Insurance Co. of America, Newark, N.J., though not an official sponsor, is a major advertiser on ABC and will run an Olympics-related ad in magazines.

Backer Spielvogel Bates handles.#

Contributing to this report were Verne Gay, Judann Dagnoli, Judith Graham and Patricia Winters in New York; Ray Serafin and Patricia Strnad in Detroit; Scott Hume and Julie Liesse Erickson in Chicago; Janet Meyers in Washington; and Cleveland Horton and Marcy Magiera in Los Angeles.

Biggest spenders on ABC's Winter Olympics

($ in millions)

Chrysler and Ford ($50)
Anheuser-Busch and Miller ($25)
Allstate, Northwestern Mutual Life and New York Life ($20)
Merrill Lynch ($15)
Apple, IBM and Compaq ($15)
McDonald's and Wendy's ($14)
Blue Cross/Blue Shield ($13.5)
Visa and American Express ($11)
American Airlines and Northwest ($10)
US Sprint and MCI ($10)
K mart ($10)
Johnson & Johnson ($8)
Federal Express ($7.5)
Quality Inns ($7)
Kodak ($6)
Gallo ($6)
Michelin ($6)
Lipton ($6)
General Foods ($5.5)
Campbell Soup ($5)
CPC Int'l/Best Foods ($5)
Wrangler ($5)
Hertz ($5)
Weyerhaeuser ($5)

Source: Advertising Age

Confusion could hurt sponsors

By PATRICK McGEEHAN

The biggest contest at the Winter Olympic Games in Calgary, Alberta, next month will be off the field.

Marketers will be racing to ensure that the buying public associates their companies with the Games.

Official Olympics sponsors, who paid huge sums for the right to call themselves that, might find consumers are confused.

Companies that draw any connection to the Olympics without buying a sponsorship "are taking advantage of the American public by causing confusion in the minds of the consumers," said Robert Prazmark, VP at ISL Marketing USA, New York, which sold exclusive sponsorships to nine companies at an average cost of more than $13 million.

ABC-TV, the U.S. network that is broadcasting the Games, established 76 advertising categories but did not offer "category exclusivity." Instead, it set $3 million as the original cost of entry for advertisers.

Because not all the advertisers on the Olympics will be official sponsors, there may be confusion.

For example, Visa International, San Mateo, Calif., and American Express Co., New York, will advertise, but AmEx is not an official sponsor. Visa paid about $15 million for its global sponsorship.

AmEx, which passed on the deal before Visa bought it, is so intent on tying into the Olympics that it is including magazine ads featuring former Olympic stars Eric Heiden and Billy Kidd in its "Portraits" campaign.

Anheuser-Busch, St. Louis, and Miller Brewing Co., Milwaukee, will be the only beer advertisers during the broadcast. A-B is the official beer sponsor of the U.S. Olympic Committee and the Winter Games while Miller is the sole sponsor of the Olympic Training Center.

"Our advertising uses the logo of the Olympic Training Center because it's something unique," said Alan Easton, Miller's VP-public affairs. "The Olympics committee has sliced sponsorships so many different ways that there's really a terrible clutter problem with Olympics tie-ins."

Olympic officials acknowledge the confusion but add that they have tried to police it.

"Our obligation is to protect and deliver meaningful exclusivity," said David Shanks, general manager-corporate relations for the Calgary organizing committee.#

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NEW Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

VIE DE FRANCE What went wrong?

By JANET MEYERS

McLEAN, VA.—On Aug. 28, 1986, the French businessmen who controlled Vie de France Corp. locked the company's $1 million-a-year president out of his office.

They hoped they had seen the last of him.

But two months later, there was Lloyd J. Faul, speaking from the floor at the company's annual meeting here. Defiant as ever, the lean, fit, former U.S. Army general proclaimed he was leaving "with my head high, because I'm extremely proud of the achievements of this company."

Then, with his flair for drama, Mr. Faul presented the Frenchmen with a parting gift: notice of a $26 million lawsuit charg-

(Continued on Page 34)

Trust bedevils agencies—P. 18

Newspaper wars—P. S-1

Murdoch's time

Launches multi-book incentive plan

By PATRICK REILLY

NEW YORK—Murdoch Magazines is unwrapping a multi-magazine advertiser incentive plan based on space credits, the first such plan to be offered by a major magazine group since Time Inc. unveiled its Max-Plan last year.

Murdoch's Group Advertising Plan covers a diverse, fast-growing fleet of titles that range from the trendy *Elle* to the supermarket tabloid *The Star*.

Reflecting its mix of magazines, including recent start-ups such as *Automobile* and *Premiere*, the plan offers special incentives, not found in Max-Plan, to lure advertisers to expand their buys into untried Murdoch titles and increase their spending in general.

In another significant departure from Time Inc.'s strategy, the Murdoch plan does not insist that advertisers maintain or increase the share of their total print budget allotted to its magazines to qualify for space credits.

Although adopted by *Newsweek's* Match Plan, Time Inc.'s Max-Plan remains the only multi-magazine incentive plan built around the share-of-market strategy.

Publishers and agency media buyers said Murdoch's move is fresh evidence that advertisers are coming to "expect" special incentives that go beyond traditional package rate discounts.

The more traditional discounts are built around frequency and adding titles, such as those offered by Conde Nast Publications, Diamandis Communications Inc. and Hearst Corp.

"The Murdoch plan is recognition

(Continued on Page 74)

New magazine rates force agencies to change—Page 71

GE/RCA goes with Ammirati

By GARY LEVIN

Thomson Consumer Electronics says a well-rounded presentation resulted in Ammirati & Puris, New York, winning its $15 million-to-$20 million account.

Indianapolis-based Thomson, formerly GE/RCA Consumer Electronics, said Ammirati won the business last week with an assignment given each of the finalists for a hypothetical campaign for a TV set to be introduced in the fourth quarter of 1988.

In October, Leo Burnett USA, Chicago, resigned the $15 million RCA account, citing reduced compensation and the decision to start an agency review (AA, Oct. 5).

Thomson SA, a French company, bought the electronics brands last year from General Electric Co. and combined the RCA advertising assignment with the $5 million GE electronics account, previously at BBDO Worldwide, New York. BBDO later pulled out of the review.

Agency sources indicated a fee and commission system approaching a previously standard 15% profit was negotiated for Ammirati.

Ammirati will create separate campaigns for the GE and RCA electronics brands, with RCA getting the bulk of the total budget. The brands will not use the Thomson name in any marketing efforts.

BBDO still handles most of GE's corporate, appliance and lighting products (AA, Dec. 21).

Ammirati's first print and TV effort will break in September, traditionally the start of the year's major electronics selling season.#

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A.C. Nielsen Co. is suing Audits of Great Britain for unfair competition after AGB won the exclusive contract for France's first people meters.

The Vie de France photograph on the cover was taken by Stan Miskiewicz.

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CRANBERRY COVE

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Dole campaign drops Ringe shop

By STEVEN W. COLFORD

Campaign 88

ROBERT DOLE

WASHINGTON—He was the first presidential contender to consider using national cable TV in the 1988 campaign. Now he is the first to replace his ad agency.

Less than a month before the critical New Hampshire primary, Sen. Robert Dole (R., Kan.) last week dropped Ringe Media, the agency he hired only three months ago.

The move to replace Ringe underscores increased pressure on all political consultants to produce TV spots that move voters.

Recently, two Republicans, former Delaware Gov. Pierre du Pont and the Rev. Pat Robertson, and Massachusetts Gov. Michael Dukakis, a Democrat, changed media buyers or image-makers.

But it was Sen. Dole, in an all-out nomination battle with Vice President George Bush, who took the boldest step.

Dole insiders, speaking anonymously, confirm that agency President Donald Ringe now is an unpaid media consultant whose only future role will be in production.

Larry McCarthy, formerly a top lieutenant to Roger Ailes at Ailes Communications, New York, now handles the campaign's creative decisions. Multi Media Services, Alexandria, Va., retains media buying.

Mr. McCarthy was hired in December by campaign manager William Brock, the former Tennessee senator and Republican National Committee chairman.

"The fuse was lit then," one insider said. "That was the beginning of the end for Ringe."

If that was the start, then the end was Ringe Media's failure to produce spots that moved voter numbers.

In Iowa, the Dole campaign believes strong organization, limited paid media and a "he's-a-midwesterner-just-like-us" message should propel the Kansas senator to victory in the Feb. 8 caucuses.

The Dole message now being disseminated in New Hampshire is basically the same one used in Iowa, and campaign sources believe the two states are too dissimilar for the same message to work.

"Iowa is an organization state, and Dole has a good one there," a source said. "Dole on a farm, with Dole talking about his war injury and working his way up—that played well in Iowa.

"But New Hampshire is more of a media-driven state because it's a primary state, not a caucus state like Iowa. The simple story being told in Iowa is not enough in New Hampshire, which is George Bush country. . . . They're showing Dole on a farm, and there just aren't many wheat farmers in New Hampshire."

The Dole campaign has aired only a handful of TV spots to date, most of them excerpted from or based on an 18-minute biographical video produced by Murphy & Castellanos, Alexandria, Va.

Another Dole campaign official said the agency change was "mostly a matter of personalities."

One source said, "You can put up with someone who's an [expletive] and is creative, but if he's not creating, why put up with him?"

Officially, Dole campaign staffers and Mr. Ringe deny any change in their relationship.#

Consumers buy more if they like president

By LEO J. SHAPIRO and DWIGHT BOHMBACH

The link between consumer spending and the way people feel about the U.S. president is so close that a sensible economic forecast depends on a realistic forecast of the next president's popularity, an ADVERTISING AGE poll reveals.

The monthly phone polls of 5,416 consumers interviewed during 1987 by Leo J. Shapiro & Associates, Chicago, turned up new data on links between the way people feel about finances, the nation, personal spending and the president.

Adults who said they were "pleased" with President Reagan's performance were weighted statistically to match the age, education and income of respondents who said they were "displeased" with his performance.

Spending link

The finding: People pleased with the president's performance are more likely to be optimistic about the country and the economy, more hopeful for their own future and more inclined to go out and buy all kinds of consumer goods.

In fact, people pleased with the president are three times as likely (42% vs. 14%) to believe things are going better for the nation and more than twice as likely to think the economy will get better (44% vs. 20%).

Confidence in one's own financial future and feelings of affluence also are vital ingredients in consumer willingness to spend freely and to make major purchases.

Those happy with the president are more likely to say they are having an easier time getting along and paying the bills (44% vs. 28%) and to feel confident about their own finances in the coming year (56% vs. 39%).

The percentage spending freely to maintain their standard of living is 13 points higher among consumers pleased with their president (78% vs. 65%). Spending freely means not cutting back on clothing, food and other items.

Spending for major goods and services also is affected *(see table)*. For example, those pleased with the president are 29% more likely than those displeased with him to be planning a new-car purchase (22% vs. 17%). They also are more likely to be shopping actively for a car (11% vs. 9%).

The next president

With the presidential election less than 10 months away, no one candidate has emerged yet from either party who is popular enough to be mentioned spontaneously by more than 7% of Americans as someone they would prefer over President Reagan.

Americans are hungry for a president in whom they can believe. But none of the candidates has demonstrated that kind of potential, according to the polling.

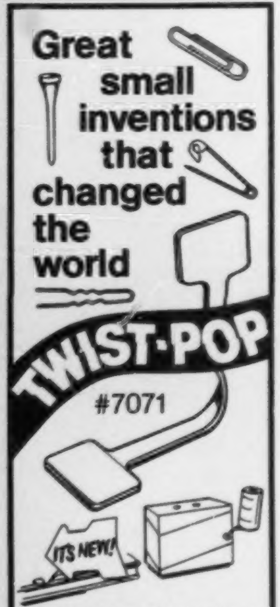
This situation raises the possibility that if no one suddenly "catches on" with voters, a dark-horse candidate capable of capturing the confidence of a majority of Americans could appear later this year.#

Messrs. Shapiro and Bohmbach are with Leo J. Shapiro & Associates.

Reagan's job performance rating

Spending for major goods and services is sharply affected by people's opinions of the president, according to Leo J. Shapiro & Associates, Chicago. The question, "Overall, are you pleased with the job Ronald Reagan has been doing as President of the United States?" drew "yes" responses from 3,029 people and "no" from 2,120 respondents. This chart shows spending plans of the "pleased" group to be higher than those not pleased in almost all categories.

Plan to buy major goods in 1988...	**Pleased**	**Displeased**
New car	22%	17%
Used car	19	18
Housing	18	13
Furniture	30	24
Appliance	17	15
Carpeting	15	11
Color TV	12	10
Air travel	42	34
Hotel/motel stay	52	41
Shopped during Dec. '87 for...		
New car	11	9
Used car	8	8
Housing	10	8
Furniture	13	10
Appliance	8	7
Carpeting	6	4
Color TV	5	4
Air travel	19	14
Hotel/motel stay	19	13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'Nat'l Journal' plans special dailies

WASHINGTON—The *National Journal* plans a daily tabloid edition for the Democratic and Republican conventions this summer, which will attract about 20,000 people each.

The National Journal Convention Daily, which also was published during the 1984 national political conventions, will cover topics ranging from political party infighting and media coverage to local saloons and sights.

The weekly *National Journal*, a Times Mirror Magazines publication, specializes in government affairs reporting and circulates to a small, elite audience of government policymakers, journalists and corporate and labor government affairs executives. Circulation is about 10,000.

More than half the ad space for the convention dailies has been sold, said *Journal* Publisher Roger Kranz. The publications will be distributed free during the Democratic convention July 17 to 22 in Atlanta and the Republican gathering Aug. 14 to 19 in New Orleans.

Mr. Kranz said the advertiser list includes Bell Atlantic Corp., Citibank, General Dynamics Corp., General Motors Corp., MasterCard International, Philip Morris Cos. and the National Cable Television Association.

In 1984, nearly all the available ad space for the convention dailies was sold, generating more than $200,000 in revenue, Mr. Kranz said. He said the tabloid will bring in at least that much in advertising in 1988.

A b&w page costs $8,250, before frequency discounts; a color page is $9,250. A guaranteed position carries a 10% surcharge. Each issue will be 40 pages, with about 60% devoted to editorial, 40% to ads, Mr. Kranz said.

Local advertisers will be able to use a special Sunday insert featuring stories about the convention cities, maps and sight-seeing possibilities.

Pressrun for each issue will be 20,000. Copies will be available in local hotels, convention halls and convention media space, Mr. Kranz said.

Advertising will count toward accumulating corporate discounts in the *Journal* as well as two other Times Mirror publications, *The Capital Source*, a quarterly directory, and *Government Executive*, a monthly magazine.#

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Kenner prays for Blessings

By JAMES P. FORKAN

Has the toy business found religion?

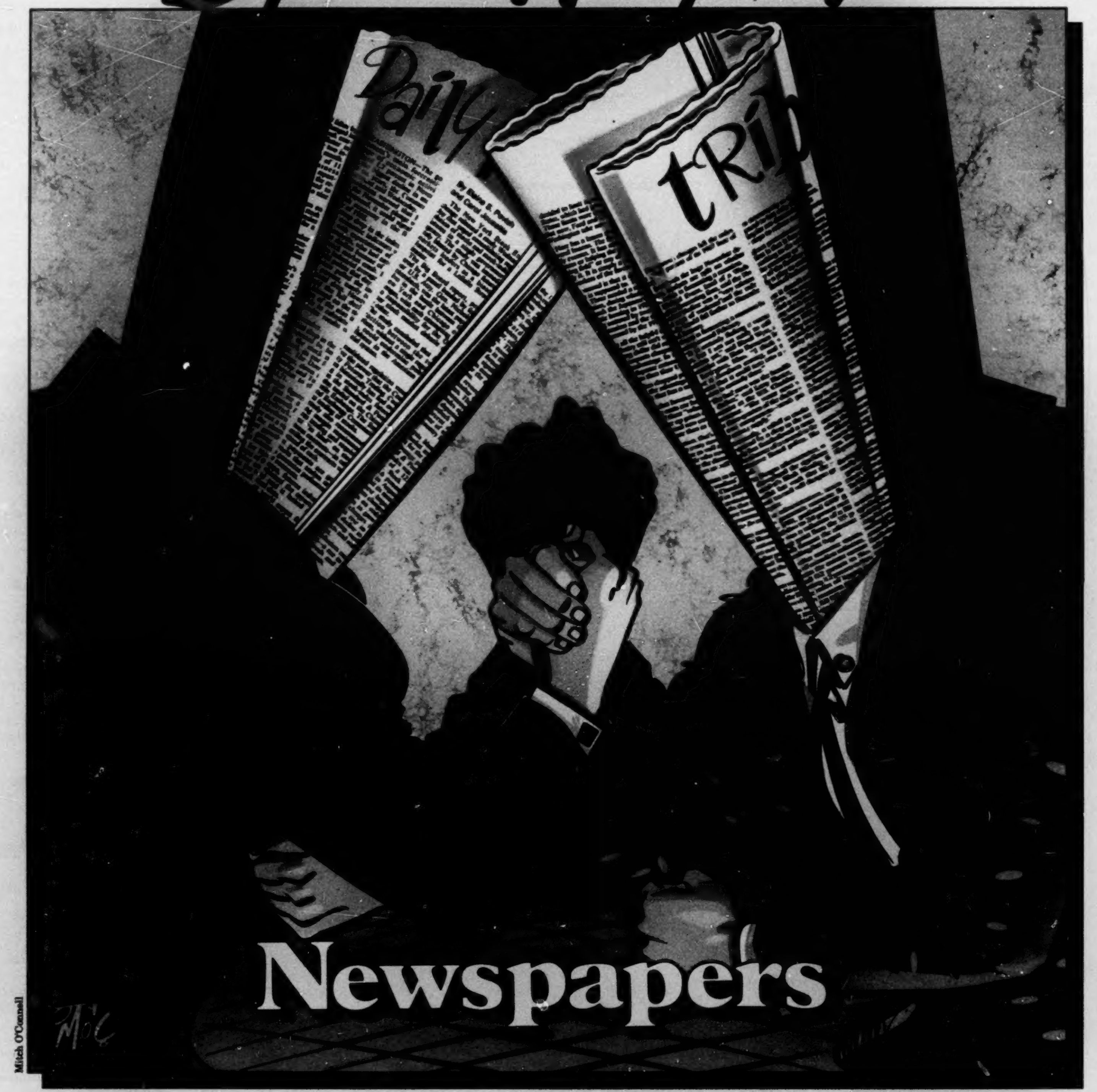
Kenner Parker Toys' Cincinnati-based Kenner Products plans a spring introduction for Special Blessings, a line of four dolls that can be put into a praying position.

Each doll, whose eyes look heavenward, comes with a booklet of inspirational thoughts and sayings, such as "Before I go to bed, dear Lord . . . I really want to thank you lots for being my best friend."

The dolls were developed for Kenner by Those Characters From Cleveland, Independence, Ohio, the licensing arm of American Greetings Corp. The introduction will be supported by a $5 million print and TV campaign, via Grey Advertising, New York, said Kenner Parker Toys President David Mauer. A small amount will be placed in religious media.

Advertising will break "around Easter," Mr. Mauer said.#

Special Report



Mitch O'Connell

Newspapers

Last metro foes still feisty fighters

By Robert Goldsborough

One of the inescapable truths about American newspapers today is that competition, at least in the traditional sense of the big-city dailies slugging it out with each other, is limited to a precious few major markets.

True, other newspaper "forms" have supplied competition by emerging to take chunks out of the metro dailies' turf: the muscle-flexing suburban daily, often distributed in numerous communities or whole counties; advertising-laden free weeklies and shoppers; the "national" papers. If you're looking for cities with separately owned, separately produced downtown dailies, though, the list is short, although the action is hot. Consider that within the last year:

- William Dean Singleton has purchased a major player in no less than *three* competitive markets—Denver, Dallas, Houston.
- The battle over whether Rupert Murdoch should be allowed to retain both newspapers and broadcast properties in New York and Boston has moved into the U.S. Senate.
- For the first time, a request to the federal government for the creation a Joint Operating Agency has been denied (Detroit), although the appeals, which may well decide the fate of the *Detroit Free Press*, continue.
- The remaining dailies in Minneapolis and St. Paul have crossed into each other's territory, creating what is in effect a single newspaper market where two previously existed.

One might wish for a greater number of truly competitive newspaper situations, but the ones that remain and are chronicled on the following pages show that in some corners, the feisty spirit of "The Front Page" lives. ■

Unless otherwise noted, all circulation figures in this section are from the Audit Bureau of Circulations FAS-FAX report for the six months ended Sept. 30, 1987.

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Papers try but can't dent 'Times' lead

By Jennifer Pendleton

All newspapers should have the *Los Angeles Times'* problems.

As the premier newspaper in the U.S.' second largest city, the *Times* reigns supreme atop the southern California newspaper heap. Hearst Corp.'s *Los Angeles Herald Examiner*, once the nation's largest afternoon paper and a fierce competitor of the *Times*, long ago lost its position in the marketplace.

The *Times* remains the U.S.' second largest major metropolitan daily paper behind the *New York Daily News*, as well as the leader nationally in total advertising volume for 32 years. It estimates its total 1987 revenues at $1 billion.

Scorned as "The Whale" by some observers because of its huge staff, ponderous stories and the remarkable heft of its issues, the *Times* continues to make substantial investments to increase its penetration. Reaching only 25% of total households daily in its primary Los Angeles and Orange County marketing areas, the *Times'* penetration is surprisingly low given its circulation.

Los Angeles circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Times	1,113,459	2.5	1,384,857	2.7
Herald-Examiner	238,811	−1.1	195,009	−2.9
Daily News	159,348	3.8	174,767	6.0

Among recent actions, the *Times* committed $385 million for a new downtown plant and facility. Publisher Tom Johnson described the five-year project as the largest capital expenditure in the paper's history. It has revamped and expanded its "Metro" and "Business" sections to include new features and additional news space, in addition to redesigning and adding new features in its Orange County edition.

The paper also has begun publishing a weekly Ventura County suburban section and has replaced its twice-weekly South Bay section with a three-day-a-week South Bay edition. Richard T. Schlosberg III, 43, formerly publisher at the *Denver Post*, which *Times'* parent Times Mirror Co. sold earlier in the year, joined the *Times* as president-ceo.

The consumer-sized *Los Angeles Times Magazine*, published on Sunday, continues to undergo editorial refinement,

(Continued on Page S-4)

Cash infusion by Cooke buoys 'Daily News'

Since Jack Kent Cooke's plunge into southern California newspapering two years ago with his purchase of the *Daily News* from Tribune Co. of Chicago, the sports magnate hasn't become a staple of local society columns like the Chandlers of the *Los Angeles Times*.

Rather, the man who built the Forum sports arena and onetime owner of the Los Angeles Lakers and Kings, has kept a low profile, showing up to work at the paper only one week a month, according to sources at the San Fernando Valley-based *Daily News*. Still, the 75-year-old multi-millionaire has been quietly putting his mark on the paper he bought for a staggering $176 million in 1985.

Sports magnate Jack Kent Cooke brought in new leadership and new equipment to upgrade the Daily News.

Among the most significant changes occurred on June 1, when the paper moved from its dreary offices in Van Nuys (described bluntly as a "dump" by Publisher Steve Morris) to a new state-of-the-art facility in Woodland Hills. In addition, the paper bought a new fleet of circulation trucks, new phones and computer hardware and is making plans for a new press and production facility in 1989. "When an owner exhibits a commitment of time and financial resources like this, it makes a hell of a lot of difference about the way people feel about their daily routine," says one longtime *Daily News* business executive.

In July, Mr. Morris, former VP-advertising at the *Denver Post*, became publisher, succeeding Byron C. Campbell; two

(Continued on Page S-4)

St. Petersburg, Clearwater, Tampa. Many cities comprise Tampa Bay, Florida's largest and wealthiest metro area. But only one newspaper unites these communities, influencing more consumer buying decisions — the St. Petersburg Times.

More than 693,000 adults turn to the daily Times; 775,800 adults are Sunday Times readers. That's the largest audience of any medium serving the Tampa Bay area. It's an affluent audience, too. More college educated adults, more chief wage earners, more upper income households and more of the buying prospects you want to reach.

What's more, nine in 10 of these adults read the Times exclusively. No broadcast medium reaches this audience as effectively and efficiently. And the area's other paper can't deliver them at all.

So, if you want to reach the metro area's largest, most affluent audience, you need Tampa Bay's most influential newspaper — the St. Petersburg Times.

Source: The 1987 Scarborough Report.

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Represented nationally by CWO&O

Tampa Bay's LARGEST NEWSPAPER Isn't In Tampa

St. Petersburg Times
Tampa Bay's Largest Newspaper

Aggressive 'Trib' puts heat on 'S-T'

By Julie Liesse Erickson

Although the numbers indicate it may be merely a lot of hot air, a bitter rivalry continues between Chicago's two downtown daily newspapers.

Mention the *Chicago Sun-Times* to *Tribune* Editor Jim Squires and he grimaces. "The Murdoch era made terrible mistakes with the *Sun-Times* and made our job that much easier—through its mistreatment of [columnist Mike] Royko and its reappearance as a schlocky newspaper," Mr. Squires says. "The way the *Sun-Times* is being edited makes it a nice alternative to the *Tribune*. But it's less a direct competitor to us than ever; what they're trying to be is not what we want to be."

For his part, *Sun-Times* Executive Editor Ken Towers says, "We want to be a daily record of news that's relevant and important to our local readers. We leave the pretensions of being a regional or national paper to the *Tribune*."

Chicago circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Tribune	765,371	2.7	1,117,275	0.5
Sun-Times	604,862	−1.3	613,940	−1.9

Mr. Towers says two 1988 priorities—beefing up local coverage and investing in the Sunday *Sun-Times*—will allow the paper to "come within striking distance of the *Tribune*."

But to many observers, that *Sun-Times'* claim seems unrealistic. Although both Chicago dailies lost circulation in the early 1980s, the *Tribune* has regained readers, while the *Sun-Times* continues to suffer.

The *Sun-Times* has lost about 10% of its daily circulation and 15% of its Sunday circulation since September 1979. The *Tribune's* recent gains have cut its seven-year circulation losses to 2% on weekdays and 3% on Sundays.

Mr. Squires attributes the *Tribune's* circulation rebound largely to editorial tinkering. "When I joined the *Tribune* in 1981, the first thing we had to do was to stop the circulation losses. We had to counter weaknesses uncovered in our marketing studies.

"The *Sun-Times'* strengths were its perception as a young person's paper, its sports section and its local news coverage," he says. "So we repack-

(Continued on Page S-6)

'Times' lead

(Continued from Page S-2)

this year gaining a slightly harder edge. "We have always considered it a feature magazine with magazine-style, quality feature writing as the key. And that commitment has not changed," says Magazine Editor Michael Parrish on its evolution. "But readers of a daily newspaper, even with a Sunday magazine in a daily newspaper, expect a spine of news to it." With that change in thinking, the magazine has recently run cover stories on ethnic gangs, politics and business. On average, the magazine runs 40 to

(Continued on Page S-6)

'Daily News'

(Continued from Page S-2)

months before Mr. Morris' arrival, the *Orange County Register* lured *Daily News* Editor Timothy M. Kelly as managing editor. Managing Editor-News Bob Burdick succeeded Mr. Kelly in the *Daily News'* top editorial post.

The *Daily News'* circulation (159,348 daily, 174,767 Sunday, for the six months ending Sept. 30, according to Audit Bureau of Circulations), has risen steadily for several years; Mr. Morris believes it will reach 175,000 this year through geographic expansion and aggressive promotion.

He is convinced that "wherever the *Los Angeles Times* is the primary paper there's a fundamental weakness" the more locally oriented *Daily News* can exploit. Its format involves shorter stories, more colorful graphics and greater local emphasis than the *Times*.

The *Daily News*, long struggling to sign major department store chains as advertisers, recently added Buffums Department Stores and Bullock's.

Mr. Morris looks to Orange County, where the *Orange County Register* has a commanding circulation lead—almost 2 to 1—over the *Times*. "It [the *Daily News*] is where the *Orange County Register* was five years ago," Mr. Kelly says.

—*Jennifer Pendleton*

"What do I have to do to get 'local' rates in The Houston Chronicle?"

Just increase your frequency with a Chron-Flight® schedule.

"How does Chron-Flight work?"

Most advertisers space their ads throughout a quarter or entire year. But with Chron-Flight, you can concentrate your ads into flights, going to short-burst, high-impact schedules similar to your broadcast buys.

"And Chron-Flight gets me a 'local' rate?"

You bet. Because you're not only getting a substantial Chron-Flight discount, you're also getting your usual frequency discount. The end result? A cost-per-page that is so rock-bottom, you'll think you're off the rate card.

Now your client will be getting the "local" rates that have been in the news lately.

"But won't more ads—even discounted—cost more?"

Actually, you'll spend less. The Chronicle delivers your target market at a very affordable rate. You'll get the maximum frequency discount by placing 100% of your ads in The Chronicle. So don't split your advertising between different newspapers.

"Wait. Isn't Houston a two-newspaper town?"

Yes, Houston has long been known as a two-paper town—and those top two are the Sunday Chronicle and the daily Chronicle.

Surprised? You shouldn't be. The Chronicle's circulation lead over the Post is overwhelming—more than *95,000 daily and *175,000 Sundays.

So The Chronicle, all by itself, delivers the market to advertisers.

It takes only one daily insertion in The Chronicle to reach as many adults as two in the daily Post.

And check what happens on Sunday: One ad in The Chronicle reaches as many Houston adults as five ads in The Post. Here is the big picture.

Total Adults

Daily	1 ad	2 ads	3 ads	4 ads	5 ads
Chronicle	40%	48%	53%	56%	58%
Post	32	40	44	47	49
Sunday					
Chronicle	53	62	66	69	71
Post	38	45	49	51	53

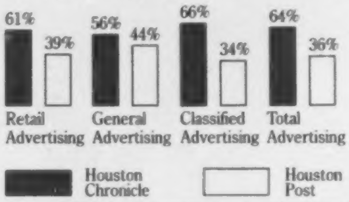
Source: Simmons 1987 National Study of Local Newspaper Ratings, Houston P.M.S.A.

"But which newspaper do advertisers choose?"

The smartest ones are in The Chronicle. They've made us the clear, number one choice in Houston. We lead in every single category of advertising, as you can see here.

So when you bring your national advertising campaign into Houston, use the "local" rate structure of Chron-Flight to make the most of your budget.

Chronicle vs. Post Market Shares



Source: Houston Chronicle internal inch reports, first six months, 1987. Includes full and part run ROP inches. Preprint inches are excluded.

"How can I get a Chron-Flight schedule?"

Just call your Houston Chronicle rep. Get full details on how increased frequency gets you the "local" rate. Today in Houston, Chron-Flight makes your dollar more powerful than ever before.

"Call the Chron-Flight Hot Line at 713-220-7761."

Represented by
Sawyer Ferguson Walker

Houston Chronicle

Houston's primary advertising investment

*SOURCE: Calculations computed from the March 31, 1987 Publisher's Statement for the Houston Chronicle and the Houston Post.

‘Trib’ puts heat on ‘S-T’

(Continued from Page S-4)

aged our local news to make it easier to find; we added people and space to our sports section; and through additions like our 'Inc.' [gossip] column and [editorial cartoonist] Jeff MacNelly, we've reached out toward younger city readers."

Last year, both dailies launched ad campaigns that will continue through 1988. Hal Riney & Partners, Chicago, handles the *Tribune's* folksy ads; the fast-moving "Take a new look at the new *Sun-Times*" ads, stressing the paper's emphasis on Chicago news, are done in-house.

With circulation up 14% in non-metro areas and Sunday circulation peaking, according to Mr. Squires, the *Trib* now is focusing on improving its distribution network.

Mr. Squires says the paper also will increase the number of zoned editions to "at least" four, by including a south and north zone to the city and Du Page County editions.

The attention to outlying areas reflects management's opinion that its primary competition is not really the *Sun-Times*

"Our plans are no longer pointed at the *Sun-Times*," Mr. Squires says. He says his attention is on the suburbs, where population totals are growing and acquisitions have strengthened the position of out-of-town media companies such as St. Louis-based Pulitzer Publishing Co.

Eroding the *Tribune's* daily circulation lead and improving its Sunday edition top the *Sun-Times'* list of 1988 goals.

The *Sun-Times* in 1988 will test a Sunday lifestyle magazine, add color to more Sunday sections and beef up graphics.

Tentatively scheduled for a spring 1988 debut, the as-yet untitled color and b&w supplement "hopes to bring something novel and interesting to the concept of the Sunday magazine," said Cornelia Tuite, the magazine's managing editor.

Mr. Towers also emphasizes a commitment to more and better business and local reporting, particularly to build readership in the fast-growing Du Page County and northwest suburban areas.

In addition, the *Sun-Times* will "continue to cover sports energetically," he says. For the 1987-88 National Football League season, the Monday edition sported a wraparound section highlighting the Chicago Bears. Mr. Towers will not comment on whether that wrapper will live beyond next week's Super Bowl.

Putting sports news upfront is one way the *Sun-Times* tries to catch the eye of local readers; newsstand sales account for more than half of its circulation. Executives also have boosted color use and instituted various graphic changes.

"The goal of all these graphic changes is providing a paper that doesn't have a sameness about it from day to day," Mr. Towers says.

While the *Sun-Times* focuses on catching up in daily circulation, the *Tribune* faces the No. 1 paper's task of finding new outlets for circulation and ad growth.

"We still have room to grow," Mr. Squires says. "We can grow through zoning and by offering better service . . . "We also can enhance our regional and national reputation, both editorially and as a vehicle for national advertising."

‘Times’ lead

(Continued from Page S-4)

pages an issue.

While the *Times* attempts to reinforce its dominant position, the money-losing *Herald Examiner* is on an opposite course. Long searching for a success formula, the paper is strongly considering switching to a tabloid format. Although the *Herald* is well-known for developing prototypes for new formats and sections that ultimately never receive corporate support, ceo John J. McCabe says, "It seems likely" the *Herald* will go forward with its plans, probably late in 1988.

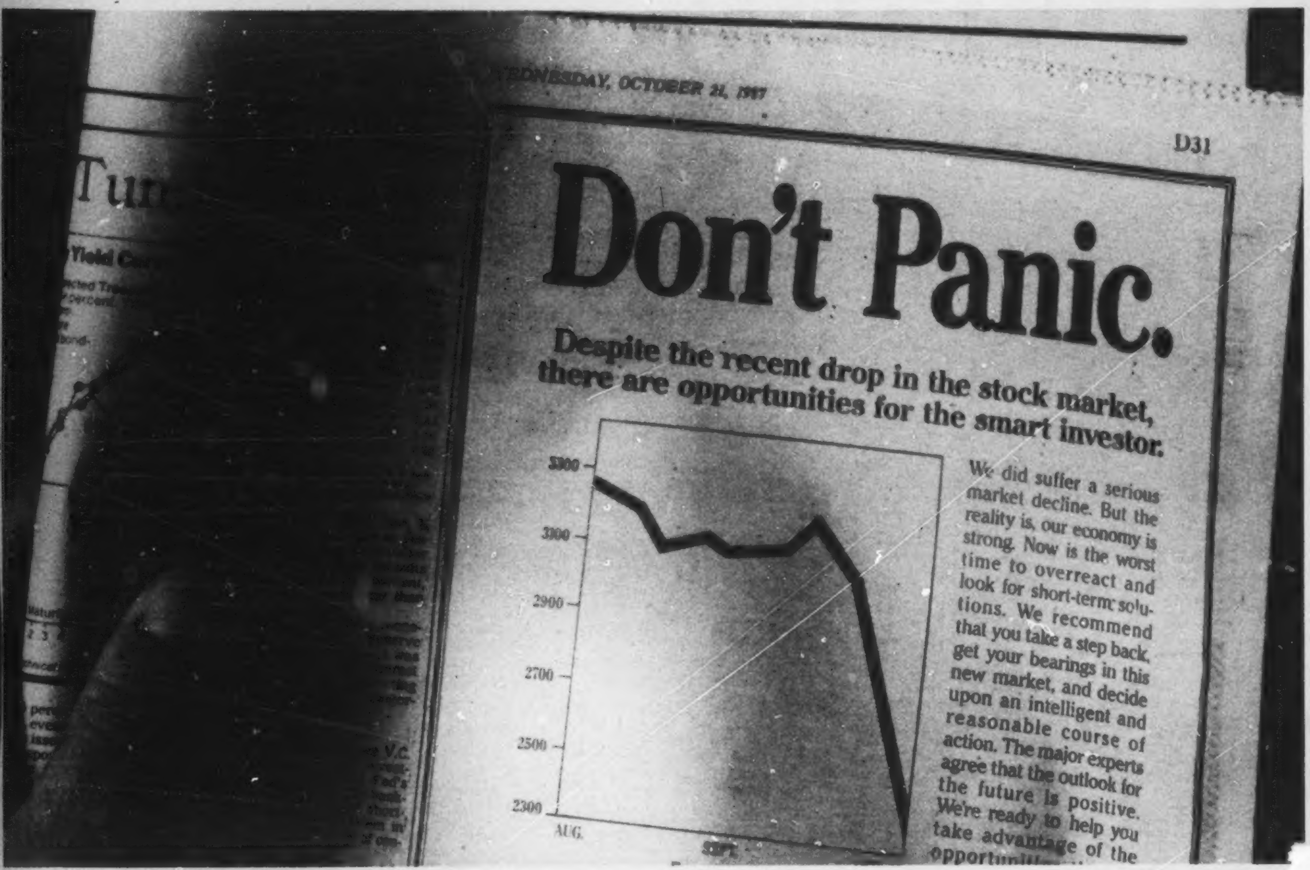
Editor Max McCrohon, 58, a one-time editor of the *Chicago Tribune*, is directing the effort. The Australian-born Mr. McCrohon hopes to build on the 75% of the circulation from street sales and wants an editorial mix that attracts more Asian and hispanic readers.

The *Times'* two strongest rivals reside to the north and south of the its primary marketing area—the *Daily News*, covering the San Fernando Valley and the *Orange County Register*, covering the sprawling 26 communities below Los Angeles.

Two years ago sports entrepreneur Jack Kent Cooke purchased the *Daily News* from Chicago-based Tribune Co. *(see related story on Page S-2)* and began making changes designed to insure its future.

While the *Daily News'* 152,963 daily circulation (as of March 31) still doesn't equal the *Times'* circulation in the San Fernando Valley (186,000 as of March 31), newly installed Publisher Steve Morris speaks confidently that that will happen soon. "We are on the verge of beating the *Times*," he says. He notes that new presses—set to begin operation early this year—will allow the *Daily News* to print more than 300,000 copies daily by fall 1989.

In circulation, Freedom Newspapers's *Orange County Register* has been consistently beating the *Times* in Los Angeles' affluent neighborhood to the south for some time.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D31

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Four-way battle to get more colorful

By Patrick Reilly

Now that union peace has been found in the New York newspaper world, the next big battle looming is color.

The *New York Daily News* and the *New York Post* both recently reached at least tentative agreements with the city's 10 newspaper unions after nearly a year of tense labor negotiations. Throughout the negotiations, *News* Publisher James Hoge continually referred to the negotiations as critical to the survival of the tabloid. The *Post*, faced with annual losses of more than $10 million, also was concerned with whether a strike by the unions might not force the closing of the already wobbly weekday tabloid.

The New York Times at press time was in the process of making agreements with its unions. *New York Newsday* already had settled a four-year contact with its unions in early 1987 as part of its parent, *Long Island Newsday*.

However, with union peace achieved, the four papers appear ready with new editorial and promotional campaigns to go at it again in an all-out newspaper war. Publishers won't have the unions to blame if they fail. Instead, the papers are pitted against one another, and more than likely, not all will survive.

One of the emerging weapons in the battle appears to be the use of color. *New York Newsday* has had it since the tabloid entered the New York market in 1984 and has made its color pages a major theme in its TV ad campaign. So far, *Newsday* is the only newspaper in town with the ability to print color.

That could change at the *News*, but first it must demonstrate its profitability to persuade Chicago-based parent Tribune Co. to invest $300 million in color presses. Mr. Hoge said the presses are needed to compete in the market for the long run. The *News* is expected to lose from $10 million to $12 million this year on revenue of about $450 million.

At a recent analysts meeting, Mr. Hoge said the *News* was actively seeking a plant site and looking at technology to build a plant with color capability for the 1990s.

The New York Times could have color sooner than that. At the same meeting, *Times* officials said color advertising ability would come on-line in 1990 with the opening of a new printing plant. The color capability is expected to be available for some editorial pages in its Sunday edition. In November, the *Times* also added several new pages on education, fashion, law, health and fitness and medical science.

The *New York Post* has not announced plans to go to color on its pages. In fact, the *Post* is expecting a further drop in its already declining circulation when it cuts back to two editions a day from eight along with worker trims.

The paper's circulation has fallen to about 690,000 from 960,000 in 1983. After the cut in editions, Patrick J. Purcell, *Post* publisher, said he expects circulation to drop to about 550,000.

Owner Rupert Murdoch has officially put the *Post* up for sale, which the Federal Communications Commission has ordered him to do by March 1988 because he also owns a TV station in New York. Already British press lord Robert Maxwell and a number of New York real estate moguls have shown interest. Currently, however, Mr. Murdoch is em-

(Continued on Page S-11)

New York circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Daily News	1,285,869	1.2	1,615,038	1.1
Times	1,022,899	2.1	1,589,290	0.3
Post	690,915	−5.6	–	–

'News' has big role in creating shop

Bob Conlon knows what makes newspapers better clients than most: They make decisions fast.

"Newspaper people are very smart people. You don't have to draw them a map. You show them something and they move quickly," says Mr. Conlon, who along with Paul Nye, the two of them former executives at SSC&B:Lintas Worldwide, formed Conlon & Nye in October.

Messrs. Conlon and Nye will certainly be moving fast with the *New York Daily News* and its $8 million account. This month Conlon & Nye broke a new *Daily News* campaign in TV, print and outdoor continuing the theme they began last year, "Nobody knows it, nobody shows it, nobody tells it like the *Daily News*."

Arnie Adler

Paul Nye and Bob Conlon are responsible for putting together the new Daily News campaign.

The agency really owes its existence to the New York tabloid. The two creative executives began working on the *Daily News* business strictly on a free-lance basis in April 1987, when the paper's last agency, Holland & Calloway, suddenly resigned the account to take on the business of rival tabloid *New York Newsday*.

The first TV spots Conlon & Nye developed for the paper used the now-familiar tag line to promote the *Daily News* sports pages. The paper's management like the campaign so much it was expanded to include promotion of the news and feature sections.

The recent success *News* Publisher Jim Hoge has had with cutting costs and increasing circulation is making the agency's work much easier, says Mr. Conlon. "The *News* these days is looking like a winner," says Mr. Conlon. "It's a lot easier than promoting the [New York] *Post*. I don't know if that could be pulled off."

The new *News* campaign focus on, among others, editors and columnists at the paper. "The focus is on the people who make the difference at the paper," he says.

—Patrick Reilly

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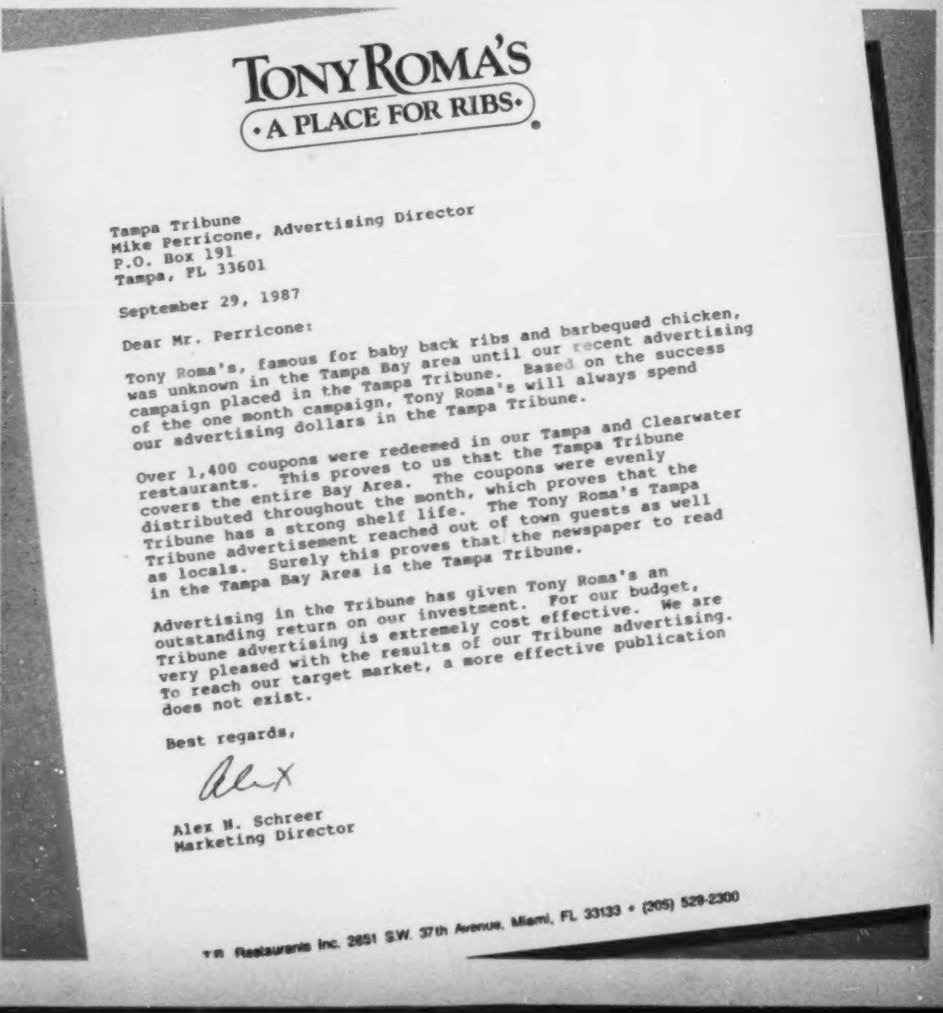

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Mike Perricone, Advertising Director
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September 29, 1987

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Advertising in the Tribune has given Tony Roma's an outstanding return on our investment. For our budget, Tribune advertising is extremely cost effective. We are very pleased with the results of our Tribune advertising. To reach our target market, a more effective publication does not exist.

Best regards,

Alex

Alex H. Schreer
Marketing Director

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Economy takes toll on 'Post,' 'News'

By Julie Truck

Denver's two fiercely competitive daily newspapers are showing signs of a retrenching following a major skirmish with the state's beleaguered economy.

The *Denver Post* suffered its biggest setback in September when Times Mirror Co., Los Angeles, sold the ailing paper for $95 million to MediaNews Group of Dallas, headed by William Dean Singleton.

Meanwhile, at the offices of Scripps Howard's *Rocky Mountain News*, news bureaus have been trimmed back and its afternoon stock final was canceled in November after a year of disappointing sales. Both of the newspapers also have canceled their Colorado Springs editions.

Acquired by Times Mirror in 1980 and converted shortly afterward to a morning paper, the *Post* has strugged to regain market share ever since. Anthony Campbell, recently promoted to executive editor, says the *Post* will concentrate on beefing up local coverage and increasing story count, traditional fortes of the *News*. "The battle has got to be won on local hard news," Mr. Campbell says.

News editor Ralph Looney, a Scripps Howard veteran, says he will be watching the *Post* with interest and has some of his own editorial changes planned for 1988, but adds he that doesn't plan any changes in the *News* editorial philosophy.

"We've tried not to change the character of the paper, which seems to indicate to me that [readers] haven't lost their identity with the paper," he says.

The *Post* suffered a crushing blow last spring with the loss of a $2 million account—the paper's largest—when all 12 outlets of The Denver department store chain closed.

The sluggish economy has further squeezed advertising revenues, and local advertisers can take advantage of some of the lowest rates per thousand in the country, says Dave Beihoff, *Post* VP-advertising & marketing.

The cut-rate advertising also has trickled down to the Denver-based Sentinel Publishing Co., with 10 suburban weekly newspapers. Sentinel president Harrison Cochran says in the short-term, he expects the ad-rate pressure to continue, with more lean times ahead.

However, the competitive atmosphere at the two papers has proven a plus for one group—new subscribers. Both papers have employed price promotions in which new readers can receive a week's worth of the *News* for 86¢ and the *Post* for 85¢. Existing subscribers at both papers are charged $7.25 a month.

The September Audit Bureau of Circulations figures place the *News* daily circulation at 332,114 compared with the *Post's* 230,471. However, the *Post* has a Sunday lead of more than 30,000.

Through the first 10 months of 1987, the *News* was the ad linage leader. According to figures compiled by Media Records, it holds a 55.7% share of total linage for daily and Sunday with 3.1 million inches, compared with the *Post's* 2.5 million inches.

These figures include preprints, but not linage in the *Post's USA Weekend* or the *News' Parade*.

According to Vernon Mallinen, *News* director of marketing services, the paper will become much more aggressive in playing up its lead.

As part of that marketing strategy, the *News* hired Broyles Allebaugh & Davis, Denver, in December to handle its $1 million account, replacing Colle & McVoy, Englewood, Colo.

At the *Post*, advertising executives say they plan no review of Schenkei/Associates,Denver, for at least six months. But Mr. Beihoff says the paper will cut its advertising budget "significantly" in 1988. In 1987, the newspaper spent $1.6 million in television alone, he says.

Some observers say the *Post's* sale was expected following the summer buyout offer to employees. About 150 *Post* employees accepted the offer for voluntary termination. Through the offer, the *Post* had hoped to cut 200 positions for an estimated salary savings of $6 million.

But for many *Post* employees, the question is whether MediaNews can turn a profit at the paper while maintaining the editorial excellence that won the *Post* a Pulitzer Prize in 1986.

Former *Post* Publisher Richard T. Schlosberg III left to become president of the *Los Angeles Times*, while Editor David Hill has moved to Times Mirror in a senior editorial capacity.

The new editor and publisher, Maurice Hickey, comes from the *Detroit News*, where he was publisher. He also played a key role in the development of *USA Today*.

Fueling employee worries following the takeover of the *Post* was a request from Mr. Singleton for 4% to 6% in wage concessions, which he received from the Denver Newspaper Guild and which took effect Jan. 1.

Also, in early December, the paper cut 20 positions, including seven in management, for an estimated savings of $700,000 in wages and benefits.

Denver circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Rocky Mountain News	332,114	1.5	373,206	1.6
Post	230,471	1.5	404,271	−5.0

Julie Truck is a Denver-based correspondent for ADVERTISING AGE.

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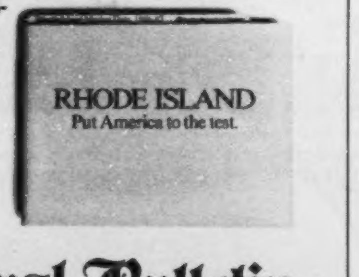

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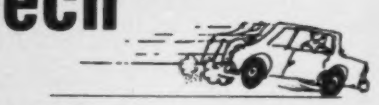

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Twin Cities arouse squabbling 'siblings'

By Bob Geiger

The Star Tribune: Newspaper of the Twin Cities and the *St. Paul Pioneer Press Dispatch* are fighting for readers and advertisers in a battle that could transform the Twin Cities into a single metro market.

Star Tribune, flagship property of Minneapolis-based Cowles Media Co., dropped Minneapolis from its name Aug. 31 and added a St. Paul edition—asserting the Twin Cities had meshed into a single 2.25 million-person market.

The smaller *Pioneer Press Dispatch*, owned by Miami-based Knight-Ridder Newspapers, retorted that the "twin" cities differ vastly and hired Clarity Coverdale Rueff, Minneapolis, for a $500,000 campaign to counter *Star Tribune's* $1 million ad blitz via Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis.

After ruling out a "west metro" counterattack, the *Pioneer Press* in October began delivery in downtown Minneapolis. Further, the paper seeks subscribers near the future site of the Fashion Mall of America, a 2.8 million square foot retail mall south of Minneapolis in suburban Bloomington.

Pioneer Press Dispatch President-Publisher John Henry said the westward creep signals a St. Paul drive to expose Minneapolis decision makers to another newspaper and to boost readership near the future home of the first Twin Cities' Bloomingdale's and Nordstrom department stores. Mr. Henry would not say whether the *Pioneer Press* plans home delivery in Minneapolis.

Both newspapers are the merged products of morning and evening publications. The evening *Minneapolis Star* combined with the *Minneapolis Tribune* in 1982 to form the *Minneapolis Star & Tribune*. In 1984, the evening *St. Paul Dispatch* joined with the *St. Paul Pioneer Press*. Additionally, both papers feature slick color graphics and new off-site printing plants.

Twin Cities circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Star Tribune	389,410	2.8	629,845	2.2
Pioneer Press/Dispatch	193,075	3.0	251,484	2.4

Stakes are high in what is seen as a drawn-out war for readers and local and national advertisers who in the past have made two ad buys. Key to *Star Tribune's* east metro success is its contention that people who work or socialize in both cities should be served by a newspaper covering the entire metro area.

In contrast with a hands-off marketing stance long maintained by both newspapers, the *Pioneer Press* has a feisty broadcast, print and outdoor campaign highlighting differences between the papers, which started last fall.

Typical of St. Paul's campaign is a print ad picturing a *Star Tribune* delivery truck parked near a "dead end" sign. The headline: "The newspaper of the Twin Cities seems to be getting lost in St. Paul."

The *Star Tribune's* "Good news" campaign in Minneapolis includes one 30-second tv ad, radio and print and outdoor ads. Introductory print ads were headlined, "We look at

(Continued on Page S-12)

Bob Geiger is an ADVERTISING AGE *correspondent based in the Twin Cities.*

Colorful

(Continued from Page S-8)

broiled in a battle with the FCC and members of the U.S. Senate—including Edward M. Kennedy (D.-Mass.)—over whether he can retain cross-ownership of newspaper and broadcast properties in New York and Boston.

The toughest battle in New York is bound to be between the street-smart *Daily News* and its newest, slightly more genteel competitor, *New York Newsday*.

Each is launching new advertising campaigns in 1988 that feature the editorial product. The *Daily News* campaign from Conlon & Nye features the paper's stars, including columnist Liz Smith *(see related story on Page S-8)*.

New York Newsday's campaign also breaks in January from Holland & Calloway, New York, which resigned the *Daily News* account in 1987 to take on *New York Newsday*. It too will feature *Newsday* columnists and by late 1988 could include Jim Breslin, the *Daily News* columnist contracted to write for *Newsday*.

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JOA setback sends papers scurrying

By Dee Ann Maki

A pending decision by U.S. Attorney General Edwin Meese III will determine whether Detroit will see a continuation of the long-running newspaper war between *The Detroit News* and *Detroit Free Press.*

Those two, the country's ninth and 10th largest newspapers, have run into numerous hurdles in their attempt to form the largest joint operating agreement on record.

The latest came Dec. 30, when Administrative Law Judge Morton Needelman recommended denial of the merger, four months after completion of public hearings over the papers' claims that a JOA was necessary to preserve Detroit's two distinctive editorial voices.

FIRST PLACE

LANDING DEAL

The Detroit News

Judge says Detroit market a 'plum' for 2 newspapers

Recession in 1988? Analysts disagree

Detroit Free Press

Judge advises Meese to reject JOA

Says Free Press not failing paper

The Detroit News and Detroit Free Press both made front-page news with a judge's rejection of their JOA proposal.

The *News* and *Free Press* announced the merger proposal April 14, 1986, arguing that without a JOA, the *Free Press,* which has suffered greater losses, is in danger of failing.

Judge Needelman presided over 16 days of public hearings last August, at which the newspapers cited combined losses of $142 million from 1981 through first quarter 1987.

The losses have been caused by an intense competition that has resulted in a fierce newsstand price and ad rate battle. Readers and advertisers, who have benefited so far, fear a JOA may remove the economic incentive for such competition.

The *News,* which sells for 15¢, has the lowest cover price for a metro daily in the country, followed by the *Free Press* at 20¢. Sunday editions run 75¢ for each. Ad rates are marked by "severe discounting," according to Judge Needelman.

Under terms of Detroit's proposed JOA, the production, advertising, circulation and business departments of both publications would be combined. The *Free Press* would continue to publish its morning editions, and the *News* its afternoon editions.

Detroit circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
News	686,787	0.8	837,511	−0.3
Free Press	649,312	−1.1	732,699	−1.9

Dee Ann Maki is a Detroit-based free-lance writer.

Squabbling 'siblings'

(Continued from Page S-11)

life from both sides now," "East Side Story," and "Unfolded, it covers the entire Twin Cities."

Effects of Minneapolis' metrowide strategy are unclear. Suburban publishers say daily news competition in Dakota County and northwest Ramsey County—the most intense Minneapolis-St. Paul confrontations—hasn't changed their product. But ad bidding has become more competitive. Dakota County suburbs of Apple Valley, Burnsville and Eagan comprise the south metro battleground. The *Star Tribune* dominates here, but St. Paul mails its Dakota West community section weekly to 24,000 homes.

"We saw more activity out of Dakota West than we saw out of [*Star Tribune's*] metrowide thing," says Lee Canning, VP of Guy Gannett Minnesota Publications, publisher of 26 suburban weeklies mailed free to homes and five local shopping guides.

Mr. Canning, senior VP-business manager for the Minneapolis Star and Tribune Co. until 1974, said the thrust of *Star Tribune's* metrowide strategy is to drain national ad revenue from the *Pioneer Press* (National ad buys make up between 10% and 20% of *Star Tribune* ad revenue). And while Mr. Canning thinks the Twin Cities has become a more singular market, he likened buying ad space in *Star Tribune's* St. Paul edition to "selling an empty bag for $3" because of low east metro penetration.

Dan Clay, head of Burnsville-based This Week Newspapers, a chain of nine Twin Cities weeklies, said "We don't

We impressed Rand McNally who named the Research Triangle cities the third most liveable place in the country.

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Columnists 'positive' about St. Paul switch

Ex-Minneapolis newspaper columnists Nick Coleman and Joe Soucheray have turned on their old employer in ads for the rival *St. Paul Pioneer Press Dispatch.*

Print and TV advertising says that after encountering "writer's block," Messrs. Coleman and Soucheray left *The Star Tribune: Newspaper of the Twin Cities,* to "find freedom of the *Press.*" Both men, now *Pioneer Press* columnists, claim Minneapolis editors told them to be more positive and killed some columns that weren't done so.

The feisty *Pioneer Press* ad campaign marks a radical change in the tame nature of Twin Cities newspaper marketing.

The St. Paul paper's $500,000 campaign via Clarity Coverdale Rueff, Minneapolis, contrasts sharply with the *Star Tribune's* polite "Good news" ad effort.

That's because the *Star Tribune,* in effect, declared war on the *Pioneer Press* turf Aug. 31 after it changed its name and launched a St. Paul edition.

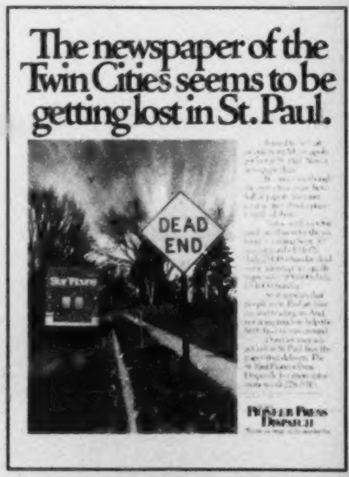
Star Tribune officials stress they are following their readers east, and that increased metrowide competition won't threaten the *Pioneer Press.*

"They can call it whatever they want, but we'd be fools not to respond like it's a war," says Mr. Coleman, who joined the *Pioneer Press* in June 1986 after 13 years of reporting and media criticism in Minneapolis.

"I kept getting this message to be positive. Long, agonizing torturous meetings [with editors]—it was like something out of Kafka. They started cutting the crap out of stuff I was writing," says Mr. Coleman.

Mr. Soucheray, who defected to St. Paul in 1984 after he lost his sports column, said *Star* Tribune editors "made it very clear they wanted more positive coverage."

Joel Kramer, *Star Tribune* executive editor, replies that "There have been occasions when we have not run people's columns," and says that happens at every newspaper. Mr. Kramer adds *Star Tribune* columnists aren't allowed to "hammer repeatedly" on the same subject.


The newspaper of the Twin Cities seems to be getting lost in St. Paul.

DEAD END
Star Tribune
Pioneer Press Dispatch

A Pioneer Press Dispatch ad pokes fun at the Star Tribune.

Under the proposed JOA, the papers would consolidate on weekends under the masthead of *The Detroit News-Free Press*. Saturday editions would entail the *Free Press* covering breaking news and the *News* carrying the features. The Sunday edition would have the *Free Press* producing features and its lifestyles section while the *News* would cover breaking news and sports. Both papers would to maintain separate editorial voices, and the entire operation would be run by the Detroit Newspaper Agency.

During the August hearings, opposition was led by Detroit's Mayor Coleman Young and labor unions representing both papers. The anti-trust division of the U.S. Justice Department claimed at the hearings that the *Free Press* could have avoided losing money had it not chosen to engage in "an intense

(Continued on Page S-14)

give an inch to the dailies." Mr. Clay slammed St. Paul's Dakota West as a "half-hearted" attempt to gain readers and advertisers and sniped at *Star Tribune* for its thin local news coverage. "I don't feel threatened, let's put it that way."

The *Pioneer Press* lampoons *Star Tribune* editing in full-page print and 30-second TV spots.

Ads picture typed copy with red editor's slashes and commands to rewrite or soften text—something Messrs. Coleman and Soucheray say does not happen at the *Pioneer Press*.

That's just one way the *Pioneer Press* ads differ from the current *Star Tribune* campaign, a $1 million effort via Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis. *Pioneer Press* TV spots use staff members while *Star Tribune's* warm-and-fuzzy image ads do not.

Other St. Paul advertising notes lower single-copy price (25¢ compared with 35¢ for the *Star Tribune*); a.m. and p.m. editions (*Star Tribune* prints mornings only), and pokes fun at the *Star Tribune's* "east metro" buzzword for St. Paul and its surrounding suburbs.

Most pithy and hard-hitting is a St. Paul print ad headlined, "The newspaper of the Twin Cities seems to be getting lost in St. Paul" with a *Star Tribune* truck pictured near a "dead end" sign.

"It's clear that they have taken a very combative stance," says Thomas Culligan, *Star Tribune* VP-marketing.

Messrs. Culligan and Kramer agree that the *Star Tribune* prefers a positive marketing approach, not wanting to offend prospective readers and advertisers in the eastern portion of the metropolitan area.

—Bob Geiger

Reactions mixed about the future of 'Free Press'

One reporter at the *Detroit Free Press* compared the mood of its employees to that of a patient ready for major surgery.

"You can talk about the weather, but sooner or later your thoughts drift back to whether you're going to make it off the operating table," Rick Ratliff, a business reporter at the *Free Press*, says.

A common worry among staffers is that there's an element of self-fulfilling prophecy to the newspaper's declaration in its application for a joint operating agreement—that it is a failing newspaper.

Newsroom defections fuel the concern, but circulation and ad sales have not significantly suffered since the *Free Press* first applied for a JOA with Gannett Co.'s *The Detroit News* 21 months ago.

Free Press executives have been trying to boost morale among the paper's 2,200 employees with discussions and news briefings to them abreast of JOA developments. David Munch, VP-advertising, begins weekly staff meetings with the question, "Does anybody want to talk about the JOA?"

"It's been an emotional roller coaster," says Robert Hall, general manager at the *Free Press*. "There hasn't been any panic or masses of people saying they want to quit or anything like that. They're just concerned about another period of uncertainty as to what's going to be in the future."

The News lured about a dozen reporters away from the *Free Press* during a talent raid last spring, and the *Free Press* has lost another 15 or more reporters and editors since the JOA request was announced.

Tim Kiska, who joined the *News* as a columnist last March during the *News'* raid of the *Free Press'* newsroom staff, says morale was "pretty low" when he left. "At the *Free Press*, the JOA was almost a constant source of conversation. Here it doesn't seem to be much of an issue."

Although analysts say it is typical for the declared failing newspaper of a JOA to suffer declines in circulation and advertising while the JOA application is being considered, the *Free Press* has remained fairly stable in both areas.

"I think there's a good deal of faith and affection in the *Free Press*, and a great deal of trust in the *Free Press* from both readers and advertisers," says David Lawrence Jr., publisher and chairman.

—Patricia Strnad

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AD SAT

Source: © S&MM Survey of Buying Power, 1987 National Representative: Sawyer-Ferguson-Walker Co.

Papers hot properties in cool economy

By Jennifer Lawrence

For a city in the throes of an economic slump, Houston's newspaper market generated headlines of its own when the *Houston Chronicle* was sold to Hearst Corp. in May for $415 million.

A little more than six months later, *The Houston Post* was sold to William Dean Singleton's MediaNews Group by Toronto Sun Publishing Corp. for $150 million plus an amount based on future revenues through 1992.

Houston circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Chronicle	406,776	0	534,771	0.8
Post	301,100	−2.1	347,052	−3.7

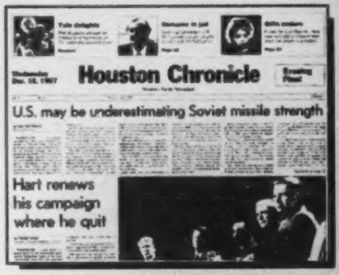
"Both newspapers in essence together sold for around $600 million, and that's good news for Houston," says Elio Agostini, *The Houston Post's* VP-marketing, who along with *Post's* senior management under Toronto Sun decided to stick with the feisty paper. "Obviously both newspapers have a place in this community or that kind of money wouldn't have been put up."

Nevertheless, a soft retail economy and a static population base have caused problems. Total ad revenues are down and the papers reported slight daily circulation losses for the six months ending Sept. 30. Both are trying to lure new readers by touting editorial superiority in ad campaigns. New ownership has not changed marketing focus at either paper, though the *Post* modified its game plan to compete head-on with the *Chronicle*. The *Post's* strategic shifts were made before the sale.

Still, the *Chronicle* maintains a sizable circulation lead *(see box at left)*.

Despite the *Post's* circulation losses, the paper has made slight gains in advertising share. Media Records shows that for the first 10 months of 1987, the *Chronicle's* ad share was 58.9%, compared with 59.2% in 1986. The *Post* climbed to 41.1% this year from its 40.8% share in 1986.

In classified advertising, the *Post* went from a 33.2% share for the first 10 months of 1986 to 33.8% in 1987 compared with the *Chronicle's* 66.8% in 1986 and 66.2% this year.



Houston Chronicle

U.S. may be underestimating Soviet missile strength

Hart renews his campaign where he quit

The Chronicle, under new owner Hearst, continues its tag as "Houston's leading information source."

The *Chronicle's* main marketing thrust is continued reinforcement of the paper's No. 1 position, says Bob Thomas, *Chronicle* marketing director.

With that goal, the *Chronicle* extended its "We support Houston" ad campaign to the next phase, which describes what the paper means to readers.

A series of four 30-second TV spots captures moments between family members as they tell their children how they feel about the *Chronicle* and what the information in the paper provides for them. Rives Smith Baldwin Carlberg, Houston, created the "Heritage" campaign.

JOA setback

(Continued from Page S-13)

and costly battle for dominance."

The hearings also included testimony from Knight-Ridder Chairman Alvah Chapman and Gannett Co. Chairman Allen Neuharth as well as additional employee unions, economists and industry analysts.

Mr. Chapman testified during the hearings that he would recommend closing the *Free Press* if the JOA is denied (AA, Aug. 17).

Judge Needelman's decision to recommend denial of the proposed merger was based on his conclusions that the *Free Press* sought market dominance at any cost, with the belief that if it failed it could qualify for a JOA. He characterized that scenario as a win-win situation, where either outcome would assure profitability. Judge Needelman also concluded the *Free Press* is not in a "downward spiral" in terms of advertising and circulation revenue.

Mr. Meese will not consider the case until mid-February, giving both papers, the U.S.

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Source: 1985 SMRB - Scarborough Newspaper Study. Survey of Buying Power, July, 1986

Mr. Thomas indicates that the *Chronicle* also has expanded its same-day radio campaign, which promotes that day's top stories in several sections of the paper. In November, a 60-second spot was added to the rotation on Wednesdays to highlight the food section. The seven-week effort, a test for similar future efforts, directed listeners to key coupons, recipes and ads. The *Chronicle's* tag remains "Houston's leading information source."

While concentrating on maintaining awareness, the *Chronicle* this year will begin to consider targeted marketing opportunities. "Because of the size of our paper and the amount of available new readers, it becomes much more difficult to grow," says Mr. Thomas. "We feel we have maintained maximum penetration and now must focus on target marketing."

At the *Post*, marketing efforts are aimed at building long-term readership gains and increasing ad share—particularly in classified, where the *Post* is a distant second.

A current fall ad campaign from GSD&M, Houston, is homing in on the *Post's* accurate and balanced reporting with two 30-second TV spots and three 60-second radio commercials.

"Research showed that people want balanced reporting and thorough local news," says Mr. Agostini. "We feel the *Post* is more a model of those qualities than the opposition, and our marketing is pushing those principles."

The *Post* also debuted a new tag, "A sign of intelligent life." "Again, research showed that people viewed the new slogan three ways: 1.You have to be intelligent to read the paper; 2.

(Continued on Page S-16)

Justice Department and other-parties 30 days to respond to the judge's recommendation, and then another 15 days to respond to each other's briefs.

Mr. Meese has no deadline and can make his final decision any time after the 45-day span.

Worries of soaring ad rates under JOAs are common among advertisers. Although a pricing format has been readied for use, pending approval, specific rates cannot be determined.

Current ad rates and revenue figures cannot be used to determine the new cards because it is considered an anti-trust violation if both parties share competitive information before a decision is announced.

Knight-Ridder continues to be optimistic that the JOA will be approved despite Judge Needelman's recommendation. If Mr. Meese denies the application, the company's options include appealing in U.S. District Court, selling the newspaper, closing the *Free Press* and selling its assets or cut costs by reducing staff and raising daily cover prices. The *Free Press* is said to have lost an estimated $18 million in 1987.

New owner softens the 'Post' look

What's black and white and no longer red all over? The redesigned *Houston Post.*

The day after William Dean Singleton's MediaNews Group acquired Houston's No. 2 paper, out went the red logo of *The Houston Post* logo that was instituted by the previous owner, Toronto Sun Publishing Corp.

In its place came a more traditional logo and a redesigned front page.

Under the paper's masthead is the tag "Texas owned, Texas proud."

"A new front page was motivated by the change in ownership," says Elio Agostini, *Post* VP-marketing. "Dean [Singleton] wanted more of a morning newspaper look. Many of us all along felt that the *Toronto Sun* look was not apropos for this paper."

The Houston Post nameplate uses the Times New Roman typeface—similar to the look of sister publication *Dallas Times Herald.*

Like the *Times Herald*, the new *Post* uses the U.S. flag and Texas flag on the front page. The *Dallas Times Herald* tag, however, says "The best newspaper in Texas."

The Houston Post
Cubans offered deal as riots grow
One slain in uprising in Atlanta

"Yes, we wanted to be more in keeping with the MediaNews Group look and sought a similarity," acknowledges Peter O'Sullivan, the *Post's* VP and editor-in-chief.

THE HOUSTON POST
Cubans demand to stay in U.S.

The redesigned Houston Post (left) dumped the red logo and added the tag, "Texas owned, Texas proud."

"We wanted a softer, more traditional design."

Noting that the ownership change was the perfect opportunity to make a design change, Mr. O'Sullivan says,

(Continued on Page S-17)

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Competition still fierce, but some rules change

By Beverly Narum

When MediaNews Group took control of the *Dallas Times Herald* in the fall of 1986, one of the first complaints its president, William Dean Singleton, made was that the two Dallas newspapers looked too much alike.

Beverly Narum is a Dallas-based free-lance writer.

At the time, most people would have agreed. Under Times Mirror Co. ownership, the *Herald* and its rival, *The Dallas Morning News*, waged fierce, toe-to-toe competition, each trying to outcover the other on every story, each chasing similar markets. While that competition certainly hasn't ceased, the game plan for the *Herald* in a little more than a year under MediaNews ownership has changed.

"You always go head-to-head in a competitive market," Mr. Singleton says. "The reader has the choice to put his quarter in your box or their box. But we are trying to reach a certain audience, a younger, more family-oriented audience. We are targeting that 25-to-45 age group, the family with a wife and kid and two car payments. That's the growing part of the market."

To meet that goal, Mr. Singleton chose veteran newsman David Burgin as editor. The *Herald* has changed in look and content; front page headlines are larger and flashier and Page 1 stories often have more of a feature flair than in the past; Some selections have a more sensational bent.

The *News* has responded by continuing its program, although increasing its use of color and graphics.

"From a pure marketing standpoint, we are delighted in the changes at the *Herald*," says Jeremy Halbreich, exec VP and general manager of the *News*.

Mr. Halbreich says competition continues to be intense, but he believes it is less direct and less of a threat than when Times Mirror owned the *Times Herald*.

Under the new ownership, the *Herald* editorial staff has dropped to about 250 from its peak at 310 while the *News* has about 300. But the *Herald* gained a boost in coverage potential last fall when MediaNews Group announced it would purchase *The Houston Post* and *The Denver Post*.

Already the two Texas papers have worked together in covering the Cuban riot in a Texas prison; stories from *Houston Post* reporters already have appeared on the front page of the *Herald*.

Mr. Singleton also shows he's ready to fight the *News* on other levels. He ordered an investigation of *News* circulation practices even before his new ownership position was official, and that challenge continues.

After nearly a year of trading charges, months of deposition taking and the involvement of the Texas attorney general's office, the two papers had reached an agreement in August 1987 for the Audit Bureau of Circulations to begin its first audit since the *Herald's* challenge stopped the audit of the 12 months ended March 31, 1986.

When the audit—expected to be completed in the first quarter of this year—is issued, it will be the first official audit since the review of the 12 months ended March 31, 1985.

While the audit continues, both sides remain adamant in their positions and continue legal proceedings.

Additions to the papers haven't stopped. The *Herald* beefed up neighborhood coverage with zoned editions while the *News* in 1987 added a twice-weekly edition for the city of Plano and Collin County, an area with growth potential and high-end demographics. Last fall the *News* added a Sunday supplement, "Youth Beat."

Both newspaper leaders said the downturn in the local economy has been a bigger challenge than fighting the competition. Both papers lost millions of dollars in ad revenues in 1987 when Safeway closed all of its North Texas grocery stores and long-time retailer Joske's was sold to Dillard Department Stores, already an advertiser in the market. Both papers trimmed staff and instituted other cost-cutting measures.

Mr. Halbreich says the *News* will continue its "Dallas reads the Dallas Morning News" campaign with agency Tracy-Locke/Dallas.

Mr. Singleton said advertising in 1988 for the *Herald* will depend on what happens with the economy. Richards Group, Dallas, handles the account.

Though there are no recent audited circulation figures, unaudited figures give the *News* a substantial lead. ■

Hot property

(Continued from Page S-15)

You become intelligent when you read the paper; or 3. Intelligent people write the paper," says Mr. Agostini. The most dramatic marketing shift was the *Post's* abandonment of games and sweepstakes promotions. When Toronto Sun acquired the paper in late 1983, spring and fall game promotions were used to build single-copy sales and subscriptions. "Games were not effective for the long-term," says Michael Kleibrink, *Post* director/research and promotion. Those marketing dollars were directed toward the current campaign, he says.

The *Post* put its hispanic marketing campaign on hold. Last spring the paper named Rios, Barcenas & Zadik, Houston, as its second agency. That relationship has ended.

The *Post* also decided to conduct an agency review after GSD&M consolidated its Houston office with its Austin headquarters. A decision on a new agency is expected by Feb. 1.

What may emerge as the *Post's* competitive edge is its positioning as a Texas-owned newspaper. That positioning—through Dallas-based MediaNews Group's ownership—particularly appeals to readers in outlying areas, suggests Mr. Kleibrink. It is ironic because until the Houston Endowment sold the *Chronicle* to New York-based Hearst and until Toronto Sun sold the *Post* to MediaNews, the *Chronicle* was the hometown paper while the *Post* was "foreign-owned."

The day MediaNews assumed ownership, the *Post* emerged with a new front-page look

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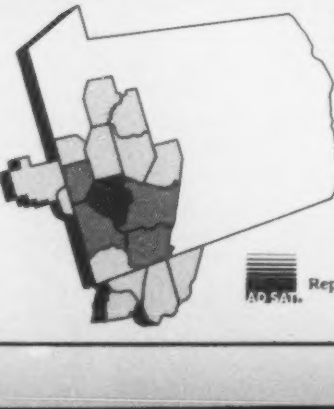

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Papers try to keep up with city's gains

By Shannon Thurmond

San Antonio and its two daily papers have been struggling to outgrow the "manana attitude" in a depressed Texas economy. Now the city and papers are trying to live up to forecasts that term San Antonio one of America's top growth spots.

The city has looked beyond the ravaged oil industry and found tourism as a base for continued growth. The May 1988 opening of Sea World's $140 million aquatic park promises to bring $1 billion alone to the area. Such stimulation has helped the city become the nation's fourth-fastest growing metro area.

The newspapers also are working to change, but some onlookers believe Hearst Corp.'s *San Antonio Light* and News America's *Express-News* have yet to meet the challenge of providing the bustling city with aggressive journalism.

William C. Thomas, *San Antonio Light* publisher, disagrees. "We've made a dramatic number of product changes and introductions, including a new format and new style section to meet the changes in the city."

However, one long-time San Antonio newspaper executive who asked not to be identified says that despite their efforts, both newspapers fail to provide adequate editorial coverage.

The *Light* was the largest paper in the city until 1984, when the *Express-News* combined its morning and evening editions to boost its circulation figures.

Struggling to regain its claim as "South Texas' largest newspapcr," the *Light* made changes to compete with the often flamboyant and sensational coverage associated with Rupert Murdoch's newspapers.

San Antonio circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Express-News	172,410	4.0	246,798	3.6
Light	147,325	6.7	224,391	7.7

Although the *Express-News'* VP-Marketing Jim Allen and Publisher Charles Kilpatrick refused to comment on the paper's marketing plans, *E-N's* Managing Editor, Jim Moss, said there had been no major changes in the format or editorial content of the newspaper in 1987.

A greater emphasis had been placed on local news, Mr. Moss says, in the form of a new inside section for stories on local issues and editorials pertaining to those issues. Additionally, the newspaper added a state desk separate from the city desk to address the paper's southern Texas readership.

The *Express-News* did not run an image campaign in 1987, Mr. Moss says, but did use weekly promotions to spotlight Sunday paper features.

One San Antonio newspaper executive who asked not to be indentified for competitive reasons said that both newspapers appear to be making profits, although the *Express-News* had a definite advantage. "If two papers can be competitive in a

(Continued on Page S-18)

(See related story on Page S-15.)

The *Post* also intends to capitalize on its relationship with the *Dallas Times Herald*, another MediaNews property, by offering combination buys to advertisers.

On the editorial front, the *Post* and *Times Herald* have merged their Austin bureaus.

But the *Chronicle's* Mr. Thomas isn't worried about the *Post*. "We don't have someone breathing down our neck," he says. "Houston's a competitive market more in terms of what we can't control—like the economy."

'Post' look

(Continued from Page S-15)

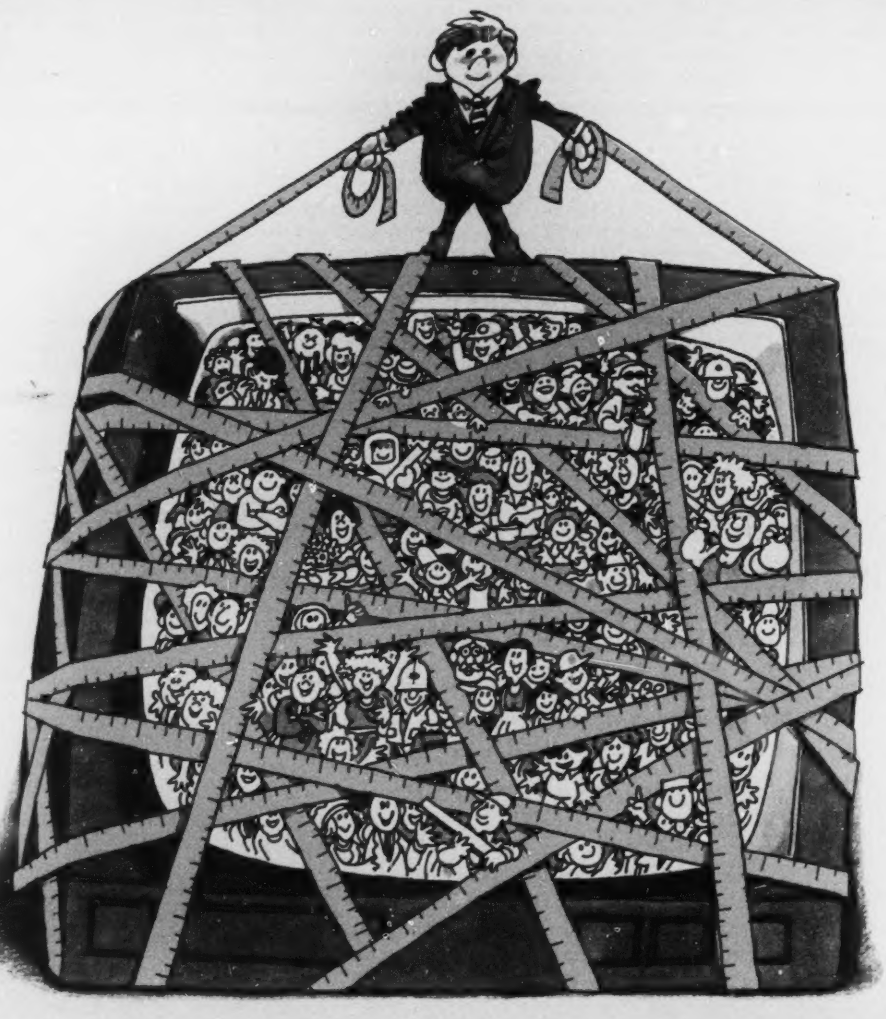
"The design is a striking reflection that this is a Texas-owned company. The look is more suited to the market."

Even before Mr. Singleton bought the paper, the *Post's* management was considering changing the red logo. One insider said that research showed women do not like red logos. So far reaction to the new design is "by far and away favorable," says Mr. O'Sullivan.

Even a *Chronicle* executive says he likes the *Post's* new front page, claiming it now resembles the *Chronicle*.

Mr. O'Sullivan, however, says the real imitator is the *Chronicle*, which he says copied the *Post's* heavy use of front page color.

—Jennifer Lawrence



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Entrenched 'Post' guards its flanks

By Janet Meyers

Washington circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Post	761,142	1.8	1,096,725	1.6
Times	91,508	−12.2	–	–

Whenever *Washington Post* Marketing VP Nick Cannistraro feels tempted to dwell on his newspaper's local dominance and 80% household penetration rate, he instead contemplates what's happened in New York and Los Angeles.

"We believe a newspaper will lose if it doesn't pay attention to the expanding suburbs," says Mr. Cannistraro. In California, he points out, the *Orange County Register* has made significant cuts into the *Los Angeles Times*, while in New York, Long Island's *Newsday* is chewing into the *New York Times* numbers. "We take these two examples as warnings to us."

So far the *Post* is keeping the wolves at bay. For the six months ending Sept. 30, the *Post* was the only Washington area daily to gain circulation, according to Audit Bureau of Circulations figures.

The *Washington Times*, with five years in the market and losses of $70 million in the last two years, now it is taking another stab at the *Post*. Last September the *Times* unveiled a redesign and introduced it with a hefty ad campaign *(see related story)*.

The *Times* believes it can appeal to advertisers by delivering an upscale, more targeted buy than the *Post*.

The chain of *Journal* newspapers, composed of five suburban dailies in the Maryland and Virginia counties ringing the District of Columbia, promises a home-owning, family-oriented readership.

Only in the "war zone" counties between Baltimore and Washington does the *Post* meet its match. It is there that the Baltimore *Sun* papers wage an effective and often winning battle for readers in Howard and Anne Arundel counties. But the *Sun* doesn't intend to spar with the *Post* outside those two counties.

"Inevitably, there will be skirmishing at the frontiers," said Mr. Cannistraro. Like any strategist, he is aware of the enemies' strengths and weaknesses. The redesigned *Times*, says Mr. Cannistraro, "is quite attractive, frankly." But, he adds, "I see no evidence that their circulation is growing in any meaningful way."

The *Post* has added new sections to offer advertisers less expensive buys. In the past year, however, the newspaper. has dedicated its efforts to a slick new Sunday magazine, which has proven a greater lure to national than local advertisers. Its other major editorial change in the past year has been to expand news coverage in the far suburbs, including Howard and Prince William counties in Maryland and Loudon County, Va., southwest of Washington.

The *Sun* is more aggressive in Maryland. In 1987 it launched a twice-weekly Anne Arundel *Sun* supplement filled with local news, which expanded to six times a week by the end of the year. In 1988, it will increase the Howard County section to six times a week from just Sundays. Howard represents the greatest

Keeping up

(Continued from Page S-17)

town, then these two papers are. I have to question the treatment of stories by both papers, but I can see improvement in the look of the papers in recent years."

The *Light's* format changed in March 1986 when the newspaper debuted "Sunday Viva," an offset magazine focusing on personalities and features. Throughout 1986, the paper continued to revamp its sections. The culmination of the alterations came in March 1987 when the paper changed its daily feature section and created a daily offspring of "Sunday Viva" that carries pull-out TV listings, comics and local and national columnists.

" 'Viva' magazine has been particularily popular," Mr. Thomas says. "The changes we made represented a complete redesign of the paper."

The changes in the newspaper were the underlying message in an image campaign for the *Light* that began in September. The TV, radio, point of purchase and in-house newspaper ads carried the theme "San Antonio, we're your paper."

"Research indicated that neither paper belonged to the city," says *Light* VP-Marketing Larry Wynn. "We decided to capitalize on that notion and present a paper that offered new features and a new look."

TV spots feature vignettes of how the paper plays a role in people's lives. Although Thompson/Marince, San Antonio, is the paper's agency of record, one of Hearst Corp.'s agencies, Shaw & Landey, New York, created the campaign.

Two new spots will break in February, Mr. Wynn says, and the "We're your paper" theme will continue throughout 1988.

Despite a population that is 46.6% hispanic, the paper does not print a Spanish-language edition. "We have a blending of ethnicities here that is comfortable. I see no reason to produce separate papers," says Mr. Thomas. ■

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challenge, says Ann Gallant, *Sun* director of marketing and communications, because many Howard residents work close to home, so they have no leaning toward either city.

Annapolis, Md., which is about midway between Baltimore and Washington, has acquired a more competitive environment since the *Annapolis Capital* last September began a Sunday edition.

The *Journal* last year launched a total market coverage product to reach 525,000 households in the metropolitan area.

The *Journal* saw its display and classified linage totals increase more than 9% in 1986, while the *Times* saw retail advertising revenues rise 30% in 1987. (The *Times* estimates its 1987 circulation and advertising revenues at about $8 million.)

The *Times* wants to be profitable in five years. "The *Post* is a formidable competitor," says Larry Chandler, *Times* director of development. "For the print industry, we are the test tube case," he says. "Can you, in this day and age, create a profitable new paper?"

But the *Post* will still dominate Washington, says Mr. Chandler. "The two newspapers will offer different things as they evolve. Washington will have the pleasure of having two healthy newspapers."

'Times' spots fight skepticism about owner

Josette Shiner
Deputy Managing Editor
Arnaud de Borchgrave
Editor-in-Chief
The Washington Times
For the way you live today

TV spots for the Times feature Editor Arnaud de Borchgrave and Josette Shiner, deputy managing editor, in newsroom settings.

The *Washington Times*, as portrayed in a series of TV spots this fall, is a bustling, newsy place where editors listen and act on the desires of their readers.

That's exactly the image the *Times* wants—and needs. In September, it used its redesign to unleash a $1 million-to-$2 million campaign reintroducing the *Times* to Washingtonians, many of whom have shied away from the newspaper because of its association with the Rev. Sun Myung Moon's Unification Church. The *Times* is owned by News World Communications and is supported with grants from businesses run by Unification Church members.

But the *Times*' newsroom looks like any other newspaper newsroom, and its editors look real, too.

"There's great skepticism about the media generally these days," says Larry Chandler, *Times* director of development. "We thought it was a valuable thing for them to hear from the actual people who were doing it [the redesign]."

The first two TV spots, from Earle Palmer Brown Cos., Bethesda, Md., feature Arnaud de Borchgrave, the *Times*' often controversial editor, and Josette Shiner, deputy managing editor, standing in the newsroom. "You wanted a paper that you could get through without feeling like it was your second job," says Mr. de Borchgrave. "The choice is yours. Providing, of course, you choose the new *Washington Times*." Ms. Shiner, head of the committee that redesigned the newspaper, says, "Congratulations. You built yourself a newspaper."

The *Times* used reader focus groups to discover what readers wanted in a newspaper. Thus the next four spots in the campaign showed editors of the business, features, federal report and metro sections discussing the changes in their sections, then cutting to consumers telling what they want.

So far, it's proved successful. The *Times*, whose circulation had dipped 12.2% to 91,508 for the six months ending Sept. 30, is up over 95,000, claims Mr. Chandler. That's particularly significant, he adds, because "historically, we've been able to grow the rest of the year, but not in the fall." In September, the *Post* breaks its fall offer: buy Sunday and get the other days free.

The *Post* uses mainly radio and direct mail in a less expensive, more targeted sell to new subscribers. DDB Needham Worldwide, Washington, handles. Nick Cannistraro, the *Post's* VP-marketing, says the *Post* met its circulation goals last fall.

In December, the *Times* offered a "Huggable Hog" stuffed animal wearing Washington Redskins garb as a premium for new subscribers.

For the first quarter of 1988, the *Times* will return with another series of TV spots describing more of the *Times*' special features.

—Janet Meyers

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Source: National Planning Data Corp., 1987

Daily News
LOS ANGELES

Represented nationally by Sawyer-Ferguson-Walker

Boston rebounding as two-paper town

By Alan Radding

Three years ago serious doubts existed as to whether Boston would remain a two newspaper city. The *Globe* was solidly entrenched, commanding the overwhelming share of readers and advertising while the *Herald* floundered in red ink, low readership and weak advertiser support.

People were writing the *Herald's* obituary. But that has changed. "Boston is definitely a two newspaper city," says Russell Pergament, publisher of *The Tab*, a chain of Boston suburban free weeklies. "From the readers' point of view, each paper is markedly different."

Advertisers also are starting to consider Boston a viable two newspaper market. "For certain advertisers the *Herald* can be very effective," says Louise Bradford, VP-media director at Rossin Greenberg Seronick & Hill, a Boston ad agency. To reach the affluent market, however, she still favors the *Globe*.

To counter criticism that Rupert Murdoch's *Herald* is saddled with a downscale, urban-core readership and to attract some of the upscale advertising that now goes automatically to the *Globe*, the *Herald* has made significant changes. "We've toned down the look of the front page and added new features and columnists to bring in the upscale readers," says James Blinn, associate publisher.

The Boston Globe
Flynn blasts Dukakis on incinerator
Emergency spending bill voted, signed
Arabs to join Palestinians in protest strike

According to a 1987 Scarborough report for the Boston market, the *Herald* has a long way to go. Among households with $75,000 plus income, the *Globe* reaches 55% to the Herald's 21%, although the *Herald* has made strong gains recently, says Mr. Blinn.

To attract an upscale readership, the *Herald* is putting more effort into developing as a classic hard-hitting newspaper. For instance, it broke a major story on municipal corruption in nearby Lowell just a week before an election and has been zealous in covering what it perceives as abuses by top legislative leaders.

By comparison, the *Globe's* highly regarded Spotlight investigative team tackles more sophisticated issues, such as the handling of child abuse cases by the state. It provides detailed analysis of national and international events.

Boston Herald
Contras launch attacks on eve of talks
Flynn dumps on Duke trash plans

A toned-down look of the Herald is putting up stiffer competition for the Globe.

Boston circulation scorecard

Newspaper	Daily circ.	% change from '86	Sunday circ.	% change from '86
Globe	502,521	−2.7	781,407	−2.9
Herald	355,355	−1.2	265,401	−1.3

Mr. Pergament follows both papers intently and concludes the *Globe* "does far better covering the national scene than it does the local one." Still, "It is regularly scooped on State House and City Hall news by its scrappy, street-fighting rival," he adds. Unfortunately, the *Herald* still has "a lot of trash," which he ascribes to its "English [Fleet St. tabloid] patrimony.'

In addition to boosting its editorial product, the *Herald* has changed its circulation strategy and is no longer trying to match the *Globe's* coverage throughout New England. Instead, the *Herald* will concentrate on building circulation in the central Boston retail trading area, says Mr. Blinn. "We want to be the paper of record for the city of Boston," he says, "while the *Globe* is moving towards being a New England newspaper."

The *Herald* strategy, riding on unrelenting contest promotions, is paying off. The paper is even making money. According to published reports, profits doubled in the year ending September, to $1.4 million over the previous year.

For the fiscal year ending in June, the *Herald* reports advertising volume increased $10.5 million, for a 27% gain. Mr. Blinn expects the advertising to end the current fiscal year $10 million ahead of last year.

Despite these gains, the *Globe* continues overwhelming dominance of the Boston newspaper market. For the first three quarters of the year, advertising volume rose 5.9% to 3.6 million inches. In 1986, *Globe* advertising reached $328.3 million, a 17.2% increase over the previous year.

A new editorial design, content changes, expansion of the TV magazine, new sections and broadened local news coverage are reportedly in the works for the *Globe* early this year.

The *Globe* also is shopping for a new advertising agency.

Just when the *Herald* was increasing profits, there was talk that it might be sold because of the FCC cross-ownership rules. But Mr. Murdoch, who also owns WFXT-TV, part of his Fox Television Network, said earlier this month in an interview on Cable News Network that if forced to make a choice, he would sell the station and keep the *Herald*.

Alan Radding is an ADVERTISING AGE *correspondent in Boston.*

Executive editor/features Robert Goldsborough coordinated this report on Newspapers.

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JANUARY

	Current month		Year-to-date	
	1988	1987	1988	1987
Art & antiques				
Art & Antiques (10X)	53.1	46.7	53.1	46.7
Art News (10X)	105.0	110.0	105.0	110.0
Southwest Art	69.3	54.9	69.3	54.9
Total Group	**227.3**	**211.7**	**227.3**	**211.7**
% change		**7.4%**		**7.4%**
Auto/cycle/rec. vehicles				
ATV Sports	28.6	50.6	28.6	50.6
Autoweek (52X)	121.0	112.0	121.0	112.0
Car & Driver	78.2	83.5	78.2	83.5
Car Collector & Car Classics	19.4	16.0	19.4	16.0
Car Craft	50.5	49.9	50.5	49.9
Circle Track	47.7	44.1	47.7	44.1
Cycle World	23.2	25.1	23.2	25.1
Dirt Rider	28.0	32.1	28.0	32.1
Dune Buggies & Hot VWs	67.8	77.0	67.8	77.0
Family Motor Coaching	196.5	168.0	196.5	168.0
4 Wheel & Off-Road	63.2	60.0	63.2	60.0
Four Wheeler	71.0	61.0	71.0	61.0
Hot Rod	93.8	43.4	93.8	43.4
Motorcyclist	15.7	14.2	15.7	14.2
Motor Trend	45.8	54.0	45.8	54.0
Motorhome	81.6	76.3	81.6	76.3
Rider	21.1	25.8	21.1	25.8
Road & Track	100.4	73.6	100.4	73.6
Trailblazer	36.2	35.0	36.2	35.0
Trailer Life	84.9	87.3	84.9	87.3
Total Group	**1,274.5**	**1,189.0**	**1,274.5**	**1,189.0**
% change		**7.2%**		**7.2%**
Boating & yachting				
Boating	194.3	191.0	194.3	191.0
Chesapeake Bay	40.8	35.8	40.8	35.8
Cruising World	108.1	100.7	108.1	100.7
Lakeland Boating (11X)	77.0	79.5	77.0	79.5
Motor Boating & Sailing	216.1	223.5	216.1	223.5
Sail	97.5	95.4	97.5	95.4
Small Boat Journal(6X)	—	—	—	—
Trailer Boats(11X)	67.3	60.3	67.3	60.3
Western Boatman(6X)	56.0	44.1	56.0	44.1
Yachting	218.9	197.9	218.9	197.9
Total Group	**1,076.0**	**1,028.2**	**1,076.0**	**1,028.2**
% change		**4.7%**		**4.7%**
Canadian				
L'Actualite	40.0	37.2	40.0	37.2
Chatelaine:				
English Edition A	50.6	43.1	50.6	43.1
French Edition	45.4	40.4	45.4	40.4
City & Country Home(10X)	—	—	—	—
Equinox	33.8	27.4	33.8	27.4
Flare A	37.0	33.4	37.0	33.4
Macleans (52X) A	79.2	101.2	79.2	101.2
Moneywise	23.0	27.9	23.0	27.9
Reader's Digest:				
Canadian-English A	40.7	43.8	40.7	43.8
Canadian-French A	39.3	35.2	39.3	35.2
Toronto Life	59.8	64.2	59.8	64.2
Vancouver	35.5	37.5	35.5	37.5
Total Group	**484.3**	**491.3**	**484.3**	**491.3**
% change		**-1.4%**		**-1.4%**
Civic/fraternal				
American Legion	42.7	40.2	42.7	40.2
Elks (10X)	17.8	25.8	17.8	25.8
Kiwanis	14.0	15.7	14.0	15.7
Lion (10X)	—	—	—	—
Rotarian	13.5	10.5	13.5	10.5
V.F.W. (11X)	32.8	33.3	32.8	33.3
Total Group	**120.8**	**125.5**	**120.8**	**125.5**
% change		**-3.7%**		**-3.7%**
Comics				
Archie Comics Group	3.0	4.0	3.0	4.0
DC Comics	8.5	8.0	8.5	8.0
Marvel Comics Group	10.0	9.0	10.0	9.0
Total Group	**21.5**	**21.0**	**21.5**	**21.0**
% change		**2.4%**		**2.4%**
General				
American Health (10X)	69.5	64.2	69.5	64.2
The Atlantic A	59.8	27.8	59.8	27.8
Bon Appetit A	66.5	57.5	66.5	57.5
Changing Times	52.7	66.0	52.7	66.0
Conde Nast's Traveler	34.6	—	34.6	—
Connoisseur	50.4	37.8	50.4	37.8
Consumers Digest (6X)	17.5	27.5	17.5	27.5
Ebony	70.3	71.8	70.3	71.8
Fifty Plus	33.0	39.5	33.0	39.5
Food & Wine	37.0	34.1	37.0	34.1
Games (6X)	—	—	—	—
Golden Years	37.4	24.9	37.4	24.9
Gourmet	70.4	56.2	70.4	56.2
Harper's A	27.2	29.0	27.2	29.0
Harrowsmith (6X)	65.0	54.4	65.0	54.4
Let's Live	48.0	45.0	48.0	45.0
Life	49.5	52.5	49.5	52.5
Mature Outlook	32.5	46.3	32.5	46.3
Modern Maturity (6X)	—	—	—	—
Money	104.2	90.8	104.2	90.8
Money Maker	—	6.0	—	6.0
National Geographic	9.3	12.0	9.3	12.0
Natural History	33.4	40.1	33.4	40.1
Prevention	50.1	66.5	50.1	66.5
Psychology Today	30.5	30.0	30.5	30.0
Saturday Evening Post (9X)	39.0	43.9	39.0	43.9
Smithsonian	84.1	59.7	84.1	59.7
Sylvia Porter's Personal Finance (10X)	54.0	67.3	54.0	67.3
Town & Country	97.7	82.1	97.7	82.1
Travel-Holiday	45.7	41.3	45.7	41.3
Travel & Leisure	67.8	63.9	67.8	63.9
Vanity Fair	33.0	24.5	33.0	24.5
Writer's Digest	26.4	26.9	26.4	26.9
Yankee	69.4	70.6	69.4	70.6
Total Group	**1,565.7**	**1,460.1**	**1,565.7**	**1,460.1**
% change		**7.2%**		**7.2%**
Home				
Americana (6X)	16.7	14.6	16.7	14.6
Architectural Digest A	79.9	79.9	79.9	79.9
Better Homes & Gardens	74.8	52.3	74.8	52.3
Colonial Homes (6X)	42.7	44.0	42.7	44.0
Columbus Monthly-Homes (4X)	30.2	22.6	30.2	22.6
Country Home (6X)	41.9	36.2	41.9	36.2
Country Living	56.2	58.4	56.2	58.4
Family Handyman (10X) A	48.4	38.7	48.4	38.7
Home	44.0	33.2	44.0	33.2
Home Mechanics	41.5	40.8	41.5	40.8
The Homeowner (10X)	43.6	40.5	43.6	40.5
Horticulture	48.8	40.4	48.8	40.4
House Beautiful	38.4	43.0	38.4	43.0
House & Garden	59.3	51.8	59.3	51.8
Houston Home & Garden	40.3	42.3	40.3	42.3
Metropolis	55.9	63.9	55.9	63.9
Metropolitan Home	50.5	33.8	50.5	33.8
1,001 Home Ideas	46.4	36.4	46.4	36.4
Organic Gardening	58.2	55.8	58.2	55.8
Phoenix Home/Garden	71.8	59.8	71.8	59.8
Practical Homeowner	43.9	38.9	43.9	38.9
San Diego Home/Garden	51.8	59.7	51.8	59.7
South Florida Home/Garden	43.0	37.0	43.0	37.0
Southern Accents (6X)	82.3	84.1	82.3	84.1
Southern Living	67.8	73.1	67.8	73.1
Sunset Magazine A	85.2	61.6	85.2	61.6
Workbench (6X)	48.4	49.4	48.4	49.4
Total Group	**1,411.6**	**1,292.2**	**1,411.6**	**1,292.2**
% change		**9.2%**		**9.2%**
In-flight & other passenger				
Aboard Group (7)(6X)	28.0	27.8	28.0	27.8
Alaska Airlines	54.7	52.1	54.7	52.1
America West Airlines	61.5	42.6	61.5	42.6
American Way (24X)	127.4	79.2	127.4	79.2
Brighton Inflight Group:				
Hawaiian Air (6X)	—	—	—	—
East/West Network:				
Continental	52.0	—	52.0	—
Eastern Review	61.2	77.8	61.2	77.8
Northwest	43.2	39.0	43.2	39.0
Pan Am Clipper	43.3	43.2	43.3	43.2
Spirit	59.7	57.3	59.7	57.3
TWA Ambassador	51.0	42.5	51.0	42.5
Vis 'A Vis	40.7	53.2	40.7	53.2
Halsey Publication:				
Delta Sky	80.7	69.7	80.7	69.7
Pace Communications:				
Piedmont Airlines Pace	73.3	73.4	73.3	73.4
US Air	56.5	41.5	56.5	41.5
Spirit of Aloha (6X)	20.9	34.0	20.9	34.0
Total Group	**854.1**	**733.2**	**854.1**	**733.2**
% change		**16.5%**		**16.5%**
Men's				
Esquire A	47.3	44.5	47.3	44.5
Firehouse Magazine	38.0	47.0	38.0	47.0
Gentlemen's Quarterly A	84.2	54.9	84.2	54.9
M Magazine	43.6	35.3	43.6	35.3
Muscle & Fitness	120.5	110.3	120.5	110.3
Penthouse A	55.9	44.4	55.9	44.4
Playboy A	53.0	60.6	53.0	60.6
Salute (8X)	—	—	—	—
Total Group	**442.5**	**396.9**	**442.5**	**396.9**
% change		**11.5%**		**11.5%**
Metropolitan				
Aloha (6X)	18.8	27.9	18.8	27.9
Atlanta	49.6	51.9	49.6	51.9
Baltimore	51.5	57.5	51.5	57.5
Boston	126.7	133.7	126.7	133.7
California	63.2	37.2	63.2	37.2
Chicago	105.9	71.0	105.9	71.0
Chicago's North Shore	93.3	78.8	93.3	78.8
Cincinnati	47.7	45.3	47.7	45.3
Cleveland	52.9	52.4	52.9	52.4
Coast (39X)	51.7	60.0	51.7	60.0
Columbus Monthly	68.8	60.3	68.8	60.3
Connecticut	75.1	83.2	75.1	83.2
D/Magazine, Dallas/Ft. Worth	71.9	90.6	71.9	90.6
Denver	28.2	21.5	28.2	21.5
Detroit Monthly	51.5	95.9	51.5	95.9
Grand Rapids	27.6	29.7	27.6	29.7
Gulfshore Life (10X)	86.0	86.0	86.0	86.0
Honolulu	55.4	56.2	55.4	56.2
Louisiana Life (6X)	23.8	29.8	23.8	29.8
Madison	30.5	54.0	30.5	54.0
Memphis	74.0	81.0	74.0	81.0
Mid Atlantic Country	17.2	21.8	17.2	21.8
Milwaukee	47.5	32.0	47.5	32.0
Minneapolis/St. Paul	67.3	64.8	67.3	64.8
Nashville	44.0	44.0	44.0	44.0
New England Monthly	46.5	31.6	46.5	31.6
New Jersey Monthly	70.0	70.2	70.0	70.2
New Mexico	51.5	92.5	51.5	92.5
Ohio	55.0	67.8	55.0	67.8
Oregon (6X)	26.0	23.0	26.0	23.0
Orlando	92.2	85.5	92.2	85.5
Palm Beach Life	85.7	91.6	85.7	91.6
Palm Springs Life	155.0	130.8	155.0	130.8
Philadelphia	122.6	123.6	122.6	123.6
Phoenix	63.1	75.1	63.1	75.1
Pittsburgh	49.3	50.2	49.3	50.2
St. Louis	46.2	34.0	46.2	34.0
San Diego	175.9	110.5	175.9	110.5
San Francisco Focus	54.7	79.8	54.7	79.8
South Florida Magazine	81.8	53.9	81.8	53.9
Texas Monthly	53.1	78.1	53.1	78.1
Twin Cities	65.0	34.6	65.0	34.6
The Virginian (6X)	60.5	52.1	60.5	52.1
Washington (7X)	47.4	40.0	47.4	40.0
The Washingtonian	112.7	117.7	112.7	117.7
Total Group	**2,944.2**	**2,909.0**	**2,944.2**	**2,909.0**
% change		**1.2%**		**1.2%**
Movie/romance/radio/tv				
Macfadden's Women's Group:				
Modern Romances	18.3	18.6	18.3	18.6
Secrets	18.3	18.6	18.3	18.6
True Confessions	18.3	18.6	18.3	18.6
True Experience	18.3	18.6	18.3	18.6
True Love	18.3	18.6	18.3	18.6
True Romance	18.3	18.6	18.3	18.6
Sterling Women's Group:				
Daytime TV	24.5	24.2	24.5	24.2
Modern Screen (6X)	—	—	—	—
Movie Mirror (6X)	—	—	—	—
Soap Opera Stars (6X)	—	—	—	—
TV Movie Screen (6X)	—	—	—	—
TV Picture Life (6X)	7.3	—	7.3	—
Total Group	**141.5**	**135.8**	**141.5**	**135.8**
% change		**4.2%**		**4.2%**
Music/entertainment				
Audio	109.9	98.4	109.9	98.4
Dance Magazine	54.0	57.8	54.0	57.8
Playbill	35.4	33.6	35.4	33.6
Stereo Review	101.8	98.5	101.8	98.5
Video Magazine	73.0	78.5	73.0	78.5
Total Group	**374.1**	**366.8**	**374.1**	**366.8**
% change		**2.0%**		**2.0%**
National Sunday magazines				
Parade (52X)	58.4	48.7	58.4	48.7
Total Group	**58.4**	**48.7**	**58.4**	**48.7**
% change		**20.1%**		**20.1%**
Outdoor & sport				
Alaska	32.1	23.8	32.1	23.8
The American Handgunner (6X)	49.0	41.0	49.0	41.0
American Hunter	17.6	20.9	17.6	20.9
American Rifleman	24.8	28.6	24.8	28.6
Backpacker (6X)	34.5	27.0	34.5	27.0
Bass Master (10X) A	82.9	67.0	82.9	67.0
Bicycling (9X)	85.6	69.6	85.6	69.6
Ducks Unlimited (6X)	22.6	18.3	22.6	18.3
Field & Stream	55.7	75.5	55.7	75.5
Fishing World (6X)	43.0	33.1	43.0	33.1
Florida Sportsman	133.7	149.6	133.7	149.6
Golf Digest	86.6	100.5	86.6	100.5
Golf Magazine	150.2	118.2	150.2	118.2
Gun Dog (6X)	—	—	—	—
Guns	33.0	29.0	33.0	29.0
Guns & Ammo	38.7	34.9	38.7	34.9
In-Fisherman (6X)	—	—	—	—
Outdoor Life	55.6	70.3	55.6	70.3
Outside Magazine	35.0	32.3	35.0	32.3
Petersen's Hunting	36.4	38.2	36.4	38.2
Runner's World (12X)	35.8	22.1	35.8	22.1
Salt Water Sportsman	200.3	183.5	200.3	183.5
Sierra (6X)	—	—	—	—
Shooting Times	23.8	32.7	23.8	32.7
Ski (8X) A	104.5	83.4	104.5	83.4
Skiing (7X) A	115.7	94.9	115.7	94.9
Skin Diver	91.1	99.0	91.1	99.0
Southern Outdoors (9X)	44.6	46.1	44.6	46.1
Southern Saltwater(8X)	39.4	—	39.4	—
Sport	36.0	31.9	36.0	31.9
Sports Afield	42.8	131.6	42.8	131.6
Tennis	41.5	44.3	41.5	44.3
Waterski (8X)	49.5	43.0	49.5	43.0
Western Outdoors (10X)	37.6	30.0	37.6	30.0
Wildfowl (6X)	—	—	—	—
Wing & Shot (6X)	—	—	—	—
World Tennis	19.7	13.8	19.7	13.8
Total Group	**1,899.4**	**1,834.0**	**1,899.4**	**1834.0**
% change		**3.6%**		**3.6%**

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads.

All figures represented in this chart are supplied by the magazines. ADVERTISING AGE makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

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JANUARY

	Current month		Year-to-date	
	1988	1987	1988	1987
— Photography —				
American Photographer	37.9	25.0	37.9	25.0
Petersen's Photographic	23.7	22.0	23.7	22.0
Popular Photography	81.1	68.0	81.1	68.0
Total Group	**142.8**	**115.0**	**142.8**	**115.0**
% change		**24.2%**		**24.2%**
— Religious —				
Charisma	45.8	49.2	45.8	49.2
Christian Herald (11X)	19.2	25.5	19.2	25.5
Christianity Today (18X)	33.0	32.5	33.0	32.5
Inside Magazine (4X)	—	—	—	—
Ministries Today (6X)	57.3	39.2	57.3	39.2
Our Sunday Visitor (52X)	19.6	13.3	19.6	13.3
Today's Christian Woman (6X)	34.2	31.4	34.2	31.4
Total Group	**209.1**	**191.0**	**209.1**	**191.0**
% change	**9.5%**		**9.5%**	
— Science/electronic /mechanic —				
Discover	38.9	47.9	38.9	47.9
Family & Home Office Computing	41.8	55.1	41.8	55.1
Omni	53.9	47.5	53.9	47.5
Personal Computing	218.5	127.0	218.5	127.0
Popular Mechanics	59.0	73.7	59.0	73.7
Popular Science	59.8	59.1	59.8	59.1
Scientific American	18.3	30.3	18.3	30.3
Total Group	**490.2**	**440.6**	**490.2**	**440.6**
% change	**11.2%**		**11.2%**	
— Woman/fashion/service —				
Bride's Magazine (6X) A.	—	—	—	—
Cosmopolitan A.	142.0	152.9	142.0	152.9
Essence	58.0	55.4	58.0	55.4
Family Circle (17X) A.	55.5	74.2	55.5	74.2
Glamour	91.8	119.4	91.8	119.4
Good Housekeeping A.	66.5	83.9	66.5	83.9
Harper's Bazaar	61.9	69.4	61.9	69.4
Health	27.5	34.0	27.5	34.0
Ladies' Home Journal	74.5	65.2	74.5	65.2
Mademoiselle	62.0	77.5	62.0	77.5
McCall's	55.1	54.9	55.1	54.9
Military Lifestyle	33.6	44.2	33.6	44.2
Modern Bride (6X)	—	—	—	—
Ms.	36.6	—	36.6	—
New Woman	57.1	56.9	57.1	56.9
Parents Magazine A.	80.6	63.8	80.6	63.8
Redbook	72.9	73.0	72.9	73.0
Savvy	39.7	32.5	39.7	32.5
Self	51.7	57.5	51.7	57.5
Seventeen	43.7	75.3	43.7	75.3
Shape	55.9	65.4	55.9	65.4
Soap Opera Digest (26X)	34.0	8.6	34.0	8.6
Teen Magazine	32.1	32.6	32.1	32.6
True Story A.	39.4	34.4	39.4	34.4
Vogue	103.6	118.5	103.6	118.5
W Magazine	83.1	71.4	83.1	71.4
Woman (10X)	—	—	—	—
Weight Watchers	29.5	34.3	29.5	34.3
Woman's Day (16X) A.	86.1	93.2	86.1	93.2
Women's Sports & Fitness	25.0	—	25.0	—
Workbasket	25.5	27.7	25.5	27.7
Working Mother	54.3	53.4	54.3	53.4
Working Woman	67.1	82.3	67.1	82.3
Total Group	**1,746.3**	**1,811.7**	**1,746.3**	**1,811.7**
% change		**-3.6%**		**-3.6%**
— Youth —				
Boys' Life	14.3	12.6	14.3	12.6
Campus Life (10X)	50.8	45.2	50.8	45.2
Total Group	**65.2**	**57.8**	**65.2**	**57.8**
% change		**12.7%**		**12.7%**

DECEMBER

	Current month		Year-to-date	
	1987	1986	1987	1986
— Business/national —				
Barron's	154.3	199.3	2,527.9	2,318.9
Black Enterprise	71.1	69.1	834.4	861.1
Business Week (52X) A.	454.3	364.8	4,708.3	3,893.2
Business Month	33.4	—	384.5	—
Financial World (26X)	77.4	54.7	756.1	659.4
Forbes (26X)	245.8	369.2	3,626.2	3,418.1
Fortune (26X)	255.3	276.2	3,017.0	2,907.9
Frequent Flyer	42.0	50.7	689.3	723.3
Futures	47.8	41.8	783.3	588.9
Income Opportunities	89.9	63.7	862.9	673.8
Industry Week (25X) A.	46.7	56.8	1,035.1	1,147.9
Nation's Business (12X) A.	20.2	19.6	314.8	284.8
Personal Investor (6X)	—	—	—	—
Venture	94.0	67.4	839.8	849.3
Total Group	**1,632.2**	**1,633.3**	**20,379.6**	**18,326.5**
% change		**-0.1%**		**11.2%**
— Business/regional —				
Advantage-Nashville's Bus. Mo.	62.6	55.0	690.1	737.4
Arizona Bus. Gazette (52X)	101.9	98.8	933.9	820.5
Baltimore Bus. Journal	84.6	79.0	1,088.5	824.3
Boston Bus. Journal (52X)	131.5	143.5	1,693.1	1,612.9
Business First of Buffalo	65.5	72.4	787.6	2,052.0
Business First of Columbus	84.4	73.9	1,286.5	819.5
Business Journal-Milwaukee	272.0	348.0	1,895.0	1,685.0
Business Journal-Sacramento	113.4	125.9	876.2	654.2
Business North Carolina	37.5	51.5	522.4	521.0
Capital Dist. Bus. Review (52X)	73.1	72.0	976.0	970.0
Cincinnati Business Courier	95.5	72.0	1,336.6	970.0
Corporate Report Kansas City	15.9	14.6	235.2	275.3
Corporate Report Minnesota	69.0	65.0	912.0	952.0
Crain's Chicago Bus. (52X)	135.0	166.0	1,853.0	1,984.0
Crain's Cleveland Bus. (52X)	59.7	71.7	777.6	781.5
Crain's Detroit Bus. (52X)	72.2	84.1	960.3	823.7
Crain's New York Bus. (52X)	38.4	28.1	479.3	422.5
Florida Trend (13X)	64.2	66.5	904.1	989.2
Georgia Trend	40.9	43.6	780.5	659.8
Grand Rapids Bus. Journal	31.3	39.1	547.8	432.6
Hawaii Business	39.3	35.7	556.2	555.6
Houston Bus. Journal (52X)	58.0	59.0	853.0	973.0
Indianapolis Bus. Journal (52X)	137.1	154.7	1,785.4	1,809.6
Los Angeles Bus. Journal(55X)	121.2	54.1	1,001.6	467.0
Manhattan Inc.	61.4	106.8	897.0	811.8
New England Bus. (20X) A.	52.3	77.0	784.5	1,022.0
Pacific Bus. News (52X)	107.2	133.1	1,392.9	1,427.7
Philadelphia Bus. Journal (52X)				
Pittsburgh Bus. Times (52X)	149.7	168.7	1,511.0	1,374.0
Providence Business News	74.3	63.0	856.3	341.2
Regardie's/Washington	143.0	137.0	1,768.0	1,530.0
San Diego Bus. Journal (52X)	20.4	39.6	381.1	441.4
San Jose Bus. Journal	81.4	71.5	1,204.9	1,288.1
South Florida Bus. Journal	106.3	146.6	1,229.8	1,363.2
St. Louis Bus. Journal (52X)	152.9	173.9	1,612.3	1,727.3
Texas Business	27.2	45.8	419.1	678.7
Warfields Monthly Baltimore	49.3	52.1	790.1	527.8
Total Group	**3,029.5**	**3,289.3**	**36,578.6**	**35,325.6**
% change		**-7.9%**		**3.5%**
— National Sunday magazines —				
Parade (52X)	49.6	42.1	608.4	637.2
USA Weekend (52X)	40.9	36.7	486.4	592.7
Vista Magazine	23.5	16.6	210.3	107.2
Total Group	**114.0**	**95.4**	**1,305.1**	**1,337.1**
% change		**19.5%**		**-2.4%**
— Newspaper Sunday magazines —				
Boston Globe	177.2	175.7	2,207.3	2,243.5
Chicago Tribune	139.0	97.6	1,390.8	1,152.0
Cleveland Plain Dealer	73.5	75.0	811.8	719.0
Columbus Dispatch	31.0	35.7	435.5	497.4
Detroit News	59.0	62.0	874.0	950.0
L.A. Times	91.9	81.6	769.1	839.0
Louisville Courier-Journal	41.0	87.0	645.0	758.0
Miami Herald	40.2	44.5	453.3	578.4
New York Times Magazine	269.9	347.7	4,112.3	4,126.6
Philadelphia Inquirer	67.1	70.5	918.5	841.5
Seattle Times	83.0	82.0	825.0	756.0
Toledo Blade Magazine	37.9	39.1	470.4	539.7
Washington Post	106.0	109.6	1,473.8	1,540.7
Total Group	**1,216.8**	**1,308.0**	**15,386.8**	**15,541.7**
% change		**-7.0%**		**-1.0%**
— Weeklies/bi-weeklies —				
The Advocate (26X)	149.7	128.0	1,666.3	1,539.3
Army Times Military Group:				
Air Force Times (52X)	137.0	172.6	1,984.9	2,156.8
Army Times (52X)	137.1	171.8	1,942.1	2,040.4
Navy Times (52X)	155.5	184.7	2,162.7	2,259.5
The Blood-Horse (52X)	1,409.9	1,474.6	5,101.9	5,613.3
Capper's (26X)	10.4	12.2	298.9	317.9
Commonweal (22X)	4.1	6.0	93.7	82.8
Golf World (43X)	70.5	51.3	1,102.5	917.2
Grit (52X) A.	9.4	11.2	309.9	293.7
National Journal (50X)	38.3	39.0	766.8	677.5
National Review (25X)	47.6	37.2	433.4	373.7
New Republic (48X)	46.3	42.7	504.2	445.7
New York Magazine (50X)	307.3	287.8	3,134.7	3,126.7
New Yorker	350.6	281.5	2,703.2	2,677.7
Newsweek (52X) A.	184.0	272.8	2,564.2	2,531.5
People (52X)	327.3	443.0	3,581.4	3,761.7
Rolling Stone (25X)	170.6	186.2	1,749.4	1,452.8
Sporting News (52X)	35.1	34.5	634.8	612.6
Sports Illustrated (52X) A.	210.7	258.4	2,651.4	2,709.9
Time (52X) A.	166.0	259.8	2,359.8	2,575.0
Travelhost (52X) C.	3,105.0	3,070.0	38,395.0	38,356.0
TV Guide (52X) A.	226.6	242.5	3,626.4	3,566.1
Us Magazine (26X)	71.7	73.9	617.6	583.3
U.S. News & World Report (52X) A.	183.6	143.5	1,708.7	1,665.7
Total Group	**7,554.2**	**7,885.4**	**80,093.8**	**80,336.8**
% change		**-4.2%**		**-0.3%**
— Foreign —				
Business Week Int'l (52X)	134.0	162.1	1,646.0	1,616.6
Geomundo:				
Argentina	5.0	1.0	47.0	21.0
Central America	10.0	9.0	80.0	56.0
Chile	8.0	8.0	60.0	60.0
Colombia	18.5	20.5	160.5	120.8
Ecuador	9.0	8.0	71.5	51.0
Mexico	16.0	15.7	110.2	126.3
Peru	7.0	5.0	61.0	39.0
Puerto Rico	7.5	5.0	71.0	37.5
U.S.	6.0	4.7	62.0	59.7
Venezuela	28.0	26.0	232.0	173.0
Hombre De Mundo:				
Central America	11.0	7.0	80.0	61.3
Chile	8.0	6.0	71.0	60.3
Colombia	36.5	25.2	206.8	187.8
Ecuador	11.3	5.0	72.3	51.3
Mexico	21.0	33.2	145.0	224.5
Peru	5.0	3.0	47.0	34.3
Puerto Rico	13.5	10.0	88.0	54.3
U.S.	8.0	11.7	144.8	122.0
Venezuela	39.5	39.0	252.0	265.3
Ideas Para Su Hogar:				
Argentina	6.0	—	33.0	25.2
Central America	—	—	—	—
Chile	—	—	—	1.0
Colombia	23.0	25.2	175.0	169.3
Ecuador	1.0	3.0	25.5	30.0
Mexico	20.8	22.0	140.3	131.0
Peru	4.0	9.5	67.5	45.5
Puerto Rico	—	—	—	0.2
U.S.	2.0	4.0	50.8	51.0
Venezuela	27.0	9.0	169.5	109.5
Mecanica Popular:				
Argentina	9.3	6.5	98.8	63.5
Central America	12.3	15.8	112.7	117.7
Chile	9.7	9.5	62.0	61.2
Colombia	33.5	22.5	237.5	194.5
Mexico	32.7	27.5	232.7	174.2
Peru	16.7	18.0	161.8	145.8
Puerto Rico	8.0	11.2	90.8	89.2
U.S.	4.0	4.8	49.5	69.8
Venezuela	26.8	19.7	190.5	156.2
Vanidades Continental:				
Argentina	29.0	2.0	204.8	111.5
Central America	35.8	36.3	264.3	256.0
Chile	11.3	9.2	77.8	59.5
Colombia	137.7	122.7	1,019.0	1,077.2
Ecuador	30.7	32.5	226.8	247.5
Mexico	134.2	117.0	1,034.8	1,047.2
Peru	56.0	68.0	307.5	263.5
Puerto Rico	73.0	56.2	475.8	400.7
U.S.	84.0	58.0	619.5	545.0
Venezuela	127.5	102.8	638.0	576.0
Hearst International Publications:				
Buenhogar:				
Central America	3.0	4.0	18.0	20.0
Chile	2.0	4.0	14.0	21.0
Colombia	61.7	58.7	430.7	436.8
Ecuador	25.0	17.0	130.0	145.0
Mexico	54.8	54.0	434.0	445.3
Peru	34.0	37.5	191.0	158.0
Puerto Rico	17.3	6.5	87.2	105.5
U.S.	29.3	30.3	224.0	244.2
Venezuela	58.2	55.8	372.0	308.2
Cosmopolitan en Espanol:				
Central America	14.3	12.3	90.5	72.3
Colombia	45.2	36.3	286.0	240.5
Ecuador	3.0	2.0	26.0	5.0
Mexico	89.5	73.5	593.3	561.0
Peru	2.0	1.0	9.0	3.0
Puerto Rico	47.0	35.2	215.3	155.8
U.S.(Spanish language)	40.7	35.0	297.2	301.7
Venezuela	51.0	48.3	278.8	229.7
Cosmopolitan Foreign Editions:				
Australia	92.8	101.4	817.2	876.5
Brazil	50.3	140.0	743.1	913.9
China	87.3	83.3	606.8	583.6
France	109.5	107.7	1,230.1	1,156.0
Germany	147.3	155.8	1,536.8	1,407.7
Great Britain	158.0	133.0	1,404.0	1,415.5
Greece	85.0	61.0	538.0	523.0
Holland	116.0	106.0	890.0	926.0
Italy	63.7	77.5	891.5	824.7
Japan	71.2	58.6	614.2	598.5
South Africa	97.0	126.0	947.0	1,031.0
Good Housekeeping Foreign Editions:				
Australia	50.9	76.4	454.4	502.5
Great Britain	162.9	160.0	1,675.4	1,611.5
International Management:				
English	42.0	39.0	432.5	520.7
Middle East	11.0	8.2	81.6	134.5
Johnston International:				
Alam Attijarat	33.0	41.8	293.9	433.0
Far East Business	—	—	—	—
Modern Africa (6X)	18.2	13.0	82.1	115.7
Latin America Finance (6X)	—	—	113.2	111.1
Newsweek International A.:				
Atlantic (52X)	79.0	77.6	991.2	997.1
Latin America (52X)	29.0	23.4	323.2	352.4
Asia (52X)	54.9	54.7	649.6	691.7
Progreso (9X)	10.7	7.4	67.8	90.5
Reader's Digest:				
Arabic	13.0	8.5	100.5	86.5
Asian	128.0	183.5	1,822.0	2,408.0
Australian	37.5	67.0	563.3	677.1
Belgian-Flemish	61.0	74.0	644.0	884.1
Belgian-French	40.5	42.5	432.0	520.1
British	47.6	42.9	632.4	579.1
Chinese B.	173.0	143.5	1,162.4	1,250.8
Danish	21.0	19.5	345.3	370.6
Dutch	54.8	48.0	491.6	470.4
Finnish	79.8	46.7	559.3	554.3
French	20.1	10.5	305.4	187.7
German	92.8	62.6	952.9	774.6
Iberian	—	—	3.0	20.5
Indian-English	87.0	78.5	874.5	862.5
Indian-Hindi	8.5	15.0	126.0	127.5
Italian	42.0	55.0	555.8	430.5
Korean	28.5	27.5	411.6	308.3
Latin American:				
Argentina	14.0	21.5	151.0	173.0
Brazil	—	—	—	18.0
Central American	5.0	5.0	48.0	80.0
Chile	19.0	15.0	160.0	149.0
Colombia	35.0	42.0	343.0	293.0
Ecuador	3.0	4.0	35.0	71.0
Mexico	89.5	68.7	773.5	712.9
Peru	3.0	5.0	40.0	83.0
Puerto Rico	4.0	5.0	40.0	54.5
U.P.B.	4.0	6.0	38.5	77.0
U.S. Spanish	11.5	8.5	120.5	174.5
Venezuela	3.0	5.0	41.0	72.0
New Zealand	63.3	85.0	516.8	515.5
Norwegian	51.3	57.0	582.0	669.8
Portugal	11.0	10.0	182.6	96.0
South African	60.0	54.5	877.5	932.5
Swedish	9.5	12.5	95.0	156.0
Swiss-French	26.0	20.0	301.5	280.3
Swiss-German	37.0	22.0	423.0	346.0
Time International:				
Time-Asia	80.0	65.2	723.5	825.8
Time-Atlantic	103.7	104.0	1,140.8	1,171.0
Time-Canada	155.1	191.8	1,906.6	2,154.9
Time-Latin America	36.7	37.8	403.8	511.8
Visao (52X)	—	240.9	—	1,838.9
Vision/Latin America (24X) A.	30.2	35.2	331.5	348.6
Total Group	**5,296.2**	**5,427.8**	**48,811.6**	**51,228.2**
% change		**-2.4%**		**-4.7%**

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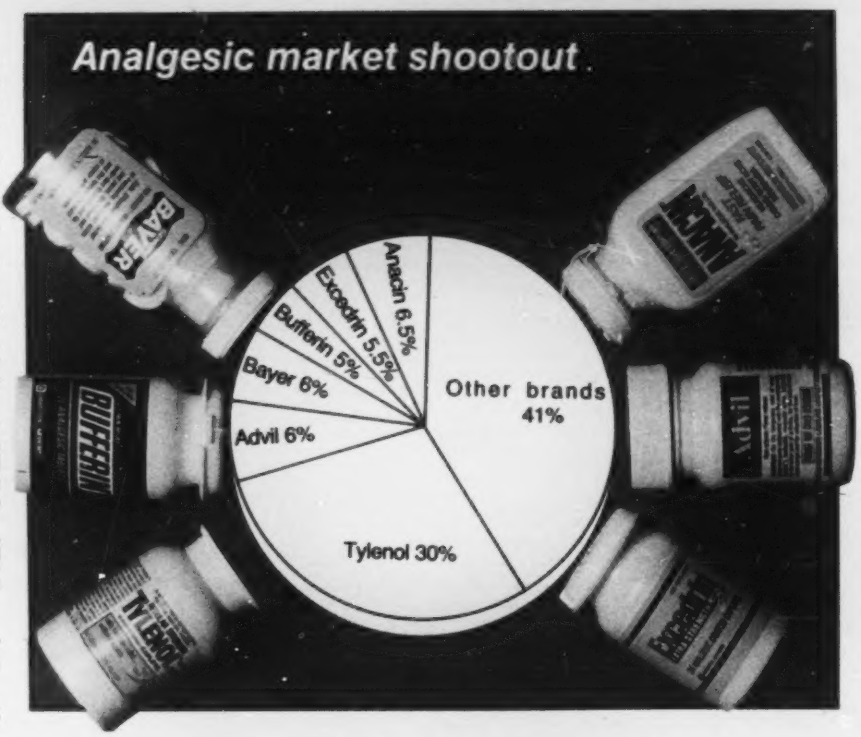
Aspirin cashes in



An Advertising Age roundup

Major aspirin marketers moved quickly last week to leverage the National Institutes of Health's report of a study showing aspirin use may lower the incidence of heart attacks in healthy men.

Industry analysts expect the findings will expand the $2.2 billion analgesic market. Marketers of non-aspirin pain remedies, such as Tylenol-maker Johnson & Johnson, may lose some share but not sales.

Aspirin marketers responded quickly to opportunity's knock.

Bayer aspirin marketer Sterling Drug, which began the week evaluating its proposed merger with Eastman Kodak Co., ended it with a Jan. 29 page ad in *The New York Times* touting the "Good news for heart health in America."

Bob Kinelski, VP-marketing for Sterling's Glenbrook Laboratories unit, which markets its over-the-counter drugs, said during the week the company "swapped spots from our corporate buys" to give maximum exposure to Bayer commercials.

Those spots, themed "The wonder drug that works wonders," highlight results of an earlier NIH study that showed aspirin can reduce second heart attacks.

Lintas:Worldwide, New York, handles.

New York-based Sterling may consider increasing the frequency of Bayer spots in its rotation during the coming months.

Bufferin marketer Bristol-Myers Co. managed to buy additional network TV time for its aspirin push, via Boclaro, its in-house media unit.

Commercials for SmithKline-Beckman Corp.'s Ecotrin also were prominent on network TV. But a spokesman for the Philadelphia-based company said the NIH report only gave added value to TV buys made long before announcement of the study results.

New aspirin packaging and products will be available as early as this week.

B-M two weeks ago began introducing to retailers nationally an improved Bufferin tablet called Tri-Buffered Bufferin.

The new product, replacing the Bufferin tablet currently on shelves, is expected to get a $15 million advertising campaign beginning March 1.

B-M also is rolling out Bufferin in caplet form, which will be differentiated by bright yellow packaging.

It could not be determined whether the caplets will be part of the Tri-Buffered line.

Also undetermined is whether new advertising will feature Arthur Ashe and Geoff Kimball, heart attack victims who appear in current Bufferin commercials. Those ads, like Bayer's, refer to aspirin's ability to reduce the risk that a heart attack will recur.

Laurence, Charles, Free & Lawson, New York, handles Bufferin.

Both B-M and Sterling plan to expand marketing of "calendar packs," numbered 28-day supplies of aspirin tablets.

That dosage is based on the every-day recommendation to prevent second heart attacks, as approved by the Food & Drug Administration in 1985.

Sterling's Mr. Kinelski said mass-market distribution of the "Bayer Calendar Pak" will start this week. Earlier this year the company began distributing to physicians 3 million samples of the new packaging, designed as starter kits for the 28-day size that will be available at retail.

Mr. Kinelski said that if and when the approval for an every-other-day claim comes, it is possible that the company will market every-other-day calendar packs.

No consumer advertising is planned for the packs, which cannot be shown on TV because of FDA regulations.

There was calm last week at New Brunswick, N.J.-based Johnson & Johnson, whose Tylenol brand of aspirin-substitute acetaminophen accounts for about 32% of the

(Continued on Page 76)

States turn screws

NBC curbing air-fare ads

By JENNIFER LAWRENCE

Nine state attorneys general are trying to use the Big 3 TV networks to enforce recently enacted national guidelines on air-fare advertising.

NBC-TV confirmed Jan. 29 that it will require all air-fare commercials to comply with the National Association of Attorneys General ad guidelines that took effect Jan. 15 (AA, Jan. 11). The effective date of NBC's order is Feb. 1.

At least four airlines will have to revise fare commercials to continue their price campaigns on the network.

All three networks received a letter late last week from the state attorneys general alerting them to disclosure requirements in air-fare broadcast spots.

Also, the networks were told in telephone conversations that some states could sue the broadcaster for knowingly airing a misleading commercial.

NBC immediately began discussions with the four airlines whose spots were not in compliance, said Richard Gitter, NBC VP-broadcast practices, East Coast. Two of the carriers were Fort Worth, Texas-based American Airlines and Houston-based Continental Airlines. He would not reveal the remaining two.

"Round 1 is over, and NAAG won," said James O'Donnell, Continental's VP-marketing services. "But it's not

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Last Minute News

P&G tests bleach-added Tide

CINCINNATI—Procter & Gamble Co. is testing Tide With Bleach powder detergent in Denver. A $2 million print, sampling and TV campaign, via Saatchi & Saatchi DFS Compton, New York, breaks in mid-February. Also, P&G is launching nationally Downy fabric softener sheets and SunRinse Fresh Downy liquid. Grey Advertising handles. P&G today breaks the first TV spot for Lemon Fresh Dash detergent. D'Arcy Masius Benton & Bowles handles.

Compaq heads back to TV

HOUSTON—Compaq Computer Corp., the No. 2 business personal-computer marketer, returns to TV advertising after a two-year absence with a $3 million campaign be-

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Visa, Kodak big winners in Olympics

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By PATRICK McGEEHAN

Visa International and Eastman Kodak Co. are the early favorites for gold medals in Olympics advertising awareness, according to an ADVERTISING AGE poll that shows Olympics sponsorships appear to be paying off.

More than half of those people polled recalled advertising that mentioned a company's status as an Olympics sponsor or supplier, and more than one-third of the respondents said they would be inclined to buy a product because of such a link.

The results surpass previous surveys used to convince potential Olympics sponsors to buy sponsorships. They are part of a monthly nationwide adWatch survey of adult consumers done for AD AGE by SRI Research Center, Lincoln, Neb.

"I think they're good numbers, especially since they came two months prior to the [Winter] Olympics," said Robert Prazmark, VP at ISL Marketing USA, New York. ISL's

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JWT zeros in on client service

By GARY LEVIN and KATE FITZGERALD

J. Walter Thompson Co. is trying aggressively to shore up its client-service area in an attempt to stem the tide of defections.

The latest loss, last week's departure of the $5 million Kemper Group property and casualty insurance account from JWT's Chicago office, epitomizes the agency's vicious circle, particularly in that office: As clients leave, key personnel follow, leading to more lost business.

JWT USA President Stephen Bowen Jr., acknowledging the problems in an interview in New York, said: "A storm came through here and blew a few shutters off the house. All of a sudden, with the speed of lightning, we were on our ass."

Those developments, he said, "certainly took away a little bit of the *esprit* that existed here."

In the Kemper loss, quality of the creative product was not a factor, because new agency Bayer Bess Vanderwarker & Flynn, Chicago, will continue the "Kemper cavalry" theme JWT developed 15 years ago.

Kemper officials, like others who have moved business from JWT, cited inadequate servicing of the account.

Mr. Bowen conceded that promoting the past two Chicago general managers to New York may have destabilized that office. The Chicago office has lost nearly $100 million in business in the past seven months.

"As each guy focused his personal aspirations on New York, they lost attention on building a relationship with clients," he said. "We're trying to not have Chicago, particularly at the top management level, always be a revolving door for New York."

S. Bowen

He added, however, that this does not mean qualified people will not be promoted.

"During the past two years, there have been significant . . . changes" at JWT, said Steve Fine, advertising manager for Long Grove, Ill.-based Kemper's insurance unit. Mr. Fine joined the company 17 years ago, at the same time JWT was hired.

The departure of several key executives is one of the main reasons for the move, Mr. Fine said.

Because of the agency's overall problems, Mr. Bowen said he understands the reluctance of many potential clients to let the agency compete for their business.

"If something is terribly wrong with me physically, I'm not interested in going to a doctor with the same problem," he said.

JWT has taken three major steps to help it recover from the disastrous turn of events.

First, the agency has formed a "business review board," enabling top management to work more closely on the business of its 20 largest clients.

Secondly, it has launched a "consumer behavior group" by restructuring its research and strategic planning functions under New York-based Senior VP Peter Kim (AA, Jan. 18).

Finally, it is close to buying a New York sales-promotion agency to round out its menu of specialized services (AA, Jan. 11), which officials hope to market more aggressively to clients in coming months.

Einson-Freeman, Paramus, N.J., often is mentioned as a JWT acquisition target. The two agencies have worked closely in the past, notably on Burger King Corp. business. Miami-based Burger King's $200 million account was JWT's largest and most publicized loss of 1987.

Einson principals could not be reached for comment on any possi-

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Not so Simplesse

FDA sours NutraSweet

By JULIE LIESSE ERICKSON

As the Food & Drug Administration swooped down on NutraSweet Co.'s no-fat, no-cholesterol fat substitute last week, the company's marketing program hit a major roadblock.

Although the company will continue developing its new product, called Simplesse, it now will seek approval from the FDA, a procedure that can take years.

The FDA trained it sights on NutraSweet last week after the company, without notifying the FDA, introduced Simplesse with much fanfare in a news conference Jan. 27 (AA, Jan. 18).

NutraSweet's approach so "outraged" the FDA that it reacted immediately, saying on Jan. 28 that NutraSweet must get approval in one of two ways or risk having a sample "seized" from stores and tested for safety once it hits the market.

NutraSweet then agreed to file a petition with the FDA for generally-recognized-as-safe approval.

In another development, NutraSweet officials may be called before a congressional hearing to explain why Simplesse was not submitted to the FDA for approval.

An aide to Rep. Ted Weiss (D., N.Y.) said the congressman was interested in the issue but had not yet decided

(Continued on Page 76)

BBDO reorganizes Western operation

By CLEVELAND HORTON

BBDO Worldwide is reorganizing its California operation to bolster its flagging creative image in the West.

The agency last week merged its Los Angeles-based creative annex, dubbed BBDO/Slightly Further West, with the local office. Steve Hayden, 40, who headed the annex as exec VP-senior creative director, takes on the additional title of chief creative officer.

BBDO also named Gene Cameron president-ceo of the Los Angeles and San Francisco branches, replacing Donald C. Mitchum, who in January moved to Atlanta to head up BDA/BBDO (AA, Dec. 21).

With the move, Mr. Cameron, 42, ends a 10-year tenure with Chiat/Day, Los Angeles, most recently as exec VP-director of strategic planning.

BBDO created the annex two years ago when Mr. Hayden joined the agency to work on the Apple Computer account but chose not to move to New York.

Cupertino, Calif.-based Apple welcomed the addition of Mr. Hayden, who had worked on the account at C/D, but expressed concern that its account would shift to the California agency. As such, the annex technically was a part of the headquarters office.

BBDO sought and received Apple's consent both on the merging of the agencies and the hiring of Mr. Cameron.

Mr. Cameron's departure is considered a blow to C/D. Agency insiders said he was instrumental in winning the $150 million Nissan Motor Corp. USA account, C/D's largest, and establishing the "Built for the human race" strategy.

The appointment of Mr. Cameron ends an exhaustive search conducted by Eckert Enghauser & Partners, a Newport Beach-based executive search company.

BBDO's choice of Mr. Cameron surprised many in the West Coast ad community who believed C/D had shackled him with "golden handcuffs."

"Even I was surprised we could get him," said Mr. Hayden, who worked with Mr. Cameron during his own stints with C/D.

Mr. Cameron said he could not turn down "the opportunity to work in partnership with Steve."

"We're sorry to see him go," said Bob Wolf, C/D president. "But I find it interesting that a major agency here is now being run by two ex-Chiat/Day people."

The BBDO/West agencies, made up of the Los Angeles and San Francisco offices, have failed to build their billings over the past several years except by acquiring other shops.

Many observers attribute that failure to lack of creative clout. By merging the annex with the agency, and dropping the "/West" designation, BBDO should be able to better exploit Mr. Hayden's extensive creative credits for new-business pitches.#

'HG' puts on new face—again

Conde Nast expands coverage

By PATRICK REILLY

NEW YORK—For the second time in five years, Conde Nast Publications has redesigned and redirected *House & Garden*, this time shortening its name to *HG*.

The monthly also will expand its coverage beyond beautiful homes to include beautiful lifestyles of beautiful people.

Although the dramatic revamping of the upscale home magazine has been well-received by many advertisers and agency media directors, some are wary of the changes at the 86-year-old Conde Nast publication. The new look makes its debut in the March issue, which will be available on newsstands Feb. 8.

Paul Zuckerman, senior VP-media planning and operations at DDB Needham Worldwide, said the new *HG* has a "great look." But he said his client Chanel Inc., which has advertised in the old *House & Garden*, asked, "Why did they change it again? . . . It's moving more toward *Vogue*."

Still, Chanel is expected to keep *HG* in its media buy, he said.

Another media director, who asked not to be identified, said, "Every two years, *House & Garden* does something new. It doesn't give people a chance to catch up."

In fact, it was 1983 when Conde Nast spent $8 million to follow the lead of Knapp Communications Corp.'s *Architectural Digest* and give *House & Garden* a clean, decidedly upscale look. The latest revamp of *HG* uses a larger, 9-inch-wide format and bold lettering *a la Vogue* on the cover. *HG's* rate for a color page will remain at $24,910.

"We want to keep our focus on the home but build on it," said *HG* Publisher J. Kevin Madden.

But *Architectural Digest* and *HG* no longer have the field to themselves. In the past year, Hearst Corp.'s *House Beautiful* has redesigned its cover to resemble what is now the old *House & Garden*. And the entire field has been shaken up by the rise of Meredith Corp.'s *Metropolitan Home*, which targeted an even younger, affluent audience and has grown quickly.

With its ad pages flat and the upscale home magazine field more crowded than ever, *HG's* revamp was a clear indication that Conde Nast saw the magazine as a weak link in its ad sales package.

"No publisher will spend that kind of money to redesign unless there's an uneasiness with the bottom line," said Bill Barborka, director of advertising at Baker, Knapp & Tubbs, a Chicago-based luxury furniture company. "It's clearly a move to end any similarity *HG* has with *Architectural Digest*. It could be a positive change."

Mr. Madden said the new *HG* will "strengthen the concept" of the Conde Nast Ltd. package, which also includes *Conde Nast's Traveler* and *Gourmet*. Last year, *HG* got 24% of its 1,157 ad pages through the package. *HG* has a rate base of 500,000, but its 1987 circulation was above that, averaging about 573,000.

Conde Nast appointed former *British Vogue* Editor Anna Wintour as editor in chief last summer, hoping she would create a formula that might jump-start *House & Garden's* flat advertising performance in 1987. Although *House & Garden's* ad revenue rose by about 5% to $23.4 million last year, its ad pages grew only 0.1%. In 1987, *Architectural Digest's* pages grew by 2% to 1,589 pages, while ad revenue climbed 11.5% to $33.8 million. But no one came close to *Metropolitan Home* with an 18% increase to 807 pages and a 46.2% jump in ad revenue to $21.4 million.

Mr. Madden said *HG* is not abandoning its charter as a home furnishing and decorating magazine. Its center remains a catalog of the homes and environs of the affluent, though Ms. Wintour has included more people in their homes.

The biggest changes are in *HG's* front and back pages, where Ms. Wintour has infused greater coverage of lifestyles, issues and personalities. Each edition will include a single theme and many, but not all, articles in the issue will pertain to it.

The new look already has brought in advertisers from outside the home furnishing and decorating categories. Clothing designers Donna Karan, Anne Klein and Ralph Lauren have added *HG* to their media schedules, as have British Airways and Givenchy fragrance.

"There are trends and news happening in decorating just as in fashion, but there was no sense of that in the old *House & Garden*," said the 38-year-old, London-born Ms. Wintour. "Today there has never been greater intense awareness of design in the home."

Ms. Wintour's arrival has been closely watched from within Conde Nast and without. Industry rumors have placed her as a successor to Grace Mirabella as editor of *Vogue*, but Ms. Wintour denies it.#

How home magazines stack up

HG
DECORATIVE BETTE MIDLER
THE MODERN ROTHSCHILDS
ROMANCE!
METROPOLITAN HOME
ARCHITECTURE NOW
MILAN

Titles	Ad pages in 1987	% change from 1986	1987 circulation
Home	622	+4.9%	889,929
House Beautiful	868	+1.3	829,913
Metropolitan Home	807	+18.1	717,052
Architectural Digest	1,589	+2.0	632,235
HG (formerly *House & Garden*)	1,157	0.1	572,544

Sources: Audit Bureau of Circulations, Publishers Information Bureau

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Connally pitches for S&L

By JENNIFER LAWRENCE

HOUSTON—Former Texas Gov. and U.S. Treasury Secretary John Connally may be down, but he's not out.

On the heels of his much-ballyhooed auction of personal belongings to help settle last summer's personal bankruptcy filing, Mr. Connally has become a pitchman for University Savings, the state's fourth-largest savings and loan association.

The message in the statewide TV campaign that broke Jan. 31 is to save money—and preferably at University Savings.

Taylor Brown & Barnhill handles the $3 million account.

Mr. Connally, starring in one of three 30-second spots entitled "On the Importance of Saving," was chosen from among a new breed of Texans: former high rollers now facing money woes.

J. Connally

Telling viewers that he and his wife, Nellie, worked hard all their lives to make sure they would be financially secure, Mr. Connally says "things haven't worked out like we planned. . . . There's no better place than Texas to start over and to save a little something. Because you never know what the future may bring."

A supporting print ad starts running today.

Agency executives believe Mr. Connally brings a larger-than-life quality to the campaign, which also includes former Houston Oilers coach Bum Phillips and local businesswoman Ninfa Laurenzo. They also have overcome financial adversity, though not as publicly as Mr. Connally.

Mr. Connally and the others were compensated for their role but the fees remain a closely guarded secret.

Agency President Don Brown said Mr. Connally's reimbursement was "above scale."

Mr. Connally cut an appealing ad image even before his financial hardships surfaced. In 1985, he was tapped as a "Man of Distinction" for C.F. Hathaway in a continuation of the famous campaign started 37 years ago for the shirt company by David Ogilvy (and handled now by Eric Mower & Associates, New York).#

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Market leaders also dominate in recall of ads

By SCOTT HUME

AdWatch survey of advertising awareness Top 10 for 1987

Each month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Below are the top 10 advertisers in cumulative first-mention responses for the year. Source: SRI Research Center, Lincoln, Neb.

Rank	Advertiser	Agency
1	Coca-Cola	McCann-Erickson
2	Pepsi-Cola	BBDO Worldwide
3	McDonald's	Leo Burnett USA
4	California raisins	Foote, Cone & Belding
5	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
6	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates
7	Ford	J. Walter Thompson USA
8	Chevrolet	Lintas:Campbell-Ewald
9	Chrysler	Bozell, Jacobs, Kenyon & Eckhardt
10	Bartles & Jaymes	Hal Riney & Partners

Leadership, it appears, has its privileges, too.

The 10 advertisers with the highest cumulative unaided recall for their advertising in 1987 also were the market-share leaders in their product categories.

One possible exception was E&J Gallo Winery's Bartles & Jaymes wine cooler. It lost its No. 1 ranking in 1987 to Jos. A. Seagram & Sons' Seagram's wine cooler and, interestingly, saw its share of unaided first mentions decline, too.

Bartles & Jaymes also has become the exception to another interesting similarity among the 10 best-recalled advertisers of last year: None changed their ad agencies during the year or significantly changed their advertising messages.

With Hal Riney & Partners' resignation of the Gallo account, B&J may get a new agency and a new look for its advertising.

Calling the California Raisin Advisory Board the leading marketer in its category may be fudging a bit since it represents more than one commercial brand. But the leading brands *are* from California.

By capturing the No. 4 spot among the year's best-recalled advertisers, the dancing raisins also struck a blow for creativity over media weight.

Two big ad spenders, the top soft-drink marketers, did finish in first and second place for the year.

Coca-Cola Co., which (in its Coca-Cola Classic formulation) finished 1987 with a 19.8% market share, according to *Beverage Digest*, was the year's best-recalled advertiser.

Close behind in both unaided recall and market share (18.8%) was Pepsi-Cola Co.'s Pepsi.

Holding the No. 3 spot in advertising recall was McDonald's Corp., the perennial leader in fast-food sales with an approximately 20% share of that market.

Budweiser, the top-selling beer, ranked (in tandem with Bud Light, the seventh-ranked beer) as the best-recalled beer advertising. The No. 6-ranked advertiser, behind the two Anheuser-Busch brands, were Miller Brewing Co.'s brands Miller Lite (the second-best-selling brand) and Miller High Life (the third-ranking seller).

Next up among the best-recalled advertisers are the top three automakers. No. 2 carmaker Ford Motor Co.'s advertising had better cumulative recall than did General Motors Corp.'s. But GM still outsells Ford on dealers' lots.

The ninth-best-recalled advertiser is the third-best-selling automaker, Chrysler Corp.

And hanging on to the last slot among the 10 best-recalled advertisers for the year are those lovable porch-sitters Frank Bartles and Ed Jaymes.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind from all seen, heard or read in the previous 30 days.#

For more information or data, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

FLAKEYS
FLAKEYS
FLAKEYS

Do you really know who you're selling to?

Get closer to your best customers with May & Speh Direct.
Wouldn't it be great to get acquainted with everyone who buys your brand--name by name, product by product? It may not be easy to implement. But in this "specialty market" era, it's certainly worth it. Especially when you have the marketing support of May & Speh Direct.

Working closely with you, we'll develop a complete, confidential data base system that captures customer information from co-op and solo mailings, telemarketing, mail-in offers and the like. Then we'll enrich it with individual purchasing histories, demographic and census information. And show you how to analyze, segment and refine this valuable data. Enabling you to create profiles identifying your best customers.

So you can instantly access individual buyer information to support your media strategies. Cross-sell products within a line to your best buyers. Obtain detailed geographic data to enhance your sampling efforts. And much more.

We'll also show you other ways to utilize our comprehensive new facility, staffed by over 200 specialists with decades of computing and marketing expertise. For details, call our Marketing Department at 312/964-1501. And get closer to your best customers.

Helping smart marketers market smarter.

May & Speh DIRECT
Direct Marketing Information Services, A Division of May & Speh, Inc.
1501 Opus Place
Downers Grove, Illinois 60515-5713

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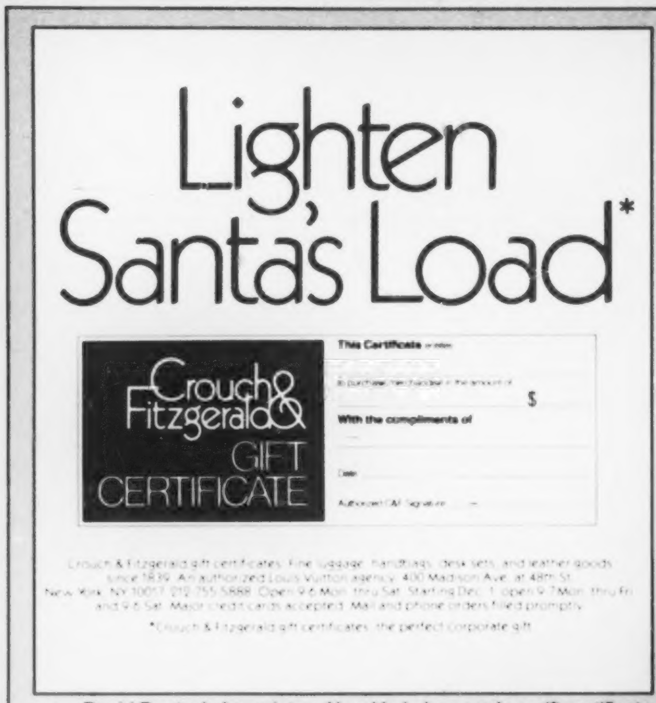
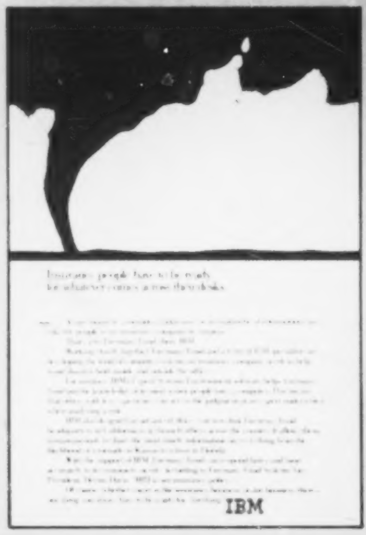
CORRECTIONS & CLARIFICATIONS

- The free air miles given away in First Brands' joint promotion with Trans World Airways are promotional miles and are neither associated with TWA's frequent-flier program nor any other TWA flier program as reported (AA, Jan. 18, P. 8).
- An article about the New York City newspaper market incorrectly stated that the *New York Daily News* "is expected to lose from $10 million to $12 million this year on revenue of about $450 million." The reference should have been to 1987 (AA, Jan. 25, P. S-8). In 1988, Publisher James Hoge stated, the *News* "expects to be profitable."
- *Lear's* will carry ads from Christian Dior cosmetics, not frangrances, and Princess Marcella Borghese will not run ads in the first issue of the magazine, as was reported (AA, Jan. 18, P. 4).#

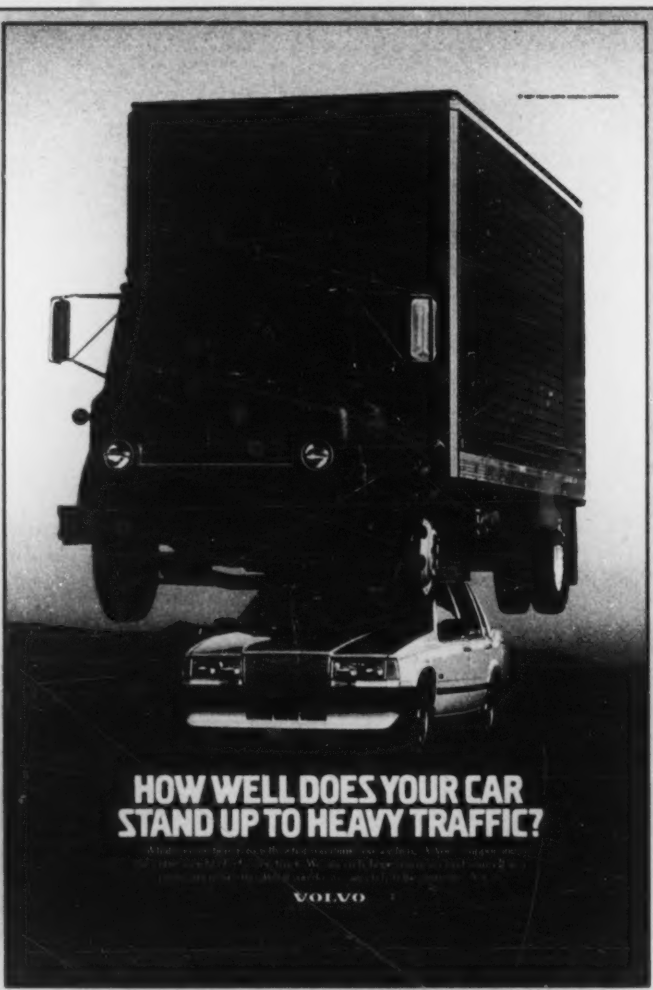
BEST OF PRESS


Lighten Santa's Load*
Crouch & Fitzgerald GIFT CERTIFICATE
This Certificate entitles
to purchase merchandise in the amount of
$
With the compliments of
Date
Authorized C&F Signature
Crouch & Fitzgerald gift certificates. Fine luggage, handbags, desk sets, and leather goods since 1839. An authorized Louis Vuitton agency. 400 Madison Ave. at 48th St. New York, NY 10017. 212-755-5888. Open 9-6 Mon. thru Sat. Starting Dec. 1, open 9-7 Mon. thru Fri. and 9-6 Sat. Major credit cards accepted. Mail and phone orders filled promptly.
*Crouch & Fitzgerald gift certificates, the perfect corporate gift.

David Deutsch Associates, New York, has made a gift certificate appealing by making it simple. In a special appeal to corporate gift givers, the agency could have packed the ad with selections from Crouch & Fitzgerald's finest, but at Christmas that just adds to clutter. Creative director: Donny Deutsch; art director: Rocco Campanelli; copywriters: Rocco Campanelli, Tony Gomes.

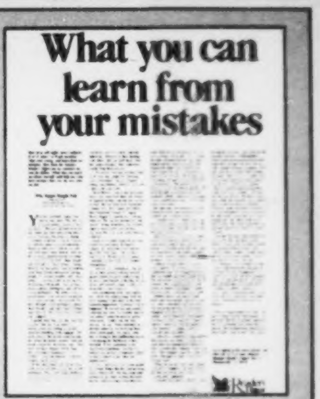


Lord, Geller, Federico, Einstein, New York, shows that maybe the best way to sell IBM computers to businesses is by not showing modules and keyboards. Let 'em look at a real disaster and tell them how IBM helps, in this case, an insurance company deal with it. Creative director: Barry Hoffman; assistant creative directors: Tony Remeo, Ira Silver; art director: Nancy Bink; copywriter: Rhonda Ann Peck; photography: E.R. Degginger/Earth Scenes.

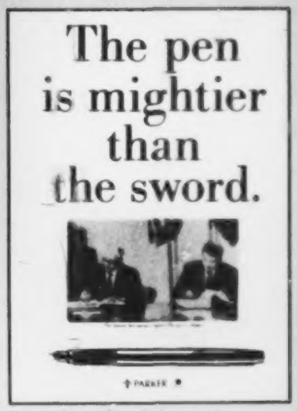

HOW WELL DOES YOUR CAR STAND UP TO HEAVY TRAFFIC?
VOLVO

When you gotta sell cars, you gotta have a gimmick. At least here, Scali, McCabe, Sloves, New York, is playing up Volvo's safety features and that's not a dumb gimmick. Besides, preposterous as it might look, how many U.S. carmakers would be willing to try the same thing? Creative director: Sam Scali; art director: Earl Cavanah; copywriter: Larry Cadman; photographer: Henry Sandbank.

Best of Press selections are made by a committee of three: Hank Simons, VP-creative director, Newspaper Advertising Bureau, New York; James Dunaway, VP-information, Newspaper Advertising Bureau; and Patrick Reilly, Advertising Age newspaper industry reporter. National System Inc., St. Louis, provides tearsheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Reilly in AA's New York bureau.


What you can learn from your mistakes

Part of a series from *Reader's Digest*, editors at the world's favorite condenser are daring you to read the ad, so the reader does—or at least part of it. The magazine is sure the topic has broad appeal, so who needs art? Let the words do the talking. It gives the reader a taste of what's inside. A collaborative effort between Gregory & Clyburne, Stamford, Conn., and *Reader's Digest's* editorial department.


The pen is mightier than the sword.
PARKER

It can be difficult to make real-life (much less historic) events work for an advertiser. But Lowe Howard-Spink & Bell, London, has done it well here by not belittling the event for the sake of the product. If any thing, the headline is a message worth remembering. Art director: Ken Hoggins; copywriter: Chris O'Shea.

Newspapers ride Hollywood's boom

New York—Box office sales boomed to a record $4.25 billion for Hollywood movie makers last year, and the bounty spilled over into newspaper ad coffers.

In November, in the newspapers measured for the Advertising Age Flash Report, the amusements advertising category posted an $8.4 million gain over November 1986. That was the biggest year-to-year dollar gain of any of the 16 categories tracked for the November report by Media Records here.

With strong increases also reported in newspaper advertising for new cars, general merchandise stores and food stores, the 16-category spending total for November climbed a solid 8.5% to $433.4 million. Ten of the 16 categories, including the department stores segment, finished ahead of November 1986 spending levels.

Newspaper ad spending for amusements, after an up-and-down first half, has been surging far ahead of year-ago levels since the summer. November's $8.4 million advance over last year followed an equally strong October, when spending was $8.1 million ahead of 1986 levels.

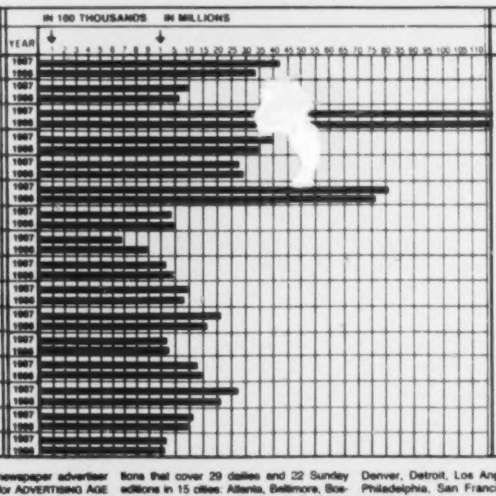
November's overall 8.5% gain was a welcome rebound from an otherwise disappointing October, when, despite strong amusement category spending, the 16-category total bettered October 1986 by only 2%.

A key to November was revived spending in the new-car category, up $6.9 million from the 1986 period after weak year-to-year gains in October. New-car advertising ran solidly ahead of 1986 through most of last year.

Department stores, wallowing far behind 1986 spending levels, also showed some strength as they mounted their holiday ad blitzes. Spending in the category, the largest measured for the Flash Report, was up $3.5 million over November 1986.

Among decliners, cigarette advertising, off $299,000 in November, once again slipped behind 1986 levels after two months of gains.#

FLASH REPORT: Newspaper advertising investment for November



CATEGORIES	DOLLARS 1987	DOLLARS 1986	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	$42,048,180	$33,645,866	+8,402,314	+25.0
Computer stores & supplies	9,187,618	6,786,606	+2,401,012	+35.4
Department stores	139,829,891	136,371,639	+3,458,252	+2.5
Food stores	39,191,204	34,017,026	+5,174,178	+15.2
Radio, TV, phonographs, records	27,362,167	29,296,842	-1,934,675	-6.6
General merchandise stores	81,913,727	76,468,849	+5,444,878	+7.1
Alcoholic beverages	3,009,317	3,350,701	-341,384	-10.2
Cameras, photo supplies & services	661,393	899,919	-238,526	-26.5
Computers, equipment & services	2,445,450	4,197,820	-1,752,370	41.7
Public service utilities & communications	9,707,455	7,241,800	+2,465,655	+34.0
Publishing & media	20,321,498	16,865,195	+3,456,303	+20.5
Cigarettes	3,166,582	3,465,207	-298,625	-8.6
Airlines	13,167,996	14,983,205	-1,815,209	-12.1
Passenger cars-new	27,521,961	20,636,865	+6,885,096	+33.4
Banks & trust companies	11,290,152	9,037,159	+2,252,993	+24.9
Stock, bond & investment houses	2,535,984	2,277,858	+257,806	+11.3

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 22 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.

Source: Media Records Inc.

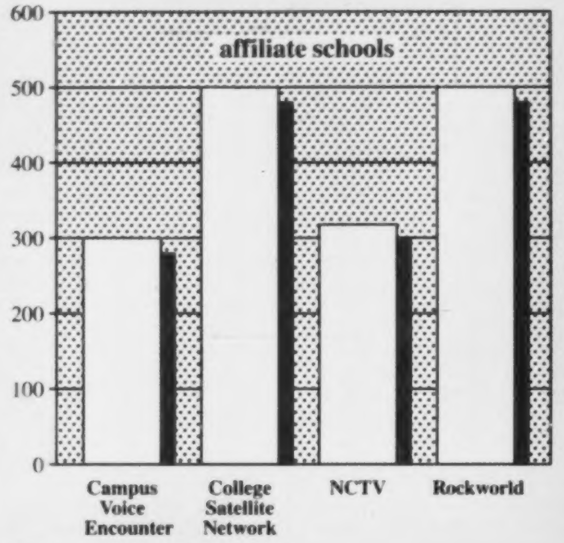
Data bank — Youth Marketing

College magazines' coverage and circulation

Magazine	Number of schools	Copies distributed
Business Week Careers	2,400	600,000
Campus USA	90	606,000
Campus Voice Magazine	415	1,200,000
Careers & The College Grad	27	22,000
Careers & The Handicapped	1,400	10,500
Careers & the MBA	18	15,000
College Entertainment Guide	1,200	1,250,000
College Musician	1,008	100,000
College Opportunity Guide	35	100,000
College Woman	1,510	650,000
Directions	26	220,000
Directory of Classes	100	1,000,000
Engineering Horizons	58	22,000
Equal Opportunity	1,400	15,000
Graduating Engineer	312	83,000
Minority Engineer	296	16,000
Moving Up	1,518	500,000
New Accountant	423	54,667
New Route	207	241,588
Newsweek On Campus	224	1,300,000
Panache	200	569,000
Plus	200	1,100,000
Student Life	600	1,200,000
Term Planner	460	1,500,000
The Black Collegian	1,200	91,450
The Collegiate Career Woman	1,400	10,500
The Computer & Electronics Graduate	311	18,000
The Woman Engineer	290	16,000
Time, Campus Edition	861	550,000
U., The National College Newspaper	218	1,400,000
University Directories	73	890,500
31 magazine average	600	504,877

Source: College Marketing Annual; Publishers' Reports

Campus-directed electronic media



Source: ADVERTISING AGE, College Marketing Annual

What college students own

65.5%	Stereos
63.4	Cassette-playing portable radios
59.7	Bicycles
55.4	Cars
51.9	Car stereos
41.3	Electric portable typewriters
40.6	Color TVs
36.1	35mm cameras
16.5	Computers
16.5	VCRs
2.4	Video cameras

Source: The College Stores Research & Educational Foundation; Student Watch '86.

College students' values

Percent surveyed wanted to:	1985	1967
Be very well off financially	70%	43%
Help others	63	69
Develop a meaningful philosophy of life	43	82
Have administrative responsibility	43	22
Keep up with political affairs	38	58
Become an expert in finance and commerce	26	13
Clean up environment	20	49

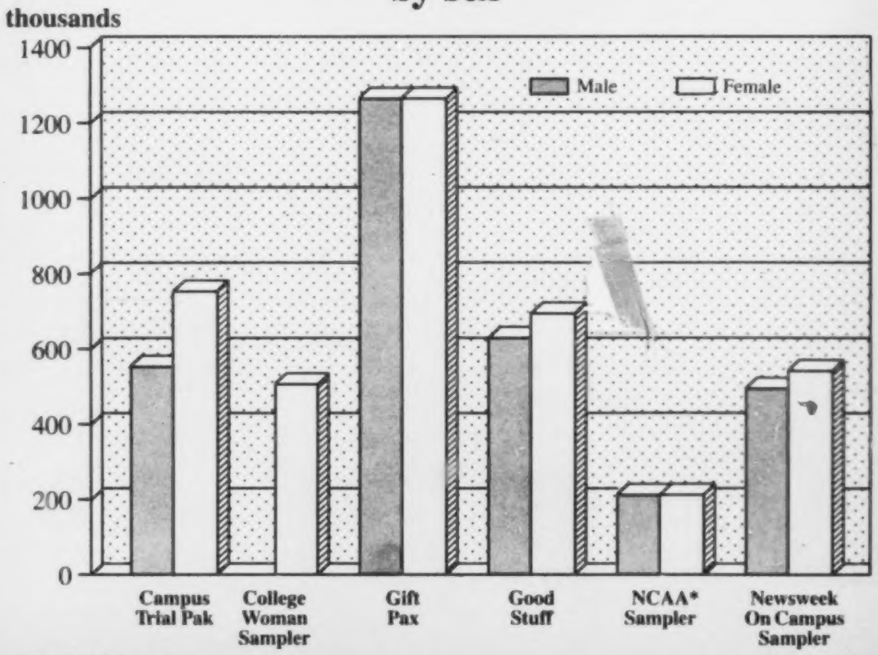
Source: American Demographic Institute, Number News, 1987

Financial services usage among college students

85.5%	Have savings accounts
61.9	Carry car insurance
55.7	Use credit cards
43.4	Carry health insurance
41.0	Have student loans
28.3	Carry life insurance
21.8	Have savings certificates
21.2	Use travelers' checks
15.0	Carry homeowner's insurance
14.4	Have car loans
13.0	Have money market accounts
6.5	Have brokerage accounts

Source: The College Stores Research & Educational Foundation, Student Watch '86.

Cooperative sampling totals by sex



*National Collegiate Athletic Assn.
Source: College Marketing Annual

Newspaper Advertising Inches; November 1987 vs. November 1986 (Standard Advertising Units in the Media Records Conversion System)

AKRON, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Beacon Journal (M)	119,019	— —	118,389	— —
Beacon Journal (S)	94,526	— —	107,233	— —
Grand Total	213,545	— —	225,622	— —

NOTE: Beacon Journal changed from evening to morning publication effective July 13, 1987

ALLENTOWN, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Call (M)	176,905	— —	180,481	— —
Call (S)	128,251	— —	129,727	— —
Grand Total	305,156	— —	310,208	— —

NOTE: Part run figures not available

ASBURY PARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press (E)	202,032	31,914	203,203	24,382
Press (S)	221,765	24,153	208,387	22,658
Grand Total	423,797	56,067	411,590	47,040

ATLANTA, GA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Constitution (M)	162,911	86,756	152,361	74,296
Journal (E)	194,349	108,111	183,374	92,198
Journal & Constitution (S)	134,414	136,517	155,334	124,519
Journal & Constitution (Sat)	45,481	— —	55,041	— —
Grand Total	537,155	331,384	546,110	291,013

NOTE: Constitution Morning and Journal Evening published five days a week only

BALTIMORE, MD

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Sun (M)	169,078	19,046	161,624	13,786
Sun (E)	120,665	12,880	102,325	9,751
Sun (S)	198,931	71,844	211,455	68,903
Grand Total	488,674	103,759	475,404	92,440

BERGEN COUNTY, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Record (E)	176,703	38,471	179,124	25,162
Record (S)	222,536	80,083	209,957	59,015
Grand Total	399,239	118,554	389,081	84,177

BOSTON, MA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	93,040	— —	106,163	3,112
Herald (S)	34,324	73,607	32,641	59,252
Globe (M)	157,208	23,477	160,810	26,302
Globe (S)	252,016	60,728	244,134	57,410
Grand Total	536,588	157,812	543,748	146,076

BUFFALO, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (AD)	119,576	34,325	129,755	33,407
News (S)	64,863	81,065	100,966	34,867
Grand Total	184,439	115,390	230,721	68,274

CAMDEN, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courier-Post (E)	140,274	21,436	145,316	19,299
Courier-Post (S)	104,695	35,949	84,106	28,629
Grand Total	244,969	57,385	229,422	47,928

CHARLOTTE, NC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Observer (M)	143,049	— —	149,945	— —
Observer (S)	94,816	— —	103,210	— —
Grand Total	237,865	— —	253,155	— —

NOTE: Part run figures not available

CHICAGO, IL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
*Tribune (M)	148,435	276,435	145,123	288,695
*Tribune (S)	161,792	103,443	136,957	111,159
Sun-Times (M)	151,633	94,461	143,702	99,989
Sun-Times (S)	86,548	74,359	85,643	61,632
Grand Total	548,408	548,698	511,425	561,475

NOTE: Tribune figures supplied by publisher to Media Records. 1987 figures represent advertising for 10/26/87–11/22/87

CINCINNATI, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Enquirer (M)	184,917	10,097	195,364	17,869
Enquirer (S)	189,590	14,720	196,537	15,547
Post (E)	98,889	26,036	110,763	33,792
Grand Total	473,396	50,853	502,664	67,208

CLEVELAND, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Plain Dealer (M)	163,527	34,200	164,556	34,313
Plain Dealer (S)	151,907	19,635	157,570	18,852
Grand Total	315,434	53,835	322,126	53,165

DALLAS, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	300,472	15,983	314,698	12,613
News (S)	212,656	26,805	201,103	26,640
Times-Herald (AD)	217,227	26,466	242,830	30,518
Times-Herald (S)	147,920	48,012	158,117	29,920
Grand Total	878,275	117,266	916,748	99,691

DENVER, CO

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Rocky Mt. News (M)	266,615	43,669	297,633	4,445
Rocky Mt. News (S)	99,759	39,500	136,318	584
Post (M)	170,636	64,247	207,910	19,705
Post (S)	115,013	54,476	162,383	1,643
Grand Total	612,023	201,892	804,244	26,357

DETROIT, MI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Free Press (M)	107,880	90,094	106,076	64,899
Free Press (S)	67,734	76,402	64,693	77,109
News (AD)	169,396	69,731	158,448	62,641
News (S)	129,552	64,236	126,256	68,535
Grand Total	474,562	300,463	455,473	272,984

ESCONDIDO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times-Advocate (E)	110,532	2,007	115,920	5,444
Times-Advocate (S)	72,559	— —	62,661	— —
Grand Total	183,091	2,007	178,581	5,444

FORT LAUDERDALE, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News & Sun-Sentinel (S)	142,663	— —	161,954	— —
Sun-Sentinel (M)	275,226	— —	312,892	— —
Grand Total	417,889	— —	474,846	— —

NOTE: Part run figures not available. Morning figures include the Saturday Edition

FORT WAYNE, IN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal Gazette (M)	100,649	— —	89,962	— —
Journal Gazette (S)	101,321	— —	105,469	— —
News Sentinel (E)	102,420	— —	99,118	— —
Grand Total	304,390	— —	294,549	— —

NOTE: Part run figures not available

GREENWICH/STAMFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Time (E)	82,119	13,801	82,958	2,279
Time (S)	89,326	19,831	95,901	569
Advocate (E)	114,758	22,911	112,063	22,158
Advocate (S)	89,776	18,442	90,068	7,372
Grand Total	375,979	74,985	380,990	32,378

HARTFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courant (M)	169,836	48,043	170,963	41,156
Courant (S)	122,601	194,108	114,628	199,644
Grand Total	292,437	242,151	285,591	240,800

HONOLULU, HI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Advertiser (M)	124,974	— —	133,225	— —
Star-Bulletin (E)	116,918	— —	127,729	— —
Star-Bulletin & Advertiser (S)	115,039	— —	108,432	— —
Grand Total	356,931	— —	369,386	— —

HOUSTON, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (AD)	234,686	47,770	220,883	61,861
Chronicle (S)	160,235	49,605	134,212	69,362
Post (M)	152,539	55,382	153,528	41,708
Post (S)	91,643	53,045	101,977	49,134
Grand Total	639,103	205,802	610,600	222,065

LONG BEACH, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press Telegram (M)	126,559	56,397	120,219	55,696
Press Telegram (S)	82,700	7,580	88,386	4,287
Grand Total	209,259	63,977	208,605	59,983

LONG ISLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Newsday (E)	103,153	149,532	135,235	130,777
Newsday (S)	104,414	186,484	124,353	173,483
Grand Total	207,567	336,016	259,588	304,260

LOS ANGELES, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	315,772	323,188	320,039	326,551
Times (S)	219,435	123,219	214,589	130,643
Herald-Examiner (M)	75,840	16,909	71,617	12,011
Herald-Examiner (S)	23,451	10,833	19,870	10,758
Grand Total	634,498	474,149	626,115	479,963

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	202,953	36,877	198,800	53,778
News (S)	111,967	7,776	113,898	3,937
Grand Total	314,920	44,653	312,698	57,715

*LOS ANGELES/TORRANCE, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Breeze (E & S)	264,648	— —	264,655	— —
Grand Total	264,648	— —	264,655	— —

NOTE: Figures supplied by publisher to Media Records.

*MEMPHIS, TN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Commercial Appeal (M)	152,427	116,323	156,299	137,208
Commercial Appeal (S)	126,889	29,087	137,457	16,566
Grand Total	279,316	145,410	293,756	153,774

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	168,691	— —	186,446	— —
Herald (S)	130,825	— —	148,177	— —
News (E)	65,239	— —	65,848	— —
Grand Total	364,755	— —	400,471	— —

NOTE: Part run figures not available.

MINNEAPOLIS, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star Tribune (AD)	136,670	48,468	123,068	28,928
Star Tribune (S)	190,681	5,647	181,690	13,035
Star Tribune (Sat)	26,532	— —	30,245	— —
Grand Total	353,883	54,115	335,003	41,963

*NASHVILLE, TN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Banner (E)	128,128	— —	132,681	— —
Tennessean (M)	127,227	— —	133,867	— —
Tennessean (S)	135,768	— —	133,935	— —
Grand Total	391,123	— —	400,483	— —

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Home News (E)	105,249	1,841	103,049	5,082
Home News (S)	125,508	6,759	105,816	13,294
Grand Total	230,757	8,600	208,865	18,376

NEW YORK, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	188,956	20,892	182,862	15,384
Times (S)	252,839	189,616	266,262	164,794
News (M)	72,410	97,688	63,762	109,630
News (S)	61,761	134,169	58,133	140,017
Post (AD)	72,361	1,284	61,303	1,238
Grand Total	648,327	443,649	632,322	431,063

NEWARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star Ledger (M)	223,303	6,673	223,075	6,896
Star Ledger (S)	284,038	53,820	251,776	48,298
Grand Total	507,341	60,493	474,851	55,194

OAKLAND, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Tribune (M)	[illegible]	103,056	96,008	96,919
Tribune (S)	[illegible]	77,863	49,794	66,744
Grand Total	[illegible]	180,919	145,802	163,663

OCEANSIDE, CA
SAN DIEGO COASTAL NORTH COUNTY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade-Tribune (E)	106,828	5,054	112,494	6,548
Blade-Tribune (S)	82,279	— —	63,587	— —
Grand Total	189,107	5,054	176,081	6,548

NOTE: Blade-Tribune Evening published five days a week only

ORANGE COUNTY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Register (AD)	321,688	114,195	339,706	111,713
Register (S)	149,787	28,144	177,138	7,023
Grand Total	471,475	142,339	516,844	118,736

PHILADELPHIA, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Inquirer (M)	177,450	47,298	179,337	48,242
Inquirer (S)	183,300	88,286	184,800	98,225
News (E)	90,156	3,891	95,957	3,763
Grand Total	450,906	139,475	460,094	150,230

*PHOENIX, AZ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Arizona Republic (M)	232,089	18,844	241,364	12,806
Arizona Republic (S)	141,653	11,232	156,955	— —
Gazette (E)	221,520	19,043	230,457	12,972
Grand Total	595,262	49,119	628,776	25,778

NOTE: Figures supplied by publisher to Media Records

*PROVIDENCE, RI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal (M)	84,469	111,835	102,058	87,839
Journal (S)	137,343	75,781	135,958	64,462
Grand Total	221,812	187,616	238,016	152,301

NOTE: Figures supplied by publisher to Media Records.

*ST. LOUIS, MO

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post Dispatch (M)	123,150	40,224	135,001	44,360
Post Dispatch (E)	176,527	680	179,380	883
Grand Total	299,677	40,904	314,381	45,243

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Pioneer Press Dispatch (AD)	113,954	— —	105,431	— —
Pioneer Press Dispatch (S)	147,737	— —	148,894	— —
Grand Total	261,691	— —	254,325	— —

NOTE: Part run figures not available.

SAN ANTONIO, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Express-News (AD)	135,119	48,931	124,770	46,008
Express-News (S)	98,434	37,680	97,835	55,518
Express-News (Sat)	31,733	— —	40,541	— —
Light (AD)	141,081	21,259	144,144	27,435
Light (S)	108,085	10,016	122,653	15,195
Light (Sat)	25,386	359	33,967	2,234
Grand Total	539,838	118,245	563,910	146,390

NOTE: Express-News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Union (M)	235,378	47,269	223,307	56,527
Union (S)	165,431	1,145	167,036	— —
Tribune (E)	240,876	46,625	225,933	53,030
Grand Total	641,685	95,039	616,276	109,557

SAN FRANCISCO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (M)	131,715	90,141	136,338	95,001
Examiner (E)	126,093	89,161	— —	— —
Examiner & Chronicle (S)	101,188	55,542	98,153	62,127
Grand Total	358,996	234,844	234,491	157,128

NOTE: 1986 Examiner Evening figures not available

SAN JOSE, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Mercury News (AD)	315,757	24,801	302,618	19,929
Mercury News (S)	203,231	— —	201,588	— —
Grand Total	518,988	24,801	504,206	19,929

*STATE COLLEGE, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Centre Times (E)	86,226	4,336	87,079	5,150
Centre Times (S)	59,837	2,373	61,046	1,318
Grand Total	146,063	6,709	148,125	6,468

NOTE: Figures supplied by publisher to Media Records

*TOLEDO, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade (E)	142,692	— —	136,282	— —
Blade (S)	40,034	— —	38,093	— —
Grand Total	182,726	— —	174,375	— —

NOTE: Figures supplied by publisher to Media Records

WASHINGTON, DC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post (M)	310,398	67,324	297,080	59,385
Post (S)	203,218	71,412	188,778	65,260
Grand Total	513,616	138,736	485,858	124,625

WASHINGTON, DC SUBURBAN GROUP

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Montgomery Journal (M)	69,690	775	70,999	248
Fairfax Journal (M)	77,408	1,603	86,086	1,656
Grand Total	147,098	2,378	157,085	1,904

NOTE: Montgomery Journal Morning and Fairfax Journal Morning published five days a week only

WESTCHESTER ROCKLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Reporter Dispatch (E)	110,373	12,400	98,113	16,577
Reporter Dispatch (S)	137,552	34,983	112,778	55,994
Grand Total	247,925	47,383	210,891	72,571

WICHITA, KS

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Eagle-Beacon (M)	122,915	— —	133,308	— —
Eagle-Beacon (S)	100,615	— —	107,208	— —
Grand Total	223,530	— —	240,516	— —

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.....
   Width and Depth in Inches.
2. Determine Square Inches of Page....
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.....
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page.....
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.....
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

SAU® is the registered trademark of the American Newspaper Publishers Association.

Olympics survey

(Continued from Page 1)

Switzerland-based parent company marketed worldwide sponsorships of the 1988 Olympics.

The polling occurred in December; 1,000 adults were asked five questions about Olympics sponsors.

When asked which ads from sponsors first came to mind, 5% of the respondents named Visa, a global sponsor that began its "Pull for the team" campaign last summer. BBDO Worldwide, New York, is Visa's agency for the Olympics.

Another 4% named Kodak and 1% named Kodak batteries. Rochester, N.Y.-based Kodak is the worldwide sponsor of the Olympics in the film, photo-finishing, battery and non-35mm camera categories. J. Walter Thompson USA, New York, handles.

The results are particularly significant for San Mateo, Calif.-based Visa, and for Kodak, because those companies paid dearly—about $15 million apiece—for their global sponsorships and because they were not the primary sponsors in their categories the last time around.

For the 1984 Summer Games in Los Angeles, Visa's rival, American Express Co., was the official credit card sponsor. Fuji Photo Film Ltd. had official film status.

Judging by the poll results, Visa's admonition that "this time the Olympics don't take American Express" is being noted.

Jan Soderstrom, Visa's VP-advertising, attributes the company's higher-than-projected volume increase in 1987's third quarter to the cachet of its Olympics sponsorship.

Visa reported its charge volume was up 17% over the third quarter of 1986, well ahead of the 11% increase it had projected.

Other than Visa and Kodak, the only Olympics sponsors named by 1% or more of the respondents were Coca-Cola Co., Atlanta, and Miller Brewing Co., Milwaukee.

Coca-Cola is the global soft-drink sponsor; Miller is the sole sponsor of the Olympic Training Center. Both companies have mentioned their sponsorships in ads.

Some confusion about who is and who is not a sponsor was evidenced by the naming of Pepsi-Cola Co. and MasterCard International, neither of which is an official sponsor, by 1% of the respondents.

Other companies named by less than 1% of respondents accounted for 20% of the answers, while 64% did not name a specific company.

Of those polled, 51% said they had read, seen or heard advertising that mentioned a company as an official Olympics sponsor or supplier, though only 36% named a specific company.

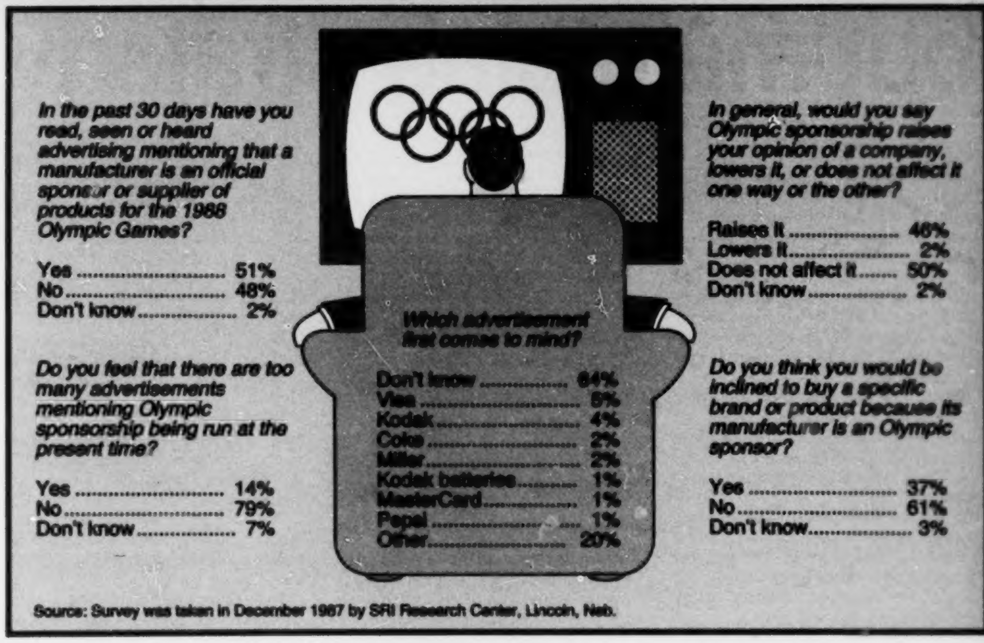
When asked whether they would be inclined to buy a specific brand or product because its maker is an Olympics sponsor, 37% said they would and 61% said they would not.

When ISL commissioned a four-country survey in August 1985, 29% of U.S. respondents said an Olympics sponsorship designation would make them more likely to buy a company's product.

In the adWatch survey, nearly half (46%) of the respondents said a company's Olympics sponsorship raises their opinion of the company, while 50% said sponsorship does not affect their opinion.

Only 32% of U.S. respondents to ISL's survey said an Olympics sponsorship would make them more favorable in their attitude toward a company.#

Olympic advertising awareness



In the past 30 days have you read, seen or heard advertising mentioning that a manufacturer is an official sponsor or supplier of products for the 1988 Olympic Games?

Yes	51%
No	48%
Don't know	2%

Do you feel that there are too many advertisements mentioning Olympic sponsorship being run at the present time?

Yes	14%
No	79%
Don't know	7%

Which advertisement first comes to mind?

Don't know	64%
Visa	5%
Kodak	4%
Coke	2%
Miller	2%
Kodak batteries	1%
MasterCard	1%
Pepsi	1%
Other	20%

In general, would you say Olympic sponsorship raises your opinion of a company, lowers it, or does not affect it one way or the other?

Raises it	46%
Lowers it	2%
Does not affect it	50%
Don't know	2%

Do you think you would be inclined to buy a specific brand or product because its manufacturer is an Olympic sponsor?

Yes	37%
No	61%
Don't know	3%

Source: Survey was taken in December 1987 by SRI Research Center, Lincoln, Neb.

Advertisers blitz airwaves during Bowl

By PATRICK McGEEHAN

While the Washington Redskins and Denver Broncos battled in Super Bowl XXII, big-budget TV advertisers were involved in a different fight.

At costs as high as $675,000 for 30 seconds of airtime during the big game on ABC-TV Jan. 31, advertisers showed off new campaigns or their newest commercials in ongoing campaigns.

ABC collected $45 million to $50 million in ad revenues by selling out its inventory in the pre and postgame shows and the game itself.

At press time, a dogfight was shaping up between Anheuser-Busch and Stroh Brewery Co. Stroh, Detroit, was planning to unveil a spot featuring its spokesdog, Alex, doing impressions of famous dogs, including A-B's own Spuds MacKenzie. Lowe Marschalk, New York, handles.

St. Louis-based A-B planned to run a new Bud Light spot with Spuds flying off a ski jump, via DDB Needham Worldwide, Chicago.

Other companies that were slated to break new commercials during the game broadcast included Coca-Cola Co., John Hancock Mutual Life Insurance Co., IBM Corp., McDonald's Corp., New York Life Insurance Co. and Pepsi-Cola USA.

New York Life's futuristic :60 was considered one of the most ambitious debuts. The spot, called "Frozen Skier," uses the new theme line "The future is coming. Get the most out of life with New York Life."

"Frozen Skier" and "Astronaut," another new spot, cost a total of $1.5 million to produce. Saatchi & Saatchi DFS Compton, New York, is New York Life's agency.

Pepsi-Cola USA, Somers, N.Y., planned to air new spots for its Diet Pepsi brand featuring actor Michael Fox and actress Jami Gertz. The company also was expected to launch a campaign for its Slice juice-added soft drinks. BBDO Worldwide, New York, handles both brands.

Coca-Cola, Atlanta, was expected to counter with a new spot for Diet Coke starring spokesman Pierce Brosnan fighting off bad guys on a speeding train. Lintas:New York handles Diet Coke.

John Hancock, Boston, changed plans last week and decided to run a new spot in the second generation of its "Real life, real answers" campaign during the game, along with an existing spot. The company has two 30-second slots during the telecast and originally did not plan to use a new commercial. Hill, Holliday, Connors, Cosmopulos handles.

After weeks of deliberation, McDonald's Corp. marketing executives decided Jan. 29 to use two of its four Super Bowl slots to announce the national rollout of the Cheddar Melt sandwich.

Also, a new 60-second image commercial, entitled "County Champ," ended with the line "McDonald's. Proud partner of the Olympic dream." That was the first national advertising tie to this month's Winter Olympics, of which McDonald's is a commercial sponsor.

Oak Brook, Ill.-based McDonald's used its fourth slot to promote its salads. Burrell and Leo Burnett USA, Chicago, created the spots.#

Brady's analysis

(Continued from Page 3)

drinks were ordered. Trouble was, with all the din, I couldn't hear. There they were up there, Bush with his mouth hanging open, Rather with his tic smile, that has all the warmth of a dentist's chair, and I couldn't hear a damned thing.

No matter. They were probably discussing entitlement programs and wheat subsidies. It wasn't until late that evening I realized what I'd missed.

The next morning, that's all anybody was talking about. No one cared if Mario Cuomo remained in Albany for life or about Gary Hart's latest mess with the Lorimar guy or would Fergie have twins.

Rather had flipped out. Bush's people said CBS played dirty. Bob Dole looked mournful. CBS said Bush's people knew very well what he was getting into. Maybe Rather would be canned. Would Cronkite come back? The Democrats were forgotten. Bush played hard ball with the tennis line. For the first time ever there was someone excited about Bush who wasn't his wife.

Here's what I think, after seeing the reruns:

Bush stonewalled on the Iran-contra-hostage questions. The president long ago told Shultz and the rest of them to tell the truth. Bush continued to do the minuet. Rather, as a reporter should, continued to press. What Rather should have done, and second-guessing comes easy to guys who weren't there, was, after a series of refusals to answer, say to Bush:

"OK, Mr. Vice President, it's painfully clear you don't choose to answer about your role in these events. Now, will you answer this . . . and this . . . and this?"

Instead of being deft and shifting his feet a bit, Dan kept hammering home the one point. That was when he became ineffective. And that was when he created the opening for what may well have been the only truly spontaneous line on Bush's entire resume, the wickedly effective sally about the night the CBS screens went dark.

If Bush had kneed Rather in the groin, it couldn't have been more painful.

After that, it disintegrated into ill-tempered cross-talk and, with time running out, Rather just cut off the vice president.

There is out there in the land an enormous popular hostility toward the press, often stupid and unthinking, but it is undeniable. There are Americans who think the country would be better off if the government could send reporters to jail.

The media haters lapped up what happened on CBS last Monday night. They don't like Rather and Jennings and Koppel and Brokaw because they make a lot of money and they don't toady and genuflect.

"Who elected you bastards?"

I've heard that and so has every journalist who ever sweated a politician. So the switchboards lit up and the affiliates got nervous and Reed Irvine pontificated and Bush's people rubbed their hands and told one another, "We kicked a little ass!" and at his next stop someone in the crowd shouted at Bush, "Get Sam Donaldson next!"

It is easier running against the media then against Dole or Kemp or the Democrats.

What really happened was that the vice president, who may be our next president, refused to answer a reporter's legitimate question and the reporter allowed himself to get cranky. That it happened, *could* happen, on live television, says something about the system we have, the kind of country we are. I don't think it was a low point. I think it finally got this campaign started.

I think that's what both American politics and live broadcasting are all about: flawed and vibrant and rough and tumble and irresistible. It got us arguing; it got our attention; it erased boredom; it ignited passion. I wouldn't trade those eight imperfect minutes for a year's worth of seamless, slick, flag-waving political taped speeches and commercials.

Was Rather disrespectful to the Office? History tells us what Cactus Jack Garner, a two-term vice president under Roosevelt, once said about the job:

"It's not worth a bucket of warm spit."#

Air fares

(Continued from Page 1)

over until the fat lady sings."

Continental, intending to comply with the guidelines, will shift some broadcast dollars into radio and print in response to NBC's willingness to uphold the NAAG standards, Mr. O'Donnell said. Two price spots will be revised to comply with the ad standards. N W Ayer, Houston and New York, handles.

It was unclear at press time how other carriers would modify their media plans in light of NBC's agreement with the NAAG over what constitutes deceptive fare advertising.

At ABC, Harvey Dzodin, VP-commercial clearance, said the NAAG guidelines are "under very serious review." CBS also is reviewing the guidelines and will take a position within two weeks, said Matthew Margo, VP-program practices.

The nine states initiating discussions with the networks include attorneys general from California, Colorado, Kansas, Massachusetts, Minnesota, Missouri, New York, Texas and Wisconsin.

Andrea Levine, an assistant New York attorney general, indicated the states took the approach of going to the broadcasters because "networks have an opportunity to see the commercials before the industry puts tremendous resources into production, and they can make format changes before the ad airs."

Disagreement over the guidelines has focused on the definition of misleading fare advertising.

The NAAG believes that in TV spots, fare restrictions should be made orally rather than visually. Airlines have contended that numerous oral disclosures would inhibit creativity.#

In pinch, IBM admits to stiff competition

By CLEVELAND HORTON

IBM Corp. is publicly acknowledging something it has never before mentioned: competition.

The Armonk, N.Y.-based company has always thought the market leader in an industry never should acknowledge the presence of other players. But with the corporate reorganization announced last week, along with the introduction of a new "Big Picture" ad campaign, IBM is straying from its heritage.

The inclusion of the word "competition" in its 16-page ad insert in *The Wall Street Journal* last week is thought to be a first. Lord, Geller, Federico, Einstein, New York, created the campaign, which promotes the company instead of its products.

Most observers say that, with the changes, Big Blue is attempting to speed its product development cycle rather than overhaul its marketing operations.

The company created six independent business groups, increasing the duties of Edward E. Lucente, exec-VP U.S. marketing and services group, who now is responsible for all IBM products in the U.S. He previously oversaw the information systems group.

That move is a tacit indication that upper management is satisfied and should quell any thought by outsiders of immediate ad agency reassignments.

While IBM may think it shored up its position in the personal-computer market with the Personal System/2 line, it faces tough competition in the minicomputer market from Digital Equipment Corp.

In the mainframe segment, the only market Big Blue continues to dominate, U.S. marketers such as Cray Research and a host of Japanese companies threaten to dislocate IBM.

The company may be trying to address a change in the marketplace whereby computer buyers are becoming increasingly technology-literate.

While Big Blue used to advertise the message of unmatched customer support and service, making IBM a "safe" buy, its personal and mid-range computer customers now want to know more about the future of the technology.

"They're responding to the threat from DEC," said Steve Hayden, exec VP-chief creative officer, BBDO Worldwide, Los Angeles, Apple Computer's agency.

DEC succeeded in gouging IBM's market share in the minicomputer market primarily by offering a full line of compatible computers. IBM still suffers from the inability of its various machines to talk to one another.

DEC's recent marketing affiliation with Apple makes it an even greater threat to Big Blue.

"Corporations of all sizes are looking for better ways to link mainframes, minis and personal computers all into one environment," said Bruce Mowery, Apple director of marketing communications. "Now the largest computer company in the world is segmenting its businesses. I don't know how they'll integrate with each other."#

Gary Levin in New York and Jennifer Lawrence in Dallas contributed to this story.

Aspirin ads

(Continued from Page 1)

analgesic market. A company spokesman said "the study will greatly expand the already existing market for aspirin usage as a heart attack preventative, but [we] do not see how it will reduce our market share."

With the growth of acetaminophen and ibuprofen-based products (such as American Home Products Corp.'s Advil), aspirin's share of the market has fallen to about 45%. Sterling's Bayer holds a 6% share, while B-M's Excedrin has 5.5% and its Bufferin 5%.

One pharmaceutical industry source disputed J&J's claim that it and other acetaminophen and ibuprofen products will not lose market share to aspirin. But he cautioned that that does not mean the sales of those brands will decline.

"This is like a new-product launch," the executive said. "As a percentage of the category, ibuprofen and acetaminophen will have a lower share."

For a headache, consumers will not necessarily make the new connection and "they'll probably continue taking Tylenol," he said. "But the next day, they'll take aspirin to keep their hearts healthy."

Bayer, which accounts for a nearly 66% share of the aspirin category, has registered "double-digit increases" since 1986, said Sterling's Mr. Kinelski. That was when the brand's advertising began using the claim that "studies with people who have had a heart attack or unstable angina show aspirin reduces heart attacks as much as 50%."

Aspirin marketers received approval from the FDA in October 1985 to use that type of claim. Sterling used its claim in print ads until last spring, when it extended the claim with a $16 million network TV effort (AA, June 1).

Ads touting the aspirin's other benefits and its "doctors recommend most" claim will continue, but Mr. Kinelski said "a significant" portion of Bayer's overall budget would be devoted to the heart attack prevention effort.#

This story was written by Scott Hume in Chicago from reports by Judann Dagnoli and Verne Gay in New York and Laurie Freeman in Washington.

Aspirin spots a lucky draw

New York—The flood of aspirin advertising last week was more a case of good luck than last-minute buying by marketers.

Although some marketers did buy some unsold scatter market spots, most of the units were purchased upfront last summer.

Many of the slots were bought during early-evening news programming and ABC-TV's "Nightline," which, as one source put it, "is prime time to the analgesics."

CBS had news time left over to sell because of anticipated ratings shortfalls when the conversion to people meters took place. It held back some time as make-goods for advertisers. But ratings for "The CBS Evening News With Dan Rather" were better than expected during the past five months and the make-good units were put back on the open market. A CBS unit goes for about $75,000, and the network confirmed that some analgesic marketers had bought in.#

Simplesse

(Continued from Page 2)

whether to go ahead with hearings.

Before the FDA interference, the company hoped to have products on the market in 12 to 18 months.

The fat substitute has the potential to be used in a variety of categories, including ice cream, margarine, salad dressings, spreads and yogurt.

Sources suggest NutraSweet sidestepped the FDA and used the media to get the public, food marketers and stockholders excited about the new ingredient. NutraSweet decided it was worth the risk of not notifying the FDA for two reasons, sources said.

First, NutraSweet, a division of Monsanto Co., maintained it did not think the product needed FDA approval because it is made from all-natural milk and egg white proteins.

Second, sources say, NutraSweet wants to market Simplesse quickly because the patent on its aspartame sweetener expires in 1992.

With so much riding on the new product, secrecy and security were intense. Until this month, the only people authorized to know the details about Simplesse were members of the "Beta Group." That team, headed by NutraSweet Co. VP-New Ventures Dave Morley, included executives from FCB/Leber Katz Partners, New York, Simplesse's agency.

"Simplesse was the best-kept secret I've ever seen," said Laurel Cutler, vice chairman and director of marketing planning for FCB/Leber Katz.

The toughest competition for Simplesse may be Procter & Gamble Co., which has applied for FDA approval of its olestra, a no-calorie, no-cholesterol fat substitute (AA, May 11). Unlike Simplesse, olestra is not made from natural ingredients and can be used for baking and frying. Analysts predict olestra may not get FDA approval for another two years.

Simplesse may be a much stiffer competitor to olestra than many industry observers originally thought.

"It appears to be useful in a wider range of products than believed possible," said Jay Freedman, household-products analyst at Kidder, Peabody & Co., New York.#

Steven W. Colford and Laurie Freeman in Washington and Gary Levin in New York contributed to this story.

STOCK REPORT

AGENCY PERFORMANCE

	Close	% change
Foote, Cone & Belding	46⅞	6.5
Grey Advertising	103	0.0
Interpublic Group	29¼	−2.9
Lorimar Telepictures	10	0.0
Mickelberry Corp.	4⅝	−2.6
Ogilvy Group	25½	−1.9
Omnicom Group	18¾	−1.9
Saatchi & Saachi Co.	22⅞	−1.0
WPP Group	15⅞	−3.7

ADVERTISERS PERFORMANCE

Winners	Close	% change
1. J.C. Penney	43	13.1
2. Sterling Drug	88⅝	12.4
3. AMR Corp.	36¾	11.3
4. American Cyanamid	48	10.3
5. Delta Air Lines	43⅛	10.2
Losers		
1. Eastman Kodak Co.	43½	−11.4
2. MCA	38⅝	−4.6
3. Johnson & Johnson	78⅝	−1.9
4. Xerox Corp.	54⅛	−1.3
5. American Brands	46⅞	−1.0

MEDIA PERFORMANCE

Winners	Close	% change
1. Knight Ridder	41⅛	10.7
2. Gannett Co.	37	8.8
3. TeleCommunications	24½	7.6
4. LIN Broadcasting	47⅝	7.3
5. Media General	42	7.0
Losers		
1. Park Communications	24¾	−3.8
2. Viacom	20¼	−3.5
3. United Cable TV Corp.	26⅞	−2.2
4. Turner Broadcasting	11¾	−2.0
5. Playboy Enterprises	12⅝	−1.0

Source: Lomas Publications. For week ending 1/29/88. Based on AA's top 100 advertisers and media companies.

JWT services

(Continued from Page 2)

ble negotiations with JWT.

The business review unit, supplementing existing creative review and planning boards, consists of Mr. Bowen; JWT USA Chairman Jim Patterson; Vice Chairman Donald Sullivan, the most recent Chicago general manager to move to New York; and, for each meeting, senior management on one of the agency's 20 largest accounts.

JWT Co. Chairman Burt Manning sometimes will join the group, which will meet 40 times a year—every six months with each of its major clients—to discuss all facets of their business.

The agency also has regrouped disciplines variously known as account planning, research and strategic planning into a new entity tentatively called the Consumer Behavior Group. The group seeks to "dissect" purchasing patterns from the buyer's standpoint to improve development of advertising strategy.

"For many years research departments have not been kept up to date," said Mr. Kim, 28, who will serve as executive director of the group along with other duties overseeing JWT's direct-marketing operations. "The role of advertising research has changed from qualitative research [with] focus groups and copy-testing research for new ad campaigns. Now research has become the tool by which consumer insights are developed. . ."

The unit is not a separate profit center; it will be used for existing clients as a way to further JWT's contribution to their business.

"We're not in the research business, but research is an integral part of what we do," Mr. Kim said. He added that many large companies now perform more traditional market research functions internally.#

Kemper loss is unexpected

Chicago—Ostensibly, the $5 million Kemper Group property and casualty insurance account that J. Walter Thompson USA's Chicago office lost last week was not even under review.

Kemper had asked the Chicago offices of Bayer Bess Vanderwarker & Flynn; BBDO, which handles its financial-services unit's $5 million account; and JWT to pitch a proposed new corporate-image account. Bayer Bess' presentation for the corporate assignment worked in JWT's "Cavalry" theme in a way that greatly impressed Kemper management, sources said.

After a short deliberation, Kemper decided to move the insurance account to Bayer Bess from JWT, while it continued to ponder the corporate assignment. Later in the week corporate went to BBDO.

The first corporate advertising, discussing both its insurance and financial-services capabilities, is scheduled to break in June during CBS-TV's coverage of the Kemper Open golf tournament.#

—*Kate Fitzgerald*

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

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S-13, S-15, S-16

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NEWSPAPER

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

Murdoch nears 'Post' sale

New York—Rupert Murdoch is expected to sell the *New York Post* to real estate developer Peter S. Kalikow, sources say. Mr. Murdoch still is negotiating with at least three others. Sources close to the deal said the daily tabloid and its real estate in lower Manhattan would bring about $40 million. Mr. Murdoch is requiring all potential buyers to commit to keeping the newspaper in business.

Lorillard lights True effort

New York—Lorillard Inc. on Feb. 28 breaks the first effort for its True cigarettes since last summer, when incumbent Saatchi & Saatchi DFS Compton retained the brand in a $25 million review. The theme is "A taste worth switching to," and ads show smokers making statements about why. Philip Morris USA this month launches a comparative campaign for Merit via Leo Burnett USA, Chicago.

Merrill Lynch instills trust

New York—Merrill Lynch on Feb. 13 breaks its first major advertising since pulling the "Know no boundaries" campaign after the Oct. 19 stock market plunge. The new

(Continued on Page 8)

Big Mac opens in Sears stores

By DAVID SNYDER and PETER D. WALDSTEIN
Crain's Chicago Business

Sears, Roebuck & Co. and McDonald's Corp. are negotiating a deal to locate McDonald's restaurants in Sears stores.

Sources within McDonald's say a final pact between the two companies is near completion.

The number of restaurants that will be opened and the specific Sears outlets have not yet been determined. McDonald's wants to appraise customer traffic flow on a store-by-store basis, a source said.

"They're going to do a deal," said a source with close ties to McDonald's. "It's just about a done deal."

The specifics of the agreement—such as whether McDonald's simply would lease space or give Sears a percentage of sales—could not be determined, nor could the target date for the program's rollout.

Last November, McDonald's opened a prototype outlet under a lease arrangement with a Sears store in Pittsburgh's Ross Park Mall.

The restaurant does not have a separate entrance—a sharp break from McDonald's tradition and key for Chicago-based Sears, since the fast-food outlet serves as a magnet for store traffic.

Oak Brook, Ill.-based McDonald's declined to comment specifically on its plans. But a spokesman said: "We go where our customers are—where they work, shop, live or where they go for entertainment."

"We only have one at this time," said a Sears spokesman, "and we're looking at a few other locations."

The venture would mark a powerful linkup between the world's largest retailer and fast-food chain. It would be the latest development in the burgeoning marketing alliance

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Cosby goes to bat for Jackson

By STEVEN W. COLFORD

Bill Cosby for
Jesse Jackson

Bill Cosby last week added Democratic presidential contender Jesse Jackson to his list of endorsements.

Bill Cosby, star of TV's top-rated show and endorser extraordinaire, is talking up another "client"—presidential candidate Jesse Jackson.

In 10 and 30-second TV spots that broke last week in Iowa, the man whose "Cosby Show" helped boost NBC to the top urges viewers "to vote for somebody you really want to vote for—vote for Jesse Jackson."

The spots were scheduled to air on broadcast stations through the weekend and perhaps as late as today, when Iowa caucus voters meet to select delegates in the first serious strength test for presidential hopefuls.

Mr. Cosby also is an advertising spokesman for Coca-Cola Co., Eastman Kodak Co. and General Foods Corp.

A GF spokesman said the company had "no problems with" Mr. Cosby's political activism, adding that a product endorser's political activity would have "no effect" on his relationship with GF.

"Celebrities have freedom of speech just like the rest of us," he said.

Kodak expressed no concern with Mr. Cosby's political activity. A spokeswoman said the NBC star's "political views are his own . . . and it is our policy not to comment on political views, even if high-profile."

She said Kodak was "very pleased with Bill Cosby, who's been an excellent spokesperson for the company" and that his Jackson endorsement would have "no bearing" on his role as a Kodak endorser.

Jackson campaign officials declined to say if the Cosby "talking head" commercials will be recycled for future use, particularly in New Hampshire, site of 1988's first primary election Feb. 16.

But a vote-for-Jesse spot starring the popular Mr. Cosby would seem to be worth its weight in

(Continued on Page 72)

Roman takes helm at Ogilvy

Phillips finds 1988 a 'good time' to step aside

By GARY LEVIN

K. Roman

W. Phillips

New York—Kenneth Roman will become chairman-ceo of Ogilvy Group, succeeding William Phillips.

The promotion of Mr. Roman, 57, who retains those same titles at Ogilvy & Mather Worldwide—Ogilvy Group's principal unit—reflects Mr. Phillips' desire to remove himself from operating responsibility and comes at a stable period in the agency group's history.

The change becomes effective at a May 17 board meeting.

Mr. Phillips, 58, for now remains chairman of the company's executive committee, and will continue to oversee its Scali, McCabe, Sloves and Research International units.

He intends to devote more time to personal activities and internal projects, and said he will stay involved with five or six major clients as well as new-business efforts.

"I think it's a good time to [step down] because I'll have a period of time that I can help Ken convert to his new responsibilities before I disappear entirely," Mr. Phillips said, adding that full retirement will come in "not less than a year and not more than three years."

Mr. Roman said he plans no additional executive changes in the wake of his promotion.

He said last year's hiring of Alexander Brody as president of the agency's international division relieved him of some overseas responsibilities to "make that part of the job much easier. I don't think we could have done [this] were he not involved."

Another senior Ogilvy executive said the hiring of Mr. Brody was made in anticipation of Mr. Roman's succeeding Mr. Phillips.

This executive, who asked not to be identified, said he believes Mr. Phillips "definitely" would have retired last year were it not

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Pepsi revamps diet, caffeine-free colas

By PATRICIA WINTERS

Pepsi-Cola USA is changing Diet Pepsi's formula as well as the name and packaging of its caffeine-free Pepsi Free line.

The moves come as rival Coca-Cola USA continues gaining market share with regular and caffeine-free Diet Coke.

The new Diet Pepsi formula and the caffeine-free line roll out in March, just before the key spring/-summer selling period. The same month, Pepsi breaks its long-publicized Michael Jackson spots for its flagship Pepsi brand.

BBDO Worldwide, New York, handles Pepsi.

Michael Lorelli, Pepsi USA senior VP-marketing, said the company is changing the Diet Pepsi formula because "a product improvement was made available . . . a refinement to the taste."

Somers, N.Y.-based Pepsi plans to announce the change in March, but has no plans to advertise the improved formula separately.

"Diet is a big growth market, and even though Diet Pepsi is doing very well, even with that growth, they want to compete better with Diet Coke," said Jesse Meyers, publisher of *Beverage Digest*, a Greenwich, Conn., industry newsletter.

The formula change is the brand's third change in the 1980s. Pepsi first switched to 100% NutraSweet and last year changed the packaging, making the can slicker and using a new symbol.

While Diet Pepsi is on the rise—its share increased to 4.8% of the $40 billion soft-drink industry in 1987 from 4.3% a year earlier—Diet Coke grew even faster to 7.7% from 7.1%, *Beverage Digest* reported.

Separately, Pepsi is dropping Pepsi Free and adding the designa-

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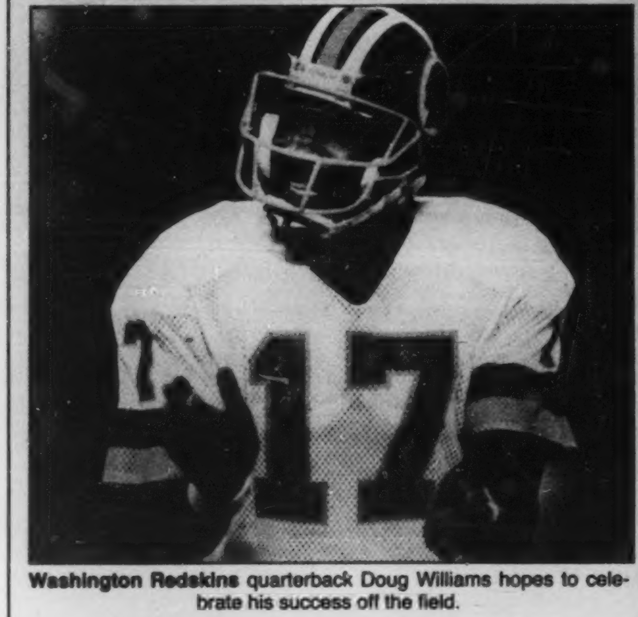

Washington Redskins quarterback Doug Williams hopes to celebrate his success off the field.

Underdog

Agents handicap Williams' future

By PATRICK McGEEHAN

Washington Redskins quarterback Doug Williams is facing fourth down and long yardage in his bid to gain off-the-field endorsements.

Sports agents and marketing experts say the most valuable player of Washington's 42-10 Super Bowl romp over the Denver Broncos Jan. 31 is dogged by claims and counterclaims over who is his agent.

Creative directors snub Super Bowl spots, Page 72

Bob Piper, who runs a small marketing company in Washington called Resource Link, spent the last two weeks of January drumming up interest in Mr. Williams. But Eddie Sapir, a criminal court judge in New Orleans and agent for New York Yankees manager Billy Martin, claims to have an exclusive contract with Mr. Williams.

Mr. Sapir said he plans to meet with Mr. Williams this week to discuss numerous offers he has received.

The only deals Mr. Williams has signed are to appear in a TV spot for Walt Disney Co. and to wear Champion shoes during the Super Bowl. The shoes are made by Phoenix Integrated, Port Chester, N.Y.

Advertisers may be hesitant to sign anything but short-term deals with Mr. Williams, said David Fishof, a New York agent who represents New York Giants quarterback Phil Simms.

Mr. Fishof said a big handicap for Mr. Williams is his rivalry with Jay Schroeder for the Redskins' top quarterback slot. But, "I think there's a book there, a real Horatio Alger story."#

O&M to define Microsoft image

By CLEVELAND HORTON

Microsoft Corp. will try to unify the tone of its advertising to create a badly needed brand image with the help of new agency Ogilvy & Mather, Los Angeles.

The leading personal computer software publisher selected O&M last week to handle what is expected to be a $14 million account.

Keye/Donna/Pearlstein, Los Angeles, which handled the account for four years, informed Microsoft in September that it would resign at the end of last year, citing creative frustrations (AA, Sept. 28).

The same frustrations may hamper O&M in developing a single ad voice for the company. Sources say K/D/P often faced problems of pitching corporate themes to individual product managers who differed on creative approaches.

Microsoft still has not streamlined or consolidated the ad-approval hierarchy, but hopes to develop a more consistent "look and feel" for its ads, according to Rob Lebow, director of corporate communications.

"It was clear that what Microsoft needed at this point was a more formal process to get to the final ad," Mr. Lebow said, noting that the company sells diverse products to various markets.

"The agency has to be able to pull all that diversity into a branded strategy," he said.

Redmond, Wash.-based Microsoft markets PC software, hardware peripherals, books and training services. For its software alone, the company has three separate groups, each with its own product managers who report to the corporate commu-

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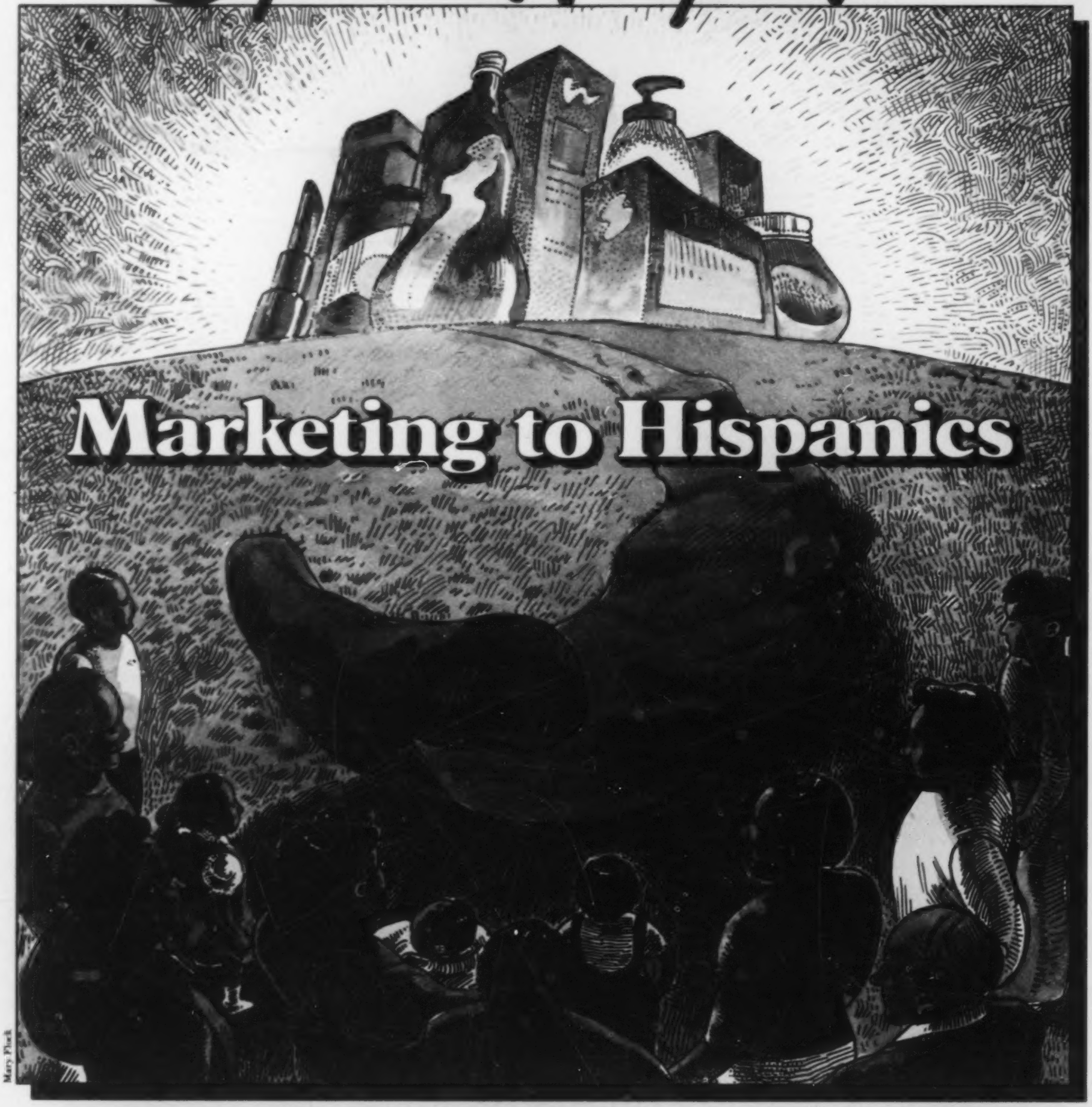
Special Report



Mary Flock

Marketing to Hispanics

Is red carpet treatment plush enough?

By Ed Fitch

Percentages can be misleading.

A quick look at one set indicates that corporations are increasing budgets, rolling out the red carpet to the U.S. hispanic market. According to *Hispanic Business*, Santa Barbara, Calif., companies spent $490.7 million targeting U.S. hispanics in 1987, a 23.3% increase from 1986.

But further examination shows that if corporate America is laying down a red carpet, it is amazingly thin.

Corporations spent $4.2 million *less* targeting U.S. hispanics in 1987 than Pillsbury Co.'s total ad budget in 1986, a year in which it was ranked as the No. 16 advertiser.

Philip Morris Cos.' 1986 ad budget was almost $1.4 billion. Philip Morris also happened to be the No. 1 hispanic market advertiser in 1987. Its '87 hispanic budget was $13.3 million—less than 1% of its 1986 ad spending.

Hispanic market proponents rather wistfully argue that companies should spend 7.5% of their budgets on the segment to reflect hispanics' percentage of the U.S. population. Some companies—notably Adolph Coors Co., the No. 3 hispanic advertiser—divert about 7.5% for hispanic marketing. But they are an exception.

A big bang in a small universe

Hispanic market ad expenditures

	($000,000)	% chg.
1987	$490.7	23.3
1986	398.0	19.3
1985	333.5	17.2
1984	284.5	26.8
1983	224.4	35.2

Source: *Hispanic Business*

Because the numbers show it is unrealistic to expect most companies to equate ad expenditures with hispanic population, those having a vested interest work to convince non-advertisers to enter the market.

"We can't go to the well all the time," says John Pero, New York-based VP, director of national sales, Univision, the leading Spanish-language TV network. "Although the perennial advertisers are spending more, a lot of companies are sitting back and not doing anything."

Spanish-language media and hispanic agencies encounter a familiar litany of reasons

(Continued on Page S-15)

Cosmetic companies need to brush up

By Faye Brookman

Flipping through the pages of *Cosmopolitan en Espanol*, one sees ads for products ranging from Benson & Hedges to Beefeater Gin flash by.

Yet the nation's 9.6 million hispanic women are hard pressed to find cosmetics pitched in Spanish, despite the fact that they spend $1.4 billion a year on cosmetics and fragrances. Few beauty products are touted on Spanish-language television or radio either.

"I've heard several excuses for not advertising cosmetics to hispanics," says John Pero, VP, director-national sales for Univision, New York. "They feel their advertising reaches the consumer already; they think hispanic women want only darker shades or a product made just for them, and they feel hispanic income levels are too low to spend on cosmetics."

Many of the industry giants say conventional cosmetics advertising suffices. A Revlon Inc. spokesman says the company's general-market campaign "encompasses women all over the world." The theory that standard advertising appeals to hispanics was echoed by sources at Cosmair Inc.'s L'Oreal, Noxell Corp. and Max Factor & Co.

Even some companies that realize the importance of the market are passing on beauty advertising. Shulton Inc., a Wayne, N.J.-based division of American Cyanamid, increased hispanic ad budgets, but for its household products and not its personal care lines.

"We feel that is where it works," says Kenneth Freeman, VP-marketing. "Our toiletries, such as Old Spice, transcend language barriers."

Consumption indexes don't support the industry's passive stance. Hispanic women use more blush, eye shadow, eye liner and nail polish than their Anglo counterparts, according to Miami-based Strategy Research Corp.

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Avon's ads have helped build a brand loyal foundation among hispanics.

No need to blush at Avon

Hispanic market share leaders

Blush	Avon (19.2%)
Lipstick	Avon (26.2%)
Eye shadow	Avon (24.0%)
Nail polish	Avon (29.5%)
Lip gloss	Avon (25.5%)
Mascara	Maybelline (33.1%)
Eye liner	Maybelline (25.3%)
Base make-up	Cover Girl (20.3%)

Source: Strategy Research Corp.

Because hispanics are shown to spend more of their disposable income than the average consumer on products they feel are quality items, much of the category leaders' resistance is even more puzzling. Hispanics seek national brand names and buy products based on their perceived quality, says Mario Castaneda, director-general merchandise, Vons Grocery Co.'s Tianguis, an outlet designed solely for hispanic consumers in Montebello, Calif.

This explains why Que Guapa, a cosmetics brand marketed specifically to hispanics, flopped in 1985. Although chains like Deerfield, Ill.-based Walgreen Co. and Dallas-based Page Drug tested it, shoppers overlooked it in favor of brands such as Revlon, Maybelline and Max Factor because it lacked a national presence.

SRC studies show hispanics mention Avon as the preferred brand of lipstick, blush, eye shadow and lip gloss. For base makeup, Cover Girl pulls top honors; Maybelline is favored for mascara and eye liner.

These preferences are not likely to change. Hispanics are more brand loyal than Anglos by a rate of 38% to 23%, according to Univision research.

Hispanics' preference for traditional brands also disputes the notion that hispanics only want darker shades. "Hispanic women come from so many countries that there are many skin tones," says Claudia Copquin, general executive-public relations at Univision.

Although most companies are overlooking ethnic markets —less than 10% of all cosmetics ad dollars are directed at ethnic consumers, primarily blacks—a handful of cosmetics companies are starting to target hispanics.

New York-based Avon Products is the first major cosmetics company to hire a hispanic market agency and run a Spanish-language network TV spot. The 30-second commercial, first placed last October and handled by UniWorld Group, New

(Continued on Page S-6)

Faye Brookman is a New York-based writer specializing in the cosmetics industry.

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Efforts by big retailers gaining notice

By Lori Kesler

J.C.Penney's hispanic spots diverge from general-market counterparts and always focus on the family.

Following the lead of Sears, Roebuck & Co. and J.C. Penney Co., retailers are taking hispanic marketing plans off the shelves and realizing that it takes money to make money in the segment.

According to Santa Barbara, Calif.-based *Hispanic Business*, Sears spent $3 million on hispanic advertising in 1987—unchanged from 1985 and 1986—and Penney spent about $2 million, up from $1.2 million the previous year. These budgets make Sears and Penney's the hispanic market's Nos. 8 and 18 largest advertisers, respectively, and the only department store chains to make *Hispanic Business*' list of the top 40.

But K mart Corp., Troy, Mich., appears to be coming up fast. The company is expected to boost its hispanic ad budget by 20% this year, which should push it past the $1 million mark, says Jesus Chavarria, *Hispanic Business*' publisher.

Spending by the retailing segment trails several other categories, which surprises Patricia Asip, Penney's manager-special market segments. She concedes that developing a retail strategy for hispanics can be complicated, "but it also offers big rewards," she says. "People do notice which stores are making the effort."

Retail activity seems to be heating up on several fronts. *Hispanic Business* reports that two national shoe chains, New York-based Kinney Shoe Corp. and Topeka, Kan.-based Payless Shoesource, each spent $1.5 million against the hispanic segment last year; only 24 companies spent more advertising to hispanics.

Insiders say regional chains—notably Burdines, a Miami-based division of Federated Department Stores, and Dayton-Hudson Corp.'s Hayward, Calif.-based Mervyn's—have staked out positions among the nation's top hispanic advertisers.

Mr. Chavarria says local retailers represent a significant part of hispanic media spending. "Remember that local advertisers initially launched this market," he says, adding that hispanic radio and newspapers still get about 70% of their ad revenue from local retailers while TV splits about evenly between local and national advertising.

Hispanic marketing's two retail giants have attacked the segment quite aggressively in recent years, but they've moved in different directions. While both Sears and Penney's currently channel most of their ad dollars into promoting sales events, Sears is depending more heavily on hispanic radio and Penney's leans toward TV.

Penney's makes about 20 hispanic TV commercials annually, all created in-house and produced with hispanic models and directors. Penney's uses some Spanish-language radio—a medium that's slated for hea-

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Lori Kesler, ADVERTISING AGE *St. Louis correspondent, is a frequent contributor to Special Report.*

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Cosmetics

(Continued from Page S-2)

York, shows a hispanic woman in both home and work settings.

Parfums de Coeur, Stamford, Conn., has earmarked 10% of its budget for hispanic spots, says President Mark Laracy. "Hispanics are very heavy fragrance users so it was natural," he says.

The company recently produced a 30-second spot comparing its Primo! to premium Giorgio in both English and Spanish and placed it on several Univision shows. The spot's 16-week flight was grounded when a California U.S. District Court decided in favor of Giorgio Inc. that the spot was deceptive.

Despite the setback, Mr. Laracy says his company will continue its marketing efforts to hispanics. DeWitt Media, New York, produced the commercial.

Clarins and Cosmair Inc.'s Lancome and Biotherm place Spanish-language ads in hispanic publications.

Additionally, Orange, Conn.-based Colonia Inc. just signed Argentinian tennis star Gabriella Sabatini to appear primarily in print ads as a spokeswoman for its fragrances.

Spanish-language advertising is an essential ingredient, says Margaret Sharkey Kelly, VP-marketing and advertising for Biotherm, New York. "Spanish-speaking customers appreciate Spanish advertising and it is important to reach them in their own language," she says.

A recent study by New York-based Telemundo Group reported that 80% of respondents said advertisers that promote in Spanish "want my business." Moreover, 64% said they were more likely to buy products advertised on Spanish-language TV than those advertised only on English TV.

Unless cosmetics advertisers are on Spanish-language broadcast media, their efforts may not be effective because hispanics turn to TV for information and entertainment more than Anglos, says Mr. Pero.

Univision research reports that hispanics watch 32% more TV than non-Hispanics. Hispanics average 41 TV viewing hours per week of which two-thirds is spent watching Spanish-language TV.

Philip Crosland, Avon's group VP-marketing, says hispanics' media habits helped push Avon to produce its first Spanish-language TV commercial.

Although the spot's tagline, "*Mire que bien luce ahora*," is a translation of the general-market "Look how good you look now," the creative approach was altered slightly.

"We believe the ad speaks directly to the values of the hispanic community—the strong work ethic that exists throughout," he says. Producing an ad

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vier support in 1988—and occasionally translates print circulars into Spanish for distribution via Spanish-language newspapers.

But TV remains Penney's primary medium. "We've tested our efforts and found TV to be the most immediate and effective way of bringing our sales events to the attention of the public," says Ms. Asip.

Penney's hispanic TV commercials bear little resemblance to their general-market counterparts. The English-language spots tend to be fast-paced and contemporary, often showing just one individual. The hispanic spots always focus on the family.

"Even if the products don't relate directly to the home," says Ms. Asip, "we try to find ways to bring mother, father and grandmother into the picture."

The company is considering making some commercials to support its house brands, but it has no plans to do an image-oriented campaign. "Investments have to be focused on results, and sales events are what motivate people to come into the store," she says.

Sears also concentrates most of its efforts on traffic-building sales events. Ann Collins, Sears Merchandise Group's coordinator-national advertising campaigns, says the company aired some corporate image TV commercials early in 1987, but then switched primarily to promotional radio. The shift was not specific to hispanic media, she says.

"The hispanic program—like the black or any other segment—works in synergism with the general market program," says Marta Gerdes, VP-account supervisor at J. Walter Thompson Hispania, Chicago, which handles Sears hispanic creative and market planning. "And radio has been the primary broadcast medium in all markets—black, hispanic and general."

The escalating costs of TV production figured heavily in the media shift. Ms. Gerdes says Sears does more than 100 promotional events a year and the costs of producing 100 TV spots would be prohibitive.

"When a sales message airs for only three days," adds Ms. Collins, "it's much more cost-effective to use radio."

But Sears didn't entirely abandon Spanish-language TV in 1987. Last summer Sears turned to TV to promote its line of McKids clothing because this

(Continued on Page S-8)

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specifically for the market "also demonstrates how important it is to Avon."

Maybelline Co., Memphis, also has entered Spanish-language TV, but without a commercial. The company has committed to a year-long sponsorship on "Sabado Gigante," the No. 1-rated Spanish-language TV show, according to SRC. For the first 13 weeks, Maybelline will sponsor on-camera makeovers of women selected from viewer mail.

It's not surprising that Maybelline is testing the market through "Sabado Gigante." Not only does it command more viewers than any other Spanish-language show, but advertisers don't have to pay commercial production costs. "I think this is what made it so attractive for Maybelline," Mr. Pero says.

A Maybelline spokeswoman offers a more telling reason behind its move. "They really buy what is on the show," she says.

Another easy way to enter the hispanic market is to do voiceovers of general-market ads, which is the approach taken by Parfums de Couer. Translation does present pitfalls, admits Mr. Laracy, saying Univision staffers helped him make certain his commercial didn't become an embarrassment.

Other recommendations include using a hispanic spokeswoman in general-market ad campaigns. Maybelline may have been reaching bilingual hispanics when its general-market advertising featured Mexican-American actress Lynda Carter.

Just as Maybelline has made one more step toward the market through "Sabado Gigante" sponsorship, Mr. Pero is certain others will follow as the pioneers generate sales. "We know Spanish advertising works," he says. "I'll guarantee we'll see more cosmetics firms joining in the near future." ■

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Imports accelerate drive for share

By Dee Ann Maki

American automakers historically have attracted the loyalty and dollars of hispanic car buyers in this country. But the domestic manufacturers may no longer be in the driver's seat, perhaps having taken their position for granted for too long.

Import nameplates, especially Asian, are making big inroads into the $5 billion-plus car-buying market through a variety of specific campaigns targeting hispanic buyers.

Jesus Chavarria, editor-publisher of Santa Barbara, Calif.-based *Hispanic Business*, says efforts by domestic companies have been sporadic, and hispanic-focused advertising still isn't a front-burner issue.

"It's a shame," he says. "They're kind of missing this market and if they really pursued it they might be surprised."

Isaac Lasky, VP-hispanic marketing, W.B. Doner & Co., Southfield, Mich., agrees that U.S. automakers are in danger of losing hispanic buyers.

"The American dream is to drive a car, and big names to Latin Americans are Ford and Chevy."

According to a recent study by San Diego-based Market Development Inc., Chevrolet and Ford have the greatest brand awareness of all nameplates among hispanic buyers. Not coincidentally, Chevrolet and Ford also had the best share of the hispanic car market, commanding 15.1% and 10.9% shares of 1986 model year purchases, respectively, according to R.L. Polk & Co., Detroit.

Detroit's reportedly stagnating efforts are in sharp contrast to the hispanic auto market's increasing potential. R.L. Polk reports that hispanics purchased $5.2 billion worth of new cars and trucks in 1986, up 15.6% from $4.5 billion in 1985.

Early results of the company's study of 1987 model year purchases, commissioned by Los Angeles-based Univision, shows a 4% increase in the number of vehicles purchased. In comparison, vehicle purchases by non-hispanics declined 4.1% from 1986 to 1987 model years.

■ *Seemingly complacent domestic carmakers leave an opening in segment*

Additionally, the imports' share of the hispanic market is substantial and growing. A study of car registrations in the 21 largest U.S. hispanic markets showed that 39.3% of hispanics buying a new car in 1986 chose an import, compared with 37.2% in 1985. In the total U.S. marketplace, imports captured about 29% of all new-car buyers in 1986.

Yet among automakers, two domestics top the list of ad spending. Dearborn, Mich.-based Ford Motor Co. ranks No. 8 on *Hispanic Business'* list of the 40 leading hispanic market advertisers with 1987 ad expenditures of $3 million. General Motors Corp., the only other automaker to make the list, was No. 17 with a budget of $2.4 million.

Ford's budget was static from 1986 levels, however; General Motors' increased 9%.

Ford, which began in 1982 with the help of J. Walter Thompson Hispania, its New York hispanic shop, emphasizes original advertising specifically designed for hispanics. Its efforts have centered primarily on Taurus and Tempo but have included the Aerostar minivan and its Ranger light truck.

Ford's Lincoln-Mercury division also has stepped up its interest in the hispanic market, sponsoring a segment of "Sabado Gigante," Univision's game/variety show. L-M's compact Tracer was used as a prize on the show in return for media time in 1987.

Although some characterize the swap as being the lowest possible level of corporate involvement, L-M advertises in *Automundo* and *Hispanic Business*. The division expects to increase its Spanish-language radio efforts in 1988, focusing on Sable and Tracer, through UniWorld Group, New York.

Since initiating Spanish-language advertising in 1985, GM has concentrated its efforts at the Buick and Chevrolet divisions. For example, Warren, Mich.-based Chevrolet has been involved in the market for five years, primarily targeting the California market.

After sponsoring the 1986 World Cup soccer tournament, Buick says it has significantly upped its emphasis in the hispanic market. Buick is researching about 20 hispanic markets to make sure its ad strategy is appropriate in each area, says Jay Qualman Jr., the Flint, Mich.-based division's general director-advertising.

"The challenge we face at Buick is to make sure that the appeal for our cars is consistent to the various markets," he

(Continued on Page S-10)

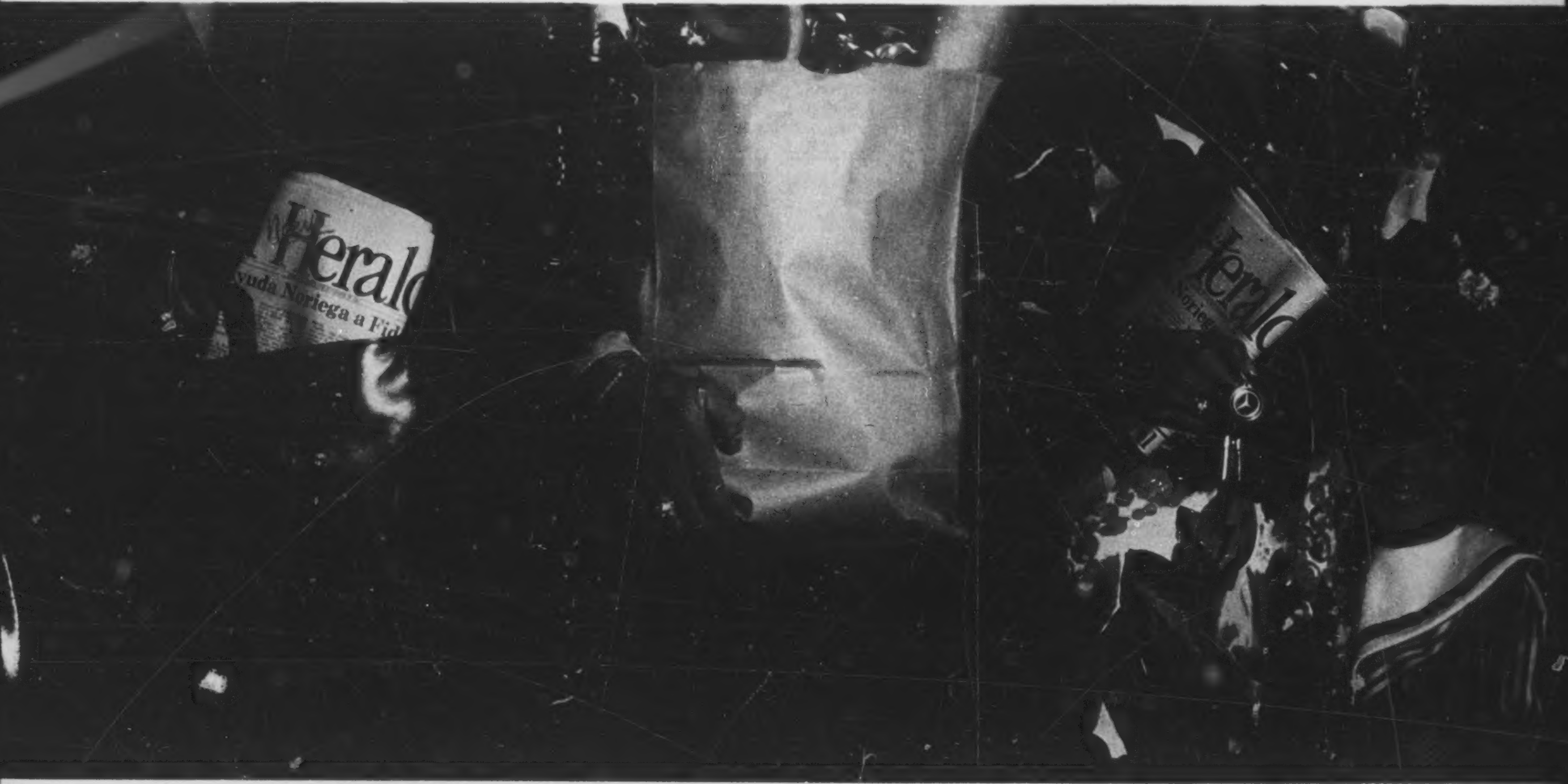
Chevy in the driver's seat

Share of hispanic market, 1986 model year car purchases

1. Chevrolet	15.1%
2. Ford	10.9%
3. Nissan	9.6%
4. Chrysler	9.1%
5. Oldsmobile	6.9%
6. Honda	6.8%
Toyota	6.8%
8. Pontiac	6.5%
9. Buick	5.0%
10. Lincoln-Mercury	4.0%
Others	19.3%

Source: R.L. Polk & Co.

Dee Ann Maki is a Detroit-based free lance writer.



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el Nuevo Herald

Imports

(Continued from Page S-9)

says. "Each market is different, therefore, each individual preference is different."

Many auto manufacturers simply translate their mainstream advertising to reach the hispanic market. Buick doesn't follow this theory. "In instances where the message doesn't come across as well in the Spanish idiom, we design specific ads that will," Mr. Qualman says.

For example, last year Buick used actor Hal Holbrook as a celebrity spokesman. In targeting hispanics, Buick changed both the general-market spokesman and tagline, using actor Hector Bonilla and the phrase, "*Esta como usted lo quiere*", or "It has what matters most to you."

CALIDAD TOYOTA
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Toyota's hispanic profile is jumping thanks to Spanish-language ads, which pick up general-market themes.

This year, Buick scrapped the celebrity spokesman approach and picked up "The great American road belongs to Buick" theme, which stars only the car.

Buick has used television to reach hispanics, but may add radio and print in 1988. McCann-Erickson, Troy, Mich., handles.

According to Carlos Montemayor, president of San Antonio, Texas-based Montemayor & Asociados, which works with Highland Park, Mich.-based Chrysler Corp. on regional efforts, the automaker appeals to hispanics through cultural references.

Chrysler's ads, which are considered more of a corporate effort positioning the company as having a model for every life style, play up the importance of family to hispanics.

Outside of these efforts, the domestics pay little attention to the market on a corporate level.

For example, GM's Pontiac, Mich.-based Pontiac division claims it attempts to reach everybody, not just selected markets, and emphasizes name and product awareness, says Bill O'Neill, Pontiac's director-public relations. Most of the automaker's hispanic market involvement is carried out by dealer organizations, which pursue it at their discretion.

> ***"There's a significant [hispanic] middle class, and the foreign market is quickly taking notice."***
>
> **Jesus Chavarria**
> ***Hispanic Business***

Unless Detroit increases its activity, some market watchers suggest it will lose an even greater share to imports.

Toyota Motor Sales USA, Torrance, Calif., suddenly has become one of the biggest contenders in the hispanic market. "Toyota is certainly going to leave the rest in the dust if these other people don't start doing something. This includes both foreign and domestics," says Philip Wilkinson, West Coast sales manager, Univision, Los Angeles.

Mr. Chavarria says the imports are seeing niches within the market and targeting them. "There's a significant middle class among these people, and the foreign market is quickly taking notice," he says.

Toyota found the hispanic segment a good market for its compact trucks, as well as midline Corolla and Camry car models.

Toyota's initial involvement began in 1986 with a 15 market promotional mall tour. Toyota now is launching a full-scale campaign in 1988 using TV, radio and print ads and carrying its "New dimension" theme line on a national level as well as involving its dealer associations.

"Once we launched the national program, dealer participation was active and we expect this activity to be enhanced in 1988 and beyond," says Jeff Bracken, account exec at Toyota.

Although Carson, Calif.-based Nissan Motor Corp. USA's activity has been limited primarily to dealer association TV, radio and print ads, the company is reexamining the market and expecting to boost activity, says Gene Cameron, exec VP, director-corporate marketing at Los Angeles-based Chiat/Day, Nissan's agency.

Even relative newcomer Hyundai Motor America, Garden Grove, Calif., is targeting hispanics. Hyundai takes a price-value approach that's attractive to the segment.

"We began our hispanic marketing involvement in Miami during the third quarter of 1987 and we plan to continue this focus throughout '88 and beyond," says Mark Weinfeld, senior account exec, Hyundai Dealer Association, Huntington Beach, Calif. The hispanic marketing budget will grow in line with overall spending increases, he says.

Hyundai's involvement is strictly on a dealer-level, representing Hyundai's factory and four dealer associations. The company expects to target both the Los Angeles and Miami markets in 1988 and is considering San Antonio.

"Years back Detroit automakers were showing some rather impressive shares in the hispanic market," says Mr. Chavarria. "Now their efforts are laxing and in the meantime the imports are becoming more sensitive to the needs of the hispanic market.

"The Big Three are going to have to do more than just translations if they want to make a comeback." AA

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As events grow, so does skepticism

By Laurie Freeman

The list of corporate sponsors at Carnaval Miami, the most popular hispanic festival in the U.S., reads like Who's Who among America's top businesses.

More than 100 advertisers participate in the nine-day event, including Anheuser-Busch Cos., AT&T Co., Campbell Soup Co., Coca-Cola USA, Colgate-Palmolive Co. and Miller Brewing Co.

Although figures are not available for total corporate sponsorship of hispanic events, Carnaval Miami's budget is more than $1 million, most of which is derived from sponsorship fees, according to event organizer Leslie Pantin of the Kiwanis Club of Little Havana.

The tremendous advertiser commitment to Carnaval Miami illustrates the explosion in special-events marketing. But, while advertiser commitments are increasing, some companies are beginning to express concerns that these events have attracted too many sponsors.

A just-completed survey conducted by the University of Miami and Conceptos International, a division of Miami-based Tinsley Advertising, shows corporate marketing and advertising personnel favor advertising over promotions and public relations in reaching hispanic consumers. Although 21% are undecided, 56% prefer media advertising while 23% say promotions and PR are as important or more important.

Events may reach a broader spectrum of hispanic consumers, however, allowing companies to generate awareness and distribute samples to those who do not depend solely on Spanish-language media.

Hispanics aren't as jaded as mainstream consumers, says Ricardo Amundsen-Bueno, president of Amundsen-Bueno Associates, an Atlanta-based hispanic marketing consultancy. "And if a company makes a concerted overture to them through an event, it will win their business," says Mr. Amundsen-Bueno.

The major beer companies have been particularly effective in reaching the hispanic market, he says, because "they understand they have to do more than just hang up a banner over the event stage."

Guaranteeing success from participating in special events means reaching out to the community. "You need to have an integration of marketing and community affairs," says Frank Kopilak, a Miami-based marketing consultant, who helps major package-goods companies develop and execute hispanic marketing strategies.

"Hispanic consumers are not stupid," he says. "They know the difference between flag-waving and companies that are truly interested.

Companies need to determine whether their involvement is an extension of an existing marketing strategy, says Bronna Lipton, VP, manager-hispanic media and marketing services at Burson-Marsteller, New York. "These events are a supplementary activity, part of a larger marketing picture. They can't be the only tool."

If companies want an event to succeed, says Mr. Kopilak, "it means getting the sales manager in that area to support the event, talk it up to the trade and develop a good relationship with the local community."

For instance, CPC International's Mazola cooking oil has sponsored several Carnaval Miami events, and returns proceeds from some contests to a local charity. "Mazola is out to get name exposure and also give the community a sense that it is doing something," he says.

A thorough analysis of the community's needs is key, Ms. Lipton says. "If a company ties in with a charity or makes a donation, it must look at the organization carefully and tailor itself to the organization, not the other way around."

As hispanic events have grown, sponsors have become concerned that impact is diminishing and have expressed a need to exercise greater control over their participation.

"Some events can become diluted if too many companies try to sponsor too many things,"

Party time

Top hispanic special events

	Attendance (000)
1. Calle Ocho, Miami	1,500
2. Puerto Rican Day Parade, New York	1,000
Hispanic Day Parade, New York	1,000
4. Hispanic American Festival, DC	500
5. Fiesta del Sol, Chicago	400
6. Three Kings Parade, Miami	300
Fiestas Patrias International Parade, Houston	300
8. Hispanic Heritage Festival, Miami	290
9. Fiestas Patronales, Chicago	250
Con Sabor a Mexico, Chicago	250
Carnaval, San Francisco	250
Charro Days, Brownsville	250

Source: Burson-Marsteller Hispanic Media and Marketing Service

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says Mr. Amundsen-Bueno. "When 15 to 18 companies sponsor an event, an advertiser has to make sure its message gets through."

Participating in established events has its pros and cons. Although longstanding events have a built-in community image and track record, they also may have become too large. "You run the risk of becoming a little fish in a big pond," Ms. Lipton says.

Companies can become involved on one of three levels: by creating their own event, becoming the sole or primary sponsor of a large event or becoming one of many sponsors in a large event.

Sole sponsors of new events can receive a sales and image boost. "But you also run the risk of having it fail," Ms. Lipton says. "The best level may prove to be the sole sponsor of a large event, because it already exists, is proven to be a success, and will guarantee the sponsor the limelight."

WLTV-TV, Miami, in December helped coordinate the first annual International Salsa Festival and took into account growing discontentment over saturation.

"We guaranteed category exclusivity and made concessions, like allowing Budweiser to put banners on the music stage," says Mara Rankin, WLTV's general sales manager.

Budweiser also was the only beer sold during the festival. "Because this is the first time this event has been held, it didn't have a track record," Ms. Rankin says. "When most sponsors buy an event, the event dictates what the sponsor can do. With the Salsa Festival, we catered the event to the advertiser."

With many events having reached the sponsor saturation point, more advertisers are trying to determine the effect of their participation on sales. David Garcia, account supervisor-hispanic communications at Fleishman-Hillard, a Los Angeles-based public relations agency, says most of an event's success hinges on how much pre-event advertising, publicity and in-store promotions are set into motion.

"It's possible to measure the impact of publicity and consumer outreach programs, and do a cost analysis on that," he says.

Mr. Kopilak says it's not realistic to expect an event to generate significant product movement. "It's all playing with numbers and it's hard to measure," he says. "That shouldn't be the only objective of an event sponsorship."

As advertisers begin demanding more impact from sponsorship, events will have to be tailored more to companies' wishes. "It's like buying a suit off the rack," says Mr. Amundsen-Bueno. "A store is only too happy to make alterations to keep the customer satisfied. Most event marketers will make alterations to make the event work for the sponsoring company." ■

Met Life conjures up a genie

By Mark Bittman

The snowball effect often cited in hispanic marketing—that the first company to enter the market is quickly followed by many of its competitors—melts quickly when considering the insurance industry's involvement in the market.

In this category one company is mounting a full-scale marketing effort while others are relying more on image. Most insurance companies appear to be hanging back until the market matures.

An accelerating marketing program by New York-based Metropolitan Life in the seven largest hispanic markets has had demonstrably positive results. Met Life hardly has a lock on selling life insurance to hispanics—Allstate Insurance Co. commanded a 12.1% share of policies written in 1986, followed by Met Life's 9% share and Prudential Insurance Co. of America's 7.8% share.

■ *Accentuating the living aspects of life insurance is a first step in reaching hispanics*

But no one denies Met Life has made strides in both breaking ground and generating sales since first targeting the market in 1983.

"In 1983," says Ruben Lopez, marketing director-special projects, "few insurance companies were doing anything at all in the hispanic market, and we were a distant fourth in terms of both market awareness and market share."

Mr. Lopez's figures show that in 1983, Met Life garnered a relatively paltry $400,000 in premiums from hispanic cus-

(Continued on Page S-14)

Mark Bittman is a New Haven, Conn.-based free-lance writer.

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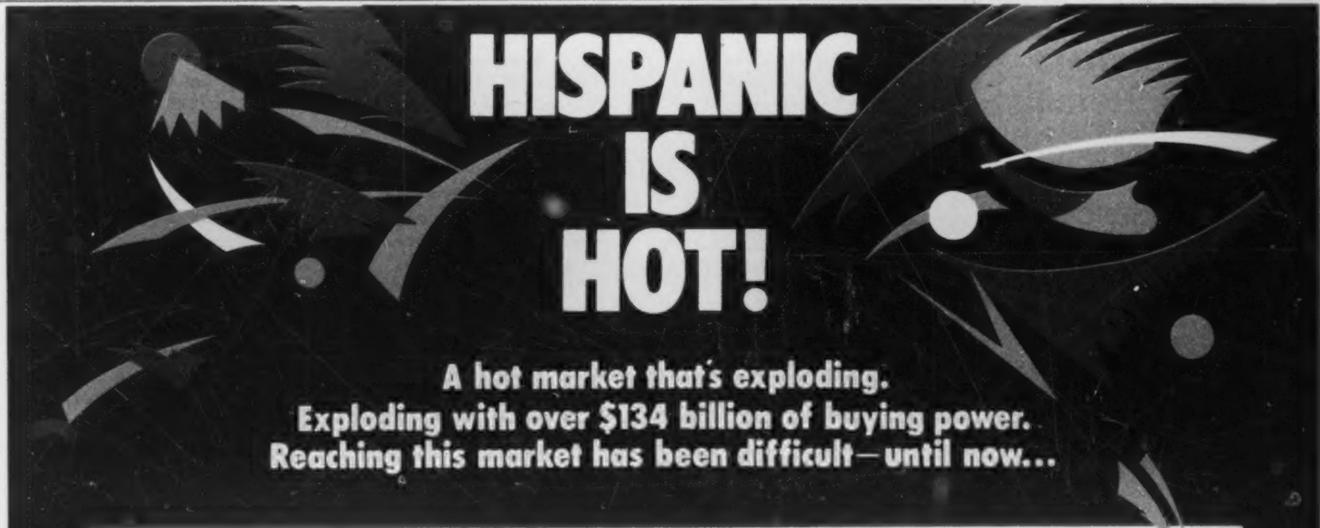
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Red carpet

(Continued from Page S-1)

companies prefer to stay out: Research is inadequate or suspect; general-market ads reach hispanics; the market will assimilate; it's not worth the cost; hispanics don't buy our products; we don't have the marketing or distribution expertise—the list goes on. "It's like knocking your head against the wall," Mr. Pero says.

"Hispanic Marketing Issues: A National Survey," just-released research conducted by Miami-based Tinsley Advertising's Conceptos International division and the University of Miami, opens up some windows in that wall, tracking the opinions of brand managers and marketing and advertising executives at major corporations.

"For one thing, only 1% of the respondents feel strongly that the so-called hispanic market would disappear," says Joe Albonetti, VP-executive director of Conceptos International and the study's author. In fact, 63.2% strongly agree that the market will grow and become more important. And 70% feel that Spanish-language advertising is essential, even in reaching younger, more assimilated hispanics.

A sizable 70% also admit that their company doesn't give hispanic marketing the attention or budget it deserves, while only 8% say it is overemphasized. "And the longer companies are involved in hispanic marketing, the more they feel they aren't doing enough," says Mr. Albonetti.

Budgets are limited, says Bonnie Garcia, national manager-hispanic market development at Detroit-based Stroh Brewery Co. "I would love to do something to reach the Puerto Ricans and Cubans, but we have to concentrate on the bulk of the market first. The company has its priorities and that is to establish the general market first."

Hispanic marketing often is pushed onto the back burner. "It's a peripheral issue for everybody who isn't directly associated with the market," says Victor Ornelas, manager-promotions and marketing communications, Seven-Up Co., Dallas.

Ms. Garcia says that awareness of the segment is very high among Stroh brand groups and that targeting hispanics is seen as a long-term, but crucial, marketing strategy. "We're unlike A-B [Anheuser-Busch], Coors or Miller, because we're the new kid on the block, just expanding into different markets."

The Conceptos' study shows that companies' decisions to target hispanics are proactive and not reactive, however. Although those that market to hispanics are more aware of their competitors' hispanic market activity than those who are not involved, the decision to enter the market is not a defensive posture.

Most companies decide to target the hispanic market because they sell products in heavily hispanic areas and find the segment's growth attractive, particularly in light of a maturing general market.

"Companies are more concerned with finding a way of building their brands than looking over their shoulders," says Mr. Albonetti. "It's not being used primarily to outmaneuver competitors or as a way to gain share of market from them," a view that is held equally by category leaders and lower-tier competitors.

At Kraft Inc. the strategy is completely offensive. "We view the segment as a growth opportunity for selected core brands that have high consumption among hispanics," says Jim Macdonald, ethnic marketing manager at the Glenview, Ill.-based marketer.

The survey's response to another possible reason, "Our competition is marketing to hispanics and they could gain an edge if we do not," also downplays competitiveness as a factor. Only 58% of the respondents say this is important or very important, placing nine other considerations as more crucial. This casts doubt on the snowball theory, which holds that once one company in a category enters the market, its competitors will follow.

"This is one of the most important findings," says Mr. Albonetti, "and it may be disconcerting to people who are

(Continued on Page S-16)

Philip Morris smokes into the market

	1987 budget ($000,000)	% change from 1986
1. Philip Morris Cos.	$13.3	77.3%
2. Procter & Gamble	12.0	50.0%
3. Adolph Coors Co.	9.8	145.0%
4. Anheuser-Busch Cos.	8.0	23.1%
5. McDonald's Corp.	7.0	11.1%
6. Johnson & Johnson	6.0	71.4%
7. Colgate-Palmolive Co.	5.0	66.7%
8. Ford Motor Co.	3.0	—
Goya Foods Inc.	3.0	—
Sears Roebuck & Co.	3.0	—
Nabisco Brands Inc.	3.0	20.0%
AT&T	3.0	20.0%
Dart & Kraft Inc.	3.0	20.0%
American Home Products	3.0	76.5%
Lever Brothers	3.0	N.A.

Source: Hispanic Business

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FIRST ANNUAL HISPANIC

Red carpet

(Continued from Page S-15)

trying to create a bandwagon feeling." Fortunately, he says, most of the companies that have entered the market have met their goals.

Not every marketer is satisfied with the effort. About 12% of the survey respondents started and then dropped hispanic marketing programs. "No one can be complacent about that," Mr. Albonetti says.

The first marketer in a product category to jump into the segment is the most successful because of hispanics' documented brand loyalty, says Fil Fernandez, marketing program manager-hispanic marketing, Polaroid Corp., Cambridge, Mass.

The fourth most mentioned reason why companies market to hispanics is that they feel their product has a particular appeal to hispanics. But because package goods essentially are alike, "the appeal of a specific product is generated by advertising," Mr. Albonetti says. "If you're the first in you can make tremendous share gains because competition is less and hispanics are brand loyal and enjoy the attention."

Being able to prove that hispanics will find their products appealing is the most important reason for reconsidering a hispanic marketing program, according to non-participating companies. If research indicates strong product usage among hispanics, 80% say it would be a very important consideration. Data displaying good potential of the market as a whole is cited as being very important by 70%.

"Research has gotten the market to where it is, but because it has been promotional in many instances, it has fueled suspicion of the numbers," says Mr. Albonetti. Those with a vested interest in the market have to provide cleaner, more actionable data, he says.

Recently, Univision and Telemundo Group commissioned studies by Audits of Great Britain and Market Opinion Research, both widely respected by general marketers. And the Spanish Radio Advisory Council asked corporations and general-market agencies to select a methodology they would trust.

Although Spanish-language media research may not equal that found in the general market, Larry Goldstein, project manager, Advansers, St. Louis, admonishes corporations that use research as an excuse for not participating.

"There may not be data available in all markets, but the available data is reasonable," he says. "Companies can proceed with what's there."

One of the more interesting ironies is that 60% of those companies not marketing to hispanics base this decision on reasons other than research. Although they say they want more believable data, only 19% researched the market, finding "hispanic media inefficient within the context of overall brand marketing."

Mr. Ornelas agrees that those trying to convince companies to enter the market have to provide better information. "But corporations have to do a better job of providing their own research."

Most companies that aren't marketing to hispanics say the cost isn't worth the budget. Despite Ms. Garcia's contention that corporations will find hispanic marketing programs and media "surprisingly efficient," the No. 1 reason cited by nonmarketers is that they cannot afford to divert resources from current marketing programs. The No. 2 reason is that potential sales do not offset the costs.

"The reason they stay away is because they say they can't divert funds and lack resources," says Mr. Albonetti, "not because they don't think the market holds potential.

"But they're not blind. They're attuned to the fact that it's a hot segment. Even the skeptics filled out a 12-page survey, which shows a certain degree of interest."

Shops critical in pointing the direction

By Marie Spadoni

Agencies tuned in to the nuances of the hispanic market are carrying a great deal of weight with companies seeking to tap that segment. Because many marketers have no experience in targeting hispanics, these shops become critical to successful campaigns.

"The major companies will demand the best kind of marketing and advertising support," says Joe Albonetti, VP, executive director of Conceptos International, a division of Miami-based Tinsley Advertising, which along with the University of Miami recently surveyed corporate marketing and advertising personnel about hispanic marketing. Almost 99% of the survey respondents said that a shop's ability to understand their needs was fairly-to-very important in the agency selection process.

"Creative capabilities may make the difference in selecting among finalists," he says, "but agency professionalism and marketing support will make up the core of the decision as to who gets to that stage."

New clients confirm this. "We need a lot of direction because we don't know anything about the hispanic market," says Michael Keenan, VP-corporate advertising for Texaco, White Plains, N.Y. Last December Texaco selected Conill Advertising, New York, as its first hispanic ad agency.

Conill's first effort for Texaco will break in either Miami, southern California or Texas this month.

Dallas-based Seven-Up Co. also plans to target hispanic markets regionally in 1988. Last month, Seven-Up signed Casanova, Pendrill Publicidad, Irvine, Calif., as its first hispanic agency after a six-month review (AA, Dec. 28).

"We wanted an experienced agency that could provide us and the bottlers with direction and insight into our current [hispanic] marketing position," says Bill Thompson, VP-brand management. Casanova, which had just lost the Pepsi-Cola Bottling Group of Los Angeles account, has extensive soft-drink experience, he says.

The company had not aggressively approached the hispanic market, Mr. Thompson says, and was beginning to feel competitive pressure from Coca-Cola Co.'s Sprite and PepsiCo's Slice, which have been actively marketed for hispanics. "Marketing to ethnics is a commitment of [Seven-Up's] new management," he says.

Key to that commitment is the ad agency. "It is important that our agency educates us," says Mr. Keenan. "They have the knowledge of the market."

Senior editor Ed Fitch coordinated this report on Marketing to Hispanics.

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New attacks on aspirin ads

States threaten court action

By JENNIFER LAWRENCE

In an escalating battle over aspirin ad claims, the New York and Texas attorneys general put aspirin marketers on notice that they face state court action if they promote aspirin as a preventative for heart attacks.

The first company targeted by the two states was Rorer Pharmaceutical Corp., whose print ad for its Ascriptin brand reprinted a story in *The New York Times* on the National Institutes of Health study about aspirin preventing first heart attacks (AA, Feb. 8).

Rorer also felt heat from the Feds. The company last week said it decided to shorten its schedule for the Ascriptin ad after a "cordial" Feb. 10 telephone call from the Federal Trade Commission, during which the agency expressed its "concerns" about the ad.

Fort Washington, Pa.-based Rorer received the letter from the the New York and Texas attorneys general Feb. 12, after it had decided to discontinue the ad's schedule due to the FTC call.

All aspirin marketers were being contacted by the FTC in connection with heart-attack-prevention ad claims, said Susan Atkins, Rorer group VP-public affairs. *(See related editorial on Page 16.)*

Garfield takes a look at new aspirin ads—P. 88

Previously, New York-based Sterling Drug halted a page newspaper ad for No. 1-selling Bayer aspirin that called the study "Good news for heart health in America," at the request of the Food & Drug Administration (AA, Feb. 1).

There is some federal inter-agency rivalry taking place here; sources said the FTC, which has authority over ad claims, was irked that the FDA, which has authority of over-the-counter drug labeling, stepped into the issue without advising the FTC.

The FDA publicly expressed concern about the ads because it still is reviewing the new study.

While the FDA has approved use of aspirin to prevent second heart attacks, the agency has not approved its use to prevent first heart attacks.

William MacLeod, director of

(Continued on Page 86)

Staff photo by Arnold Adler

"Agencies are giving clients what they do best, and what they make the most money on."
—*Alvin Achenbaum*

Achenbaum warns shops on media role

By JON LAFAYETTE

New York—Advertising agencies are in danger of losing control over media spending.

That's the belief of Alvin Achenbaum, the consultant who has helped change the way some big advertisers compensate their agencies.

"Agencies have spent so much time talking about creativity, they've not done the job they should have with media," Mr. Achenbaum, chairman of Canter, Achenbaum, Associates, said in an interview.

Mr. Achenbaum's company, founded 15 years ago with Stanley Canter, figured prominently in agency reviews of Minolta Corp.,

(Continued on Page 83)

Ad spending up, but don't count on it

An Advertising Age roundup

Despite the optimistic spending plans of some of this country's major advertisers, many ad industry executives are saying that if the market dictates, all bets are off.

An Advertising Age survey shows that while many marketers are boosting their budgets, those increases are subject to scrutiny quarter by quarter, if not sooner.

Competition boosts carmakers' spending—P. 84

"Advertisers certainly are watching for changes in the economy, and they'll change their ad plans accordingly," said Greg Ostroff, advertising industry analyst at Goldman, Sachs & Co., New York. "No agencies are reporting substantial cutbacks [by clients] yet," but "they're making plans on a month-to-month basis."

In recent weeks, such major marketers as Alberto-Culver Co., General Motors Corp. and Warner-Lambert Co. disclosed substantial ad budget increases, ranging from Alberto's 25% hike to $114 million

(Continued on Page 84)

Last Minute News

Paramount picks DMB&B

Hollywood, Calif.—Paramount Pictures named D'Arcy Masius Benton & Bowles, Los Angeles, as agency for its estimated $60 million media-buying account. DMB&B replaces AC&R/DHB&Bess. Other finalists included Saatchi & Saatchi DFS, Torrance, and Los Angeles agencies BBDO Worldwide and Ogilvy & Mather (AA, Jan. 25).

Ralston rolls new cereals

St. Louis—Ralston Purina Co. in March introduces nationally Bran News and Double Chex cereals with coupons, direct-mail sampling, inserts and a heavy network TV campaign. Ally & Gargano, New York, handles Bran News; Double Chex is handled in-house by Centra Advertising.

Wendy's beef is in groceries

Dublin, Ohio—Wendy's International is testing sales of 1 and 3-pound packages of ground beef with its logo in Kroger stores in Columbus and Cin-

(Continued on Page 8)

Do you know me? See P. 2

Pepsi regional move to shake up marketing

By PATRICIA WINTERS

A shake-up is expected in the marketing department at Pepsi-Cola Co. following a sweeping reorganization that eliminates its operating units and regionalizes the company into four key divisions.

Pepsi executives are evaluating positions in the national marketing department, and sources said it is likely to result in a shuffling of the staff at company headquarters in Somers, N.Y.

The reorganization announced last week is an effort to streamline operations, create operating efficiencies and stress the regional character of the soft-drink business (AA, Feb. 8).

Pepsi had no comment on whether there will be layoffs.

The marketer is eliminating the company-owned Pepsi-Cola Bottling Group and the Fountain Beverage Division, creating a single company called Pepsi-Cola Co. Pepsi-Cola USA will not exist after Feb. 22.

The new Pepsi-Cola Co. will operate as four regional companies, each headed by a separate president. The regional presidents will report to Craig E. Weatherup, named president-chief operating officer.

Mr. Weatherup, a 14-year PepsiCo veteran, most recently was president of the bottling group.

The new system creates a general manager setup where regional presidents will be responsible for total sales in their areas, including fountain, retail and company-owned and independent bottlers.

Ron Tidmore, Pepsi-Cola USA president-ceo, was named president of Pepsi-Cola South, Dallas. John M. Cranor becomes president of Pepsi-Cola East, Somers, from president, Fountain Beverage Division;

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Upstate shops recently audited are questioning New York's interpretation of its sales tax law.

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If Coca-Cola can go classic, so can Eveready batteries.

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Photo by Richard Young

Say 'cheese'

London—Camera-shy Charles and Doris Saatchi were captured in a rare photo together at the star-studded premiere of the film "White Mischief" Jan. 29 in London's West End. While other papers zeroed in on fellow guests Prince Andrew; his wife, Fergie; Koo Stark; and Ringo Starr, the *Daily Express* tabloid ran the Saatchi paparazzi photo. The caption: "Saatchi . . . and Saatchi: Charles and Doris together at last."

Compared with older photos of 45-year-old Mr. Saatchi, co-founder of the Saatchi & Saatchi empire, the new one shows that he has cut his hair and lost weight.

Better known as an art collector than a filmgoer, Mr. Saatchi's private London museum this month opened an exhibit of contemporary East Village art called "NY Art Now."#

JWT re-enters fast-food field

Gets $1M KFC account

By JANET MEYERS

J. Walter Thompson USA last week picked up a $500,000-to-$1 million assignment from Kentucky Fried Chicken Corp. that it hopes will ease the pain of its Burger King account loss.

JWT's Atlanta office will handle the assignment, a three-market test of KFC home delivery.

The business once again gives JWT a fast-food account, after its New York office lost the $200 million Burger King Corp. account to N W Ayer, and its Chicago office lost Godfather's Pizza's $8 million assignment to Fallon McElligott, Minneapolis.

Young & Rubicam, New York, which previously had the home-delivery assignment, still handles KFC's $100 million national account, but there have been rumors that its hold on the business is tenuous.

KFC in March breaks a new national campaign from Y&R, its fourth in two years. The effort is said to be a non-product-oriented image campaign, a departure from recent spots.

One spot tested was themed

(Continued on Page 86)

Columbia recruits BBDO executive

By WAYNE WALLEY

Columbia Pictures last week became the latest studio to raid the ad-agency ranks. The studio recruited Dan Michel, exec VP-chief operating officer at BBDO Worldwide, Los Angeles, as its new marketing president.

Mr. Michel, 41, becomes the third agency executive in the past six months lured by Hollywood to forsake the agency business. The moves reflect a new studio attitude toward marketing.

With the average film costing $19.7 million for production and another $7 million for advertising and promotion, film companies are eager to maximize the potential and minimize the risk by hiring package-goods marketers.

"Historically, at studios the promotions department is doing one thing, advertising is doing another and publicity is doing another," Mr. Michel said. "What agency operations guys can do is bring in fresh thinking, different disciplines and pull all these things together."

Gordon Weaver, former president of Y&R Entertainment, joined the De Laurentiis Entertainment Group as a member of the office of the president in October (AA, Sept. 28).

In December, former DDB Needham Worldwide Exec VP-General Manager Sy Kornblit became exec VP-marketing for Universal Pictures (AA, Nov. 23).

At Warner Bros., Sandy Reisen-

(Continued on Page 87)

Carmakers keep ad pedal to floor

By RAYMOND SERAFIN

Although many carmakers are trying to hold the line on ad spending this year, competitive pressures are forcing some big ad budgets.

That includes industry leader General Motors Corp., which is trying to reverse a disastrous 5% loss in market share in 1987, plus a slew of small marketers looking to carve niches.

Overall automobile ad spending growth probably will not match the substantial increases of 1987, but many think the category will continue to grow faster than the ad industry average. Predictions of increases range as high as 20%.

A superheated competitive environment drove up ad spending beyond anyone's predictions last year, and the fight for share is no less bloody now.

With more than three dozen marketers offering more than 300 car models, automakers, distributors and dealers are spending heavily to develop brand image, introduce new models and nameplates and regionalize their strategies.

No single source tracks auto spending at all levels, but a compilation of various sources suggests advertising in the category reached $7 billion last year, with spending by importers leading the growth.

A source at one ad agency that tracks spending patterns said passenger-car spending in major media by factories grew 29% and factory-dealer co-ops went up 21% during the 1987 model year, to a combined total of $2.6 billion.

Those figures do not include trucks, which represent 32% of all vehicle sales, and they also exclude costs for direct mail, promotions, incentives and ad production.

Robert J. Coen, senior VP-director of forecasting, McCann-Erickson, New York, said auto ad spending was up 19% during the first nine months of 1987, based on tracking of network and spot TV and magazines.

Tom Webb, senior economist for the National Automobile Dealers Association, McLean, Va., said dealer spending rose 12.5% to $3.6 billion during 1987. The total includes about $1.1 billion in dealer contributions to co-op advertising, which he said is growing faster than any other aspect of dealer ad spending.

NADA's figures show that dealer per-unit spending rose 20% during the year, which more than offset a 7% decline in vehicle sales.

Mr. Coen said auto spending will be "well above" the 9% growth he forecasts for the entire ad industry.

Two agency sources, who asked not to be identified, were split on Mr. Coen's projection. One said his agency is expecting factory and dealer group spending increases in the 20% range. "And our projections over the past few years have been consistently low," he said.

The other executive was more cautious, saying that preliminary figures from the first quarter of the 1988 model year showed spending was flat. Spending for the Olympics might change that trend, but 1988 "is a hard year to gauge," he said.

If ad spending levels are off somewhat, it may in part be because Japanese importers are feeling cost squeezes. As their parent companies watch profits fall with every rise in the yen, the U.S. marketing subsidiaries are forced to defend existing marketing budgets.

"A lot of Japanese [automotive] companies are responding to the increased budgets in Detroit by looking at their established ad spending and trying to find out what to do with the numbers they have," said Leon Rosen, national marketing manager, American Isuzu Motors, Whittier, Calif.

But importers overall spent aggressively during 1987. Mr. Coen said importers' major media spending soared 47% in the first nine months of 1987, compared to the previous year.

Another agency source calculated a 27% increase on importers' total spending during the 1987 model year. According to another agency's internal estimates, importers accounted for more than 45% of all car spending during the 1987 model year, even though their market share was under 33%.

Those sorts of numbers leave Detroit agency executives frustrated as they try, with only modest success, to convince their clients to ante up. "The difference is that domestic carmakers regard advertising as an expense, while the Japanese importers regard advertising as an investment," said the head of one agency.

GM traditionally has spent less money per car on advertising than any of its rivals, though GM's sheer size still allowed it to muster more total ad dollars than anyone else.

Detroit-based GM is giving its three newest models a $100 million ad send-off (AA, Jan. 25), a sign the automaker is revving up to win back some of the share it lost last year. However, more than half of that $100 million reflects a redirection of dollars rather than new spending, sources indicate.

Dearborn, Mich.-based Ford Motor Co. and Highland Park, Mich.-based Chrysler Corp. are taking a conservative approach to spending increases, sources indicated. Both nearly went broke during the early 1980s, and they now are keeping a lid on all expenses—including ad budgets—in order to hold down their break-even points.#

Cleveland Horton in Los Angeles and Patricia Strnad in Detroit contributed to this report.

AUTOMOBILE AD SPENDING PLANS

Advertiser	'88 budget estimates	% Increase
Austin Rover	$20 million	NC[1]
BMW of North America	$75 million	NC
Chrysler Corp.'s Chrysler-Plymouth division	$110 million	NC
Chrysler Corp.'s Dodge division	$115 million	NC
Chrysler Corp.'s Jeep/Eagle division	$125 million	14%
Daihatsu America	$5-10 million	NA[2]
Ford Motor Co.'s Ford division	$310 million	NC
Ford Motor Co.'s Lincoln-Mercury division	$125 million	NC
General Motors Corp.'s Buick division	$103 million	15%
General Motors Corp.'s Cadillac division	$42 million	5%
General Motors Corp.'s Chevrolet division	$325 million	5%
General Motors Corp.'s Oldsmobile division	$105 million	10%
General Motors Corp.'s Pontiac division	$90 million	20%
American Honda's Acura division	$53 million	18%
American Honda Motor Co.	$137 million	5%
Hyundai Motor America	$71 million	14%
American Isuzu Motor Co.	$62 million	5%
Mazda Motors of America	$157 million	NC
Mercedes-Benz of North America	$60 million	NC
Mitsubishi Motor Sales of America	$65 million	25%
Nissan Motor Corp. U.S.A.	$180 million	NC
Peugeot Motors of America	$25 million	67%
Porsche Cars North America	$15 million	NC
Saab-Scania of America	$11 million	10%
Toyota Motor Sales USA	$209 million	NC
Subaru of America	$60 million	100%
Volkswagen of America's Audi of America division	$80 million	100%
Volkswagen of America's Volkswagen U.S. division	$125 million	19%
Yugo America	$48 million	100%

[1] No change. [2] Not available. *Source: Advertising Age*

Budgets

(Continued from Page 1)

to W-L's 13.7% jump to $830 million annually to GM's six-month $100 million ad blitz backing three new cars.

It will not be known for some time whether advertisers stick to their plans, but agencies are questioning their clients about how solid the 1988 plans are.

"The answers I'm hearing make me think budgets are going to change a lot throughout the year," said an agency executive, who works with a major toiletries advertiser. He reflects the view of many executives who believe budgets are volatile.

"Half of our clients say ad spending will be up this year, and half say it will be down," said an agency president. "But they all add the same thing: Don't count on anything."

Many observers and marketers remain optimistic that ad spending will show a moderate gain this year. But projections vary wildly.

Some forecast a gain of more than 10%, while others predict ad spending will rise no more than 5%, or barely above the inflation rate.

All this uncertainty exists despite the twin catalysts of a presidential election year and the Olympics, which traditionally boost ad spending.

"The trend will be toward more selective advertising, less across-the-board increases," said Jay Freedman, household products analyst with Kidder Peabody & Co. "Companies aren't in a tremendous building mode. They'll focus on advertising more than they have in the last two years. But at the same time, they're going to be watching profitability."

Many agencies said they have seen little indication that the spending increases truly are boosting measured media campaigns (AA, Jan. 18).

"What we're looking at are budgets showing an 8% increase overall," said Charles Peebler Jr., ceo at Bozell, Jacobs, Kenyon & Eckhardt, New York. "Some of those [budgets represent] bigger campaigns and pushes than others, but we don't look at it as being a lot different than we thought. . . . We're not seeing at the moment any deterioration of budgets because of any additional shifts to promotion."

Among package-goods marketers, 1988 media spending is projected to rise moderately after two years that saw an increased emphasis on consumer and trade promotions as well as mergers and acquisitions.

But even among these companies, traditionally the most recession-proof, ad spending is not up across the board.

For the most part, these advertisers are putting renewed emphasis on rebuilding brand position or supporting new products—or they are involved in tremendous market-share battles in specific categories.

"Over the last few years, more and more dollars have been diverted to promotional spending, but there's always been a concern that promotional tools are more tactical than strategic," said Joel Weiner, senior VP-corporate marketing, Kraft Inc., Glenview, Ill.

"Now, you have a concern on manufacturers' part that we need to go back to basics and find correct brand positioning," he said. "Through advertising, companies are trying to rebuild or continue to build or ensure that brand franchises are built."

> *"Half of our clients say ad spending will be up this year, and half say it will be down. But they all add the same thing: Don't count on anything."*
>
> **—Agency president**

Mr. Weiner said Kraft this year will increase advertising for most brands by a significant amount. "But I see a situation where we will be beginning to put the brakes on the significant increases in [trade] and promotion spending that you've seen in the past years."

One of last year's hottest head-to-head product battles, between Quaker Oats Co. and General Mills in the $500 million hot-cereal category, is fueling more ad spending increases this year.

Chicago-based Quaker boosted its marketing budget by 37% in fiscal 1987, which ended Sept. 30, and plans a sizable increase for fiscal 1988. Already, spending in the first half of the year is up more than 50%.

But such ad spending increases cut into profit margins. For two consecutive quarters, Quaker's grocery division has reported losses blamed on increased marketing expenditures.

"We made a conscious decision a year ago to significantly increase the level of ad support for our flagship product," a spokesman said. "Marketing studies showed that the category was undermarketed."

General Mills' ad spending is expected to rise at least 10% this year, more than double last year's 4% hike. And continued strong support for Total oatmeal is only one factor in the increase.

On April 1, the Minneapolis-based marketer starts a $35 million print and TV ad push for 22 new Betty Crocker products (AA, Dec. 14).

Campbell Soup Co.'s 15%-to-20% hike in 1988 ad spending is less a result of the premium cost of TV time on the Olympics telecasts or the threat of recession than it is a response to declining market shares for some brands.

Hurt by declines in its Le Menu frozen-food line and Prego spaghetti sauce, and the failure of the Fresh Chef line of refrigerated salads and sauces, the Camden, N.J.-based company is pumping up and redirecting most of its ad spending to core brands such as the red-and-white-labeled soups.

Among cosmetics and toiletries marketers, ad spending is projected to be flat not only because of profit constraints but because retailers are pressuring marketers to put more money into promotion and catalogs, said Allan Mottus, a New York-based cosmetics industry consultant.

At least one national beer marketer, Adolph Coors Co., has decided that 1988 is the right time for a strong advertising push. It has achieved national distribution for its brands and sees weakness at competing brewers.

"We've made the decision that 1988 is the year to strike hard," said Gary Naiseh, VP-brand management at Golden, Colo.-based Coors. "Our corporate strategy is 'Let's go get 'em.' "

Part of the company's 25% ad spending increase, to $100 million, will support newly launched beers *(see related story on Page 4)*. Coors also will increase spending for its flagship Coors and Coors Light brands.#

Written by Laurie Freeman in Washington with contributions from Julie Liesse Erickson and Scott Hume in Chicago; Marcy Magiera in Los Angeles; Judann Dagnoli, Gary Levin and Pat Sloan in New York; and Janet Meyers in Washington.

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

7UP goes for the gold

DALLAS—Seven-Up Co. today unveils 7UP Gold, a spicy citrus soft drink in regular and diet versions, sources say. The company reportedly will introduce the product for rollout at a series of news conferences across the country starting with one today in Washington. The marketer last year tapped the teen market with Cherry 7UP. Industry observers believe 7UP Gold is targeted to consumers ages 18 to 34 and is positioned as a "wilder" soft drink. Leo Burnett USA, Chicago, handles.

Blendax dumps DDB Needham

DUESSELDORF—Blendax Werke R. Schneider & Co. will not retain DDB Needham Worldwide for its $14.5 million personal-care products account. Peter Elsing, the company's marketing manager, attributed the loss to the fact that DDB is a member of the Omnicom Group, which handles many of Blendax's competitors.

Maxwell House starts perking

ST. PETERSBURG BEACH, FLA.—General Foods Corp. will resume advertising for its Maxwell House coffee brand in mid-1988, said Philip Smith, chairman-ceo of the Rye Brook, N.Y.-based company. GF spent $33 million on measured ad spending in 1986, the last full year of spending for the brand. Mr. Smith said GF's coffee share slipped last year due to low pricing of coffee beans and intense sales promotion but that the company

(Continued on Page 8)

Magazine plan shakes industry

Whittle offers waiting-room exclusivity

By PATRICK REILLY

A revolutionary magazine plan from Whittle Communications that offers advertisers limited exclusivity in doctors' waiting rooms has angered rival publishers, who are getting ready to fight back.

What irks competing publishers are reports that Christopher Whittle, chairman of the privately held publishing company, has promised advertisers that most rival publications will be removed from medical waiting rooms to guarantee limited exclusivity.

Called "The Whittle Family System," the project includes the October launch of *Special Reports*, six quarterly magazines distributed to the offices of 15,000 general family practitioners, obstetrician/gynecologists and pediatricians in 125 major markets.

The oversize, glossy magazines will be displayed in specially designed wooden cabinets and each will be based on a single topic: family; fiction; health; living (food, home and travel); personalities and gossip; and sports.

If Mr. Whittle's concept is unprecedented, so too is the vitriolic reaction by magazine publishers.

The reason: Medical waiting rooms represent major magazines' largest share of out-of-home readership, where publishers benefit from the high pass-along rate. For exam-

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Brady beats about the Bush. P. 3

Marketers seek slotting truce. P. 12

David Horowitz has problems. P. 32

More on Fallon and Dinka. P. 69

P&G cuts $75M from network TV

By VERNE GAY

Procter & Gamble Co. sliced nearly $75 million from its network TV budget in 1987, the largest year-to-year network cut in P&G's history and one of the biggest drops ever for a single advertiser.

P&G spent $377.6 million on the Big 3 TV networks last year, a 16.4% drop from 1986 levels.

This marks the second consecutive year P&G has cut net TV spending. It lopped off about $40 million in 1986 from 1985 levels; that, too, was a record.

But P&G's massive 1987 cutback was offset by an equally huge increase in network TV spending by Kellogg Co. The Battle Creek, Mich.-based company boosted expenditures 43.2% to $238 million, also believed

(Continued on Page 73)

Top 10 network TV advertisers

Advertiser	'87 network TV spending	% chg from '86
1. Procter & Gamble Co.	$377,551,800	−16.4%
2. Philip Morris Cos.	$331,936,200	− 3.0%
3. General Motors Corp.	$272,953,100	+16.8%
4. Kellogg Co.	$238,016,900	+43.2%
5. McDonald's Corp.	$216,067,400	+11.9%
6. Unilever	$211,923,000	+ 4.7%
7. RJR Nabisco	$209,777,300	+34.7%
8. Anheuser-Busch	$186,947,700	+ 5.3%
9. Johnson & Johnson	$181,998,900	+10.8%
10. American Home Products	$181,499,400	− 2.2%

Source: Broadcast Advertisers Reports.

Burger bungle?

No. 2 chain dishes up new campaign that pounds away at an old ad theme

By BOB GARFIELD

AD REVIEW

Bring back Herb.

OK, don't bring back Herb. That's a terrible idea. Bring back "Burger King Town." Remember? Neat montages. Sensational jingle. The commercials didn't sell many hamburgers, but Burger King Corp. had so many operational and marketing problems at the time the campaign never had a chance.

You didn't like "Burger King Town"? No problem. Bring back that goof with the crown on his head. Heck, hire Madge away from Palmolive. Most anything would be better than what N W Ayer has produced in its debut effort following The Biggest Account Change in Advertising History.

The first assault in the latest cam-

(Continued on Page 72)

New BK spots show children discussing grill lines on patties (l.) and old people talking about burgers in the good old days.

BJK&E completes $133M buyback

By GARY LEVIN

NEW YORK—Bozell, Jacobs, Kenyon & Eckhardt completed its long-delayed buyback from Lorimar Telepictures Corp. by forming a new holding company called Bozell Inc.

The total purchase price, which Lorimar earlier tagged at $133 million (AA, Feb. 15), includes a "closing purchase price" of $75 million in cash and securities of the new company.

It also includes $44 million in outstanding debt and $3 million for a non-compete clause preventing Culver City, Calif.-based Lorimar from acquiring another agency.

Lorimar will remain a BJK&E client.

In addition, Bozell has issued a $5.5 million promissory note, payable in 12 annual installments, that with interest will amount to a total payment to Lorimar of more than $12 million over the term of the note.

Bozell Inc. will consist of BJK&E, the New York-based general agency; Poppe Tyson, a New York-based business-to-business agency with billings of more than $65 million; Robinson, Lake, Lerer & Montgomery, a consulting company; and public relations, healthcare, direct-marketing, Yellow Pages and custom production shops.

BJK&E has nine full-service U.S. offices and equity or affiliate relationships in 55 foreign cities. Poppe Tyson has offices in New York and Union, N.J., having recently sold a third office in Boston to management there, which renamed it McConnell & Co. (AA, Feb. 1).

The transaction finalized late last week eventually will give Bozell $30.4 million in outstanding common stock, of which $21 million, or about 70%, will be owned by employees and directors of the agency.

Sixty-six senior managers raised $14 million toward the purchase; a $5 million employee stock ownership plan for middle managers and a stock bonus plan will constitute the remainder of the shares.

Lorimar said it will post a pretax profit of about $16 million from the sale in its fourth quarter, ending March 31.

The new price tag is somewhat lower than expected when the deal was announced last year (AA, July 28, *et seq.*).

The Oct. 19 stock market dive created difficulties in arranging high-yield "junk" bond financing, and heightened scrutiny by financial partners led to several delays. The buyback originally was to have been completed by last fall, for $143 million.

Financial terms were renegotiated with principal lenders Citibank and Northwestern Mutual Life Insurance Co., and Lorimar, following the market's plunge.

Lorimar paid $21 million for Kenyon & Eckhardt in August 1983. After acquiring Bozell & Jacobs for $41 million in January 1986, it merged the two operations.

Poppe Tyson was acquired last year from D'Arcy Masius Benton & Bowles and merged with USAdvertising, earlier formed as a BJK&E spin-off shop to avoid a conflict.

For Lorimar, the sale sends a signal that it is capable of turning a profitable deal. Lorimar's home-video unit has been plagued by scandal recently: An investigation of three former top executives concerns a "breach of fiduciary duties," which led the company to set aside $22 million in loss reserves for the third quarter, translating to a $19.2 million net loss.#

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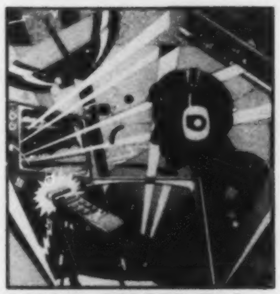

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Shearson sees rising market

By JUDITH GRAHAM

NEW YORK—For the first time since "Black Monday," a major brokerage house's ads are telling consumers that the stock market is ready for an upturn.

The ads could mark the start of a new marketing phase for brokers, which pulled ads touting stocks immediately after the market sank.

Shearson Lehman Hutton is telling investors that the market is on the road to recovery since Oct. 19 with a campaign that began with a 30-second TV spot on NBC Feb. 20.

Print ads start Feb. 22 in *The Wall Street Journal*, followed by ads in major-market newspapers Feb. 23. McCann-Erickson handles.

Some experts believe brokers will return to more aggressive product advertising while continuing the post-"Black Monday" strategy of reassuring investors.

But Shearson's strategy is considered risky, in light of the market's continued volatility.

"If they're right, they'll go a long way toward rebuilding people's trust, but if they're wrong, they can suffer severe long-term consequences for their business," said Alan Towers, president of Alan Towers Associates, a corporate public relations company.

Shearson's print ads, carrying the tagline "The worst is over," list nine reasons why an upturn is due.

"We think this is very big news," said Catherine Kaputa, Shearson VP-director of advertising, noting that investors and brokers alike have adopted a "gloomy attitude" since the market's plunge.

Merrill Lynch & Co., Shearson's largest competitor, shares Shearson's relatively optimistic view of the market but has not focused its advertising on the point.

Instead, it has been recommending a balanced portfolio of investments. Last week, it increased the suggested stock portion of the portfolio to 50% from 45%.

Merrill's new TV campaign, launched Feb. 13 via Bozell, Jacobs, Kenyon & Eckhardt, shows experts discussing investment products and strategies. The campaign includes a :30 on portfolios with a relatively strong stock weighting.

PaineWebber, which also has been keeping investors informed on investment opportunities via commercials since early November, has run at least six :60s talking about unusual values in the stock market, said John Lampe, senior VP-director of advertising and public relations. However, it has not predicted an overall uptick in the market.

Saatchi & Saatchi DFS Compton handles.#

Wal-Mart pushes brand-name line

By SHANNON THURMOND

Wal-Mart Stores, to capitalize on brand-name popularity, is introducing its exclusive line of Bobbie Brooks women's casual wear in a TV campaign breaking this week.

In so doing, the No. 3 discount retailer is shifting from its traditional price-oriented strategy to imitate Sears, Roebuck & Co. and K mart Corp.

Analysts believe Wal-Mart is trying to match Sears' Cheryl Tiegs line of women's clothing and K mart's Jacqueline Smith line.

The Bobbie Brooks brand name, licensed by Garan Inc., New York, previously has only been attached to junior sportswear. The brand has never been sold before in Wal-Mart.

The TV spots promote Wal-Mart's Bobbie Brooks women's line with the theme "Feel how good you look." GSD&M, Austin, Texas, handles the estimated $5 million apparel account.

Similar ads are running in *Glamour*, *Mademoiselle* and *'Teen*, said Roger McNitt, Wal-Mart's director of broadcast advertising.

The Bobbie Brooks line shows an upgrade in quality of merchandise, Mr. McNitt said, adding that brand-name recognition is important in today's retailing environment.

"Wal-Mart's major thrust has been quality for less, but unless you have a name brand, it's hard to say what quality is," said Dennis Telzrow, an analyst at Eppler, Guerin & Turner, Dallas.

Bentonville, Ark.-based Wal-Mart has 1,100 stores in 25 states.#

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ABP MPA RED TAG ABC

Brand fame spreading

Line extensions are marketers' lifelines

By JULIE LIESSE ERICKSON and JUDANN DAGNOLI

ST. PETERSBURG BEACH, FLA.—It's back to basics for the nation's grocery marketers, and that is having a major impact on ad spending.

Although these marketers are committed to big increases in advertising and marketing budgets, the additional spending is not going to new brand names but to "batched" products intended to maximize retail and marketing leverage.

If a new brand name is created, it is for a full line—not one product.

"Expect us to be even more aggressive in the future in leveraging our most valuable commodity—our brand names—across product lines and categories," said John Bryan, Sara Lee Corp. chairman-ceo.

In numerous presentations and interviews at last week's Consumer Analysts Group of New York's Florida food conference, marketers said they will use familiar brands for line extensions, category expansions and reformulations.

"A line extension is the ultimate in increased productivity," said Manny Goldman, analyst with Montgomery Securities, San Francisco.

Sara Lee, for instance, is expanding its Isotoner brand—already found on gloves, hosiery and slippers—into women's underwear.

Separately, the Chicago-based company's Hanes brand, the nation's top name in hosiery with a 40% share, will be used on a new line of Hanes Her Way panties, and the label will follow on bras, gloves and other related products.

Sara Lee President Paul Fulton even tossed out the possibility of using the Sara Lee, Jimmy Dean and Hillshire Farms names on food products cutting across category lines.

St. Louis-based Pet Inc. is testing three sets of products that extend established names: Pet-Ritz snack cakes, Progresso frozen dinners and Underwood barbecue sauce.

Quaker Oats Co. is beginning national distribution of Quaker Oat Squares cold cereal, which has been testing since last year in the Midwest. Print and TV ads use the tagline "An honest taste from an honest face," and the Quaker man appears on boxes and in ads.

Kraft Inc. is bringing along an entirely new brand. But its Chillery label encompasses a full line of refrigerated meals—salads, entrees and desserts. Glenview, Ill.-based Kraft is building on its existing foodservice and deli-supply network for the Chillery line.

The conference's overriding theme was food marketers' ef-

(Continued on Page 76)

Olympic advertising awareness survey

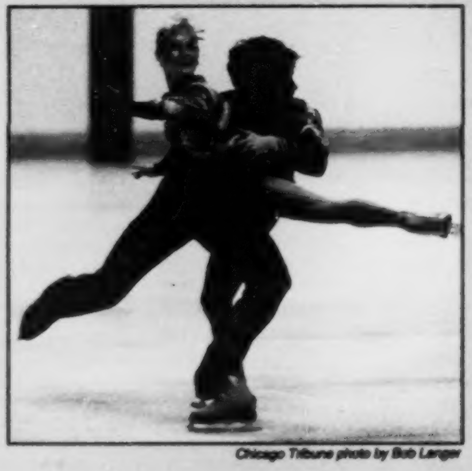
This survey of 672 adults was taken in January by SRI Research Center, Lincoln, Neb. (See story on Page 73.) Below, Jill Watson and Peter Oppegard show bronze-medal form.

In the past 30 days have you read, seen or heard advertising mentioning that a manufacturer is an official sponsor or supplier of products for the 1988 Olympic Games?

Yes	67%
No	31%
Don't know	2%

Do you think you would be inclined to buy a specific brand or product because its manufacturer is an Olympic sponsor?

Yes	27%
No	70%
Don't know	3%



Chicago Tribune photo by Bob Langer

In general, would you say Olympic sponsorship raises your opinion of a company, lowers it or does not affect it one way or the other?

Raises it	37%
Lowers it	2%
Does not affect it	59%
Don't know	1%

Do you feel that there are too many advertisements mentioning Olympic sponsorship being run at the present time?

Yes	20%
No	73%
Don't know	7%

Which advertisement first comes to mind?

Don't know	50%
Coca-Cola	13%
Kodak	3%
Miller	3%
Visa	2%
Pepsi	2%
Budweiser	2%
McDonald's	2%
Kodak batteries	1%
Subaru	1%
Procter & Gamble	1%
Eveready	1%
Other	18%

Winter Games TV ratings fail to snare gold

By VERNE GAY

NEW YORK—Ratings for ABC-TV's coverage of the Winter Olympics are lagging, leaving the network with a possible $35 million in advertiser "make-goods."

ABC was averaging just under a 19 prime-time rating from A.C. Nielsen Co. from Feb. 14, when the telecast began, through Feb. 18.

The network originally guaranteed advertisers a 21 rating on the Winter Olympics, though many advertisers estimated the ABC telecasts probably would achieve somewhat lower ratings during the two-week period.

AT&T Co., for example, said the Games would achieve between a 17 and 19 rating in prime time.

ABC sold about $360 million worth of commercial time in prime time, late-night and weekends.

If ratings continue to track about 9% under ABC's own estimates, then the network could owe advertisers between $30 million and $35 million in make-goods.

This would boost substantially ABC's own estimated losses on the Games.

It originally paid $309 million for the telecast rights, but production and other expenses were expected to push losses as high as $40 million.

A severe audience short-fall this week could easily double that figure.

Advertisers were promised make-goods, or audience guarantees, based only on household delivery.

Some advertisers doubted the net-

(Continued on Page 73)

World News Roundup

MANILA—PepsiCo moved its $2 million account to Hemisphere-Leo Burnett from J. Walter Thompson Co.

LONDON—Saab awarded the $15 million international launch of its new 9000CD model to Saatchi & Saatchi-owned KHBB here. Print and TV ads are scheduled to break in March in Europe and this fall in the U.S.

TORONTO—Wardair, Canada's third-largest airline, moved its $5.5 million account to J. Walter Thompson Co. from Miller Myers Bruce Dalla-Costa.

BERNE, SWITZERLAND—The Swiss Parliament has been asked to stop alcohol, cigarette and pharmaceutical advertising broadcast on

(Continued on Page 58)

Gillette-Shiseido tie just a joint venture?

By PAT SLOAN

Gillette Co. is testing a new skin-care line called Myoko as part of a joint venture with Japan's Shiseido Cosmetics Ltd., a deal that has many observers wondering if there's more there than meets the eye.

Shiseido ranks high on a list of possible "white knights" for Gillette, the target of takeover attempts, Wall Street sources say. The list was compiled by Coniston Partners, a New York investment group that recently bought a 6% stake in the Boston-based marketer of toiletries and razor blades.

A Gillette spokesman would not confirm that Tokyo-based Shiseido is supplying Myoko, but acknowleged the line has gone into a 50-store test in the Boston area. Shiseido would not comment.

Myoko is a mass-market version of some of the Japanese marketer's

(Continued on Page 74)

Goldwater pushes Bush over top in first primary

The story of George Bush in New Hampshire has a happy ending.

By JAMES BRADY

There was more good news out of New Hampshire last week than we ever got on the radio from Gabriel Heatter.

For those so young they think broadcast news began with Bill Hurt and Holly Hunter, Mr. Heatter would open his news show every evening with the sonorous declaration:

"Ah, there's good news tonight . . ."

Quite often there was actually bad news, like the Fall of France, but even then Heatter tried to put a good face on it.

You didn't have to strain a bit to enjoy New Hampshire. Anyone who didn't find the country in pretty fair shape the morning of Feb. 17 had to be either a curmudgeon or a losing candidate. I think that for the rest of us, and the nation, the New Hampshire primary worked just fine. And suddenly I feel a lot better

(Continued on Page 71)

Unwired nets snare marketers' dollars

By Richard Edel

With fewer people watching network television and the cost of network time spiraling upward, many advertisers are searching for alternatives. Among the fastest growing innovations are unwired networks.

Called "unwired" because they do not distribute programming, these networks typically place commercials in prime-time access lineups of locally oriented shows. Prime-time access is the hour preceding the start of network prime time.

The concept is a cross between syndication and spot TV. An advertiser negotiates with a national station representative to forge attractive market coverages, and chooses time slots to air simultaneously on all stations, regardless of programming, when the target audience is likely to be viewing.

Unwired networks received a major boost in mid-1987 when Procter & Gamble Co. reportedly walked away from what it viewed as extremely high prices at ABC for advance sales of the 1988 season. ABC's preseason demand was up partly because its schedule includes the 1988 Winter Olympics in Calgary. Long used to volume placements in return for lower prices, P&G began searching for creative ways to place about $30 million in advertising, sources say.

In July, P&G spent an estimated $10 million on Fox Broadcasting Co., a move that some viewed as a message to the networks that P&G would support alternative media, and one that preceded P&G's first unwired network buys.

In October, P&G placed $10 million with Atlanta-based Turner Broadcasting System's WTBS superstation and Chicago-based Tribune Broadcasting Co.'s six independent stations for a multi-product campaign running from Jan. 1 to June 30. Taken together, this unwired network reaches 65% of the U.S. Units reportedly were priced 15% to 25% below network TV. Cincinnati-based P&G says unit cost per thousands compared "very favorably" with network TV. P&G has the option to begin a new campaign on TBS/Tribune July 1 to June 30, 1989, for which spending could reach an estimated $20 million.

P&G also signed in October an estimated $10 million deal with New York-based Katz Communications to advertise on the 191-station Katz Alternative Network, created especially for P&G. The Katz network has 92% U.S. coverage.

Unwired networks became a reality in 1987 purely as a result of economic forces, says Michael Drexler, exec VP-national media director at Bozell, Jacobs, Kenyon & Eckhardt, New York. "[Unwired] networks are stimulated and perpetuated by the need to get better economy and efficiency from advertisers' broadcast investments," he says.

Advertisers and their agencies are sending a signal to the three major networks that they will push for better network pricing by helping to create national media alternatives, Mr. Drexler says.

But opinion is divided on the degree to which unwired networks represent a new medium. Stephen Leff, vice chairman of Backer Spielvogel Bates, New York, considers them less an alternative than "another weapon in the arsenal. Unwired networks have a place—they're another form of syndication. But are they going to take over the world? No. I think [the P&G buy] is as much a signal as it is a positive move," he says.

Declining network ratings*

(For the period Sept. 21, 1987-Jan. 3, 1988 vs. Sept. 22, 1986-Jan. 4, 1987)

	ABC (ratings)		CBS (ratings)		NBC (ratings)		Average	
	1986-87	1987-88	1986-87	1987-88	1986-87	1987-88	1986-87	1987-88
Households	14.3	12.9	16.1	13.7	17.5	16.4	15.9	14.3
Women 18-49	10.2	8.6	10.8	8.6	13.8	11.9	11.5	9.6
Men 18-49	9.3	8.1	8.0	6.5	10.2	8.7	9.1	7.7

*Each rating point equals 1% of 88.6 million households.
Source: A.C. Nielsen Co.

Agencies have long promoted the concept of unwired networks. In the past, they have met with resistance from local stations and their national media representatives, who could more profitably sell stations' inventory on the spot market.

In 1987, a few national spot TV representatives were able to convince their station clients that participation in unwired network deals would bring new dollars into the spot market, says Jim Beloyianis, president of Katz's American division.

The stations worried that advertisers would pay for unwired network deals out of funds earmarked for spot TV, thus undercutting the stations' own sales efforts. A P&G spokeswoman confirms, however, the money for its unwired network deals came from budgets for network TV and syndication.

"Traditionally, spot TV is at the end of the [allocations] pipeline," Mr. Beloyianis says. "The agency first buys national media, then goes to spot TV to augment the buy on a market-by-market basis. With the Katz Alternative Network, we want to tap in a few miles up the line," he says.

However, there are limits to how far the reps and stations are willing to go, says Bill Breda, senior VP-general sales manager at Blair Television, a New York rep company. Some advertisers try to secure lower spot TV CPMs by asking for proposals on unwired network buys that might include a shortened list of the stations that a rep company represents, he says.

"We are looking at each offer on a case-by-case basis. It was determined [in several cases] that we were dealing essentially with spot dollars and we declined the offers," Mr. Breda says. "Our sole objective is to go after dollars that would not be intended for spot TV."

Bristol-Myers Co. in December placed a multimillion-dollar unwired network buy with Blair's lineup of 134 stations covering 70% of the U.S. The buy was made with money earmarked for syndication, says Peter Spengler, VP-advertising services at the New York-based company.

"These are bucks these stations would [otherwise] never get," Mr. Spengler says.

Interest was piqued by P&G's buys, he adds. Bristol-Myers invited offers from several national station reps, settling on Blair. Factors favoring the buy included that it was national, the quality of the station list, time period, quality of programs and favorable CPMs.

"If I can encourage, in part, the creation of another national alternative to syndication or network [TV], I'll try to do that," Mr. Spengler says. "But nothing is ever easy the first time around. The unwired network was not offered a year ago. It happened because of Procter & Gamble and Katz."

Better syndicated programming is a key reason why advertisers are turning to alternatives to network TV, Mr. Spengler says. Top-rated shows, such as "The Oprah Winfrey Show," "Wheel of Fortune," and "Star Trek: The Next Generation" are contributing to a general trend of placing more advertising dollars in syndication this year.

To understand the forces that led to creation of unwired networks, it is necessary to examine a chain reaction of factors in the broadcast marketplace in 1987, experts say. The first is high demand for network TV inventory: A record $9 billion in total sales is riding on the success of the 1987-88 network season, including a record $3 billion in upfront sales.

This intense level of spending caused network scatter market inventories to tighten in late 1987 and early 1988. Further tightening is expected because of the 1988 Olympics and general elections.

A second factor is A.C. Nielsen Co.'s introduction of the people meter in 1987, replacing Nielsen's diary system. People meters indicate that far fewer people are watching network TV than before.

The dual effect of higher prices and smaller network audiences was a drastic increase in network TV CPMs, up 10% to 30% in 1987, comparing people-meter results with Nielsen's old system.

As a result, advertisers last year began re-evaluating their network TV spending, boosting allocations to alternative media, such as cable and syndication. These shifts, in turn, caused softness in the 1987 spot TV market. As local stations began feeling the pinch, they became less reluctant to participate in unwired network deals organized by their national reps.

Critics question whether these rep networks are able to address the problem of underdelivery by the networks, however. Because the majority of local stations in the so-called "repworks" are network affiliates, they are prone to the same underdelivery problems as the three networks, says Mike Kammerer, founder of the New York-based Independent Television Network, an affiliation of 85 independent stations with 86% U.S. coverage that completed its first full broadcast year in 1987.

However, P&G is well covered with its Tribune/TBS deal, says Lou Latorie, senior VP-sales at WTBS. "The beauty of our deal with P&G is that it addresses the two points of erosion, from [network] underdelivery of cable homes and in the area of putting additional numbers behind independent stations," he says.

There also are marketing factors to consider, Mr. Latorie adds. According to Simmons Volumetrics studies, cable penetration is nearly 50% of the nation's 88.6 million homes, but for many product categories, cable homes are better consumers of certain products than non-cable homes, he says.

"[Generally] the cable home is a better consumer. They have more kids, more dollars to spend and greater consumption of goods," he says.

With the TBS/Tribune deal, "You're effectively addressing the problems both from a media point of view and from a marketing point of view," he says.

What the future holds for unwired networks is neither a question of marketing or media, however. It is one of economics, says Deborah Hackenberry, director of sales development at New York-based Petry Television, a national media representative.

Advertisers evaluate media based on cost, reach and efficiency. "The advertising well is not a bottomless pit. You have to reach eyeballs and ears," she says.

On these counts, Mr. Beloyianis says the Katz Alternative Network promised and is delivering for P&G a respectable 7 to 8 weeknight rating (a rating point is 1% of 88.6 million households) in the 7 p.m. to 8 p.m. (ET) time slot, at a CPM that is "competitive" with network TV. (Spot TV CPMs normally are much higher.)

The reason Katz was able to swing better CPMs is that rates for national spot TV increased only 3.5% in 1987, compared with hefty 20% CPM increases for network shows. Spot TV also became a more attractive alternative to cable TV and syndication, both of which recorded 20%-plus increases in 1987, Mr. Beloyianis says.

Still, other reps say that Katz and Blair are undercutting the spot TV market with their unwired network deals.

Dave Hills, VP-sales development at Telerep Inc. in New York, says the unwired network deals are simply rearranging spot TV dollars so that CPMs are lower.

"The ultimate effect is that you contract the spot TV market, not expand it," Mr. Hills says. "The biggest issue is where the dollars are coming from."

Petry's Ms. Hackenberry echoes a similar theme. Although Petry hasn't taken a stand on unwired networks, it also is not pursuing them, Ms. Hackenberry says. "Not knowing where the dollars are coming from, we don't think it's a good trend for spot TV. We don't want to wind up robbing Peter to pay Paul." ■

Richard Edel is a Chicago-based free lance writer and frequent contributor to Special Report.

Coca-Cola scores as Games sponsor

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By PATRICK McGEEHAN

More people are noticing advertising from sponsors of the 1988 Olympics, and what they are noticing most are ads for Coca-Cola, according to the latest ADVERTISING AGE survey.

But whether increased awareness of sponsors' advertising will boost sales is questionable, because most people say they would not be inclined to buy a product because its marketer is an Olympic sponsor.

The Olympic poll was part of a monthly nationwide adWatch survey of adult consumers conducted for AD AGE by SRI Research Center, Lincoln, Neb. In January, adWatch asked 672 adults five questions about Olympic sponsors.

Two-thirds of those polled in January said they had read, seen or heard advertising mentioning that a company is an official sponsor or supplier of the Olympic Games.

That figure was much higher than the 51% who recalled such advertising in a December survey, when the ads and spots were not running as often (AA, Feb. 1).

When asked in January which company's advertising first came to mind, 13% named Coca-Cola, far more than any other sponsor. Eastman Kodak Co. was a distant second, with 3% of respondents naming Kodak and 1% citing Kodak batteries.

In December, only 2% of respondents named Coca-Cola, while Kodak and Visa International led the way with 5% each. Coca-Cola Co., Kodak and Visa are three of the nine global sponsors of the 1988 Olympics.

The jump in awareness of Coca-Cola as an Olympic sponsor was surprising because the company had not begun airing its Olympics-theme advertising when the survey was conducted in January.

Coca-Cola, which is the exclusive soft-drink advertiser and one of the top spenders on ABC-TV's broadcast of the Winter Games from Calgary, began running a campaign themed "Thirst for greatness" in early February.

A spokesman for Atlanta-based Coca-Cola suggested the increased awareness of its sponsorship resulted from heavy publicity in December and January about the company's search for U.S. representatives to the Coca-Cola World Chorus, which performed at the opening ceremonies in Calgary.

In January, recall of advertising from Visa, which has been trumpeting its sponsorship since last summer, fell to 2%.

Miller Brewing Co., the sole sponsor of the U.S. Olympic Training Center, was the only company other than Coca-Cola and Kodak mentioned by more than 2% of respondents, with 3%.

The bad news for Olympic sponsors was that few respondents said a company's Olympic sponsorship raises their opinion of the company and fewer said they would be inclined to buy a company's product because of such a sponsorship.

In January, only 37% said Olympic sponsorship raises their opinion of a company, down from 46% in the December survey. Those who said sponsorship does not affect their opinion rose to 59% in January from 50%.

When asked whether they would be inclined to buy a specific brand or product because its manufacturer is an Olympic sponsor, 27% said ~~yes, down~~ from 37% in December.

Those who said they would not be inclined to buy products from sponsors rose to 70% in January from 61%.

As the Winter Games approached and consumers began to notice more advertising from sponsors, some were starting to feel overwhelmed, the poll showed.

One-fifth of those polled said they felt there were too many ads mentioning Olympic sponsorship run at the time, up from 14% who said that in December.#

STOCK REPORT

AGENCY PERFORMANCE

	Close	% change
Foote, Cone & Belding	49⅞	1.0
Grey Advertising	97	−2.0
Interpublic Group	31⅛	1.6
Lorimar Telepictures	10⅝	2.4
Mickelberry Corp.	5½	0.0
Ogilvy Group	27¼	2.8
Omnicom Group	17⅞	−3.3
Saatchi & Saatchi Co.	21¾	0.0
WPP Group	16¾	6.3

ADVERTISERS PERFORMANCE

Winners	Close	% change
1. AMR Corp.	39½	11.6
2. Delta Air Lines	48⅛	7.8
3. Loews Corp.	73⅞	6.1
4. Mattel	7⅛	5.6
5. Warner Communications	33	5.6
Losers		
1. Noxell Corp.	20	−6.9
2. Pillsbury Co.	33¼	−5.0
3. Chrysler Corp.	25	−2.9
4. Schering-Plough Corp.	54⅛	−2.4
5. Goodyear Tire & Rubber	57⅞	−2.3

MEDIA PERFORMANCE

Winners	Close	% change
1. Harcourt Brace Jovanovich	6⅞	14.6
2. Chris Craft Ind.	21⅝	9.5
3. Times Mirror Co.	36⅞	6.9
4. Dow Jones & Co.	32½	6.1
5. Gannett Co.	36	2.8
Losers		
1. McGraw-Hill	55¼	−5.5
2. Scripps Howard Broadcasting	78	−5.4
3. Media General	43⅞	−4.6
4. Belo, AH Corp.	46	−3.4
5. Turner Broadcasting	10¾	−3.4

Source: Lomas Publications. For week ending 2/19/88. Based on AA's top 100 advertisers and media companies.

TV spending

(Continued from Page 1)

to be a record level for Kellogg.

There was other good news for the networks, according to recently released spending figures from Broadcast Advertisers Reports, the unit of New York-based Arbitron Ratings Co. that tracks TV ad spending.

The nation's top 25 network TV advertisers—which represented half of 1987's total net revenues of $8.81 billion—upped their total spending by $248 million over 1986 levels. The average increase for top 25 advertisers was 8.4%.

Only five of those advertisers, including P&G, pulled back. They include No. 2 ranked Philip Morris Cos., which cut spending by 3% to $331.9 million, and Sears, Roebuck & Co., which reversed a strong network growth cycle in recent years and cut spending 30% to $89.9 million.

Other advertisers also set spending records. RJR Nabisco, in a dramatic yearend spending burst, pumped spending up 34.7% to $209.8 million. Mars Inc., which was the 25th-largest buyer last year, surged to No. 17 on the strength of a 50% increase to $130.3 million.

There also was frenetic activity in the automotive ranks. No. 3-ranked General Motors Corp. lifted its budget by 17% to $273 million.

But Ford Motor Co. cut spending by almost 15% to $161.2 million. Chrysler Corp. purchased American Motors Corp. last August, and that contributed to an increase of 45% to $182.7 million.

Cincinnati-based P&G's huge spending reversal is historic for the nation's largest advertiser, which has been the pre-eminent TV advertiser since the medium was born.

P&G had boosted its net TV budget by about 10.4% a year since 1960, when it spent $46.4 million. It increased its net TV budget almost continuously since that time, with brief respites in the mid-1960s and early '70s.

But that ended in 1986.

"Declining efficiences overall in network, because of excessive pricing," have forced P&G to put the money elsewhere, said Greg Ostroff, a securities analyst with Goldman, Sachs & Co. "They've increasingly shifted away from network due to declining efficiencies, period."

But Charles Crane, VP and advertising-industry analyst with Prudential-Bache, said, "I wouldn't read too much doom and gloom into [the spending cut], but it's noteworthy when the behemoth of behemoths moves things around. I don't get the sense from agencies that this has affected them."

> *"Declining efficiences overall in network, because of excessive pricing," have forced P&G to put the money elsewhere.*
>
> **—Analyst**

A P&G spokesman said, "Spending in any given year will vary based on the given needs of brands. For example, new products or new initiatives on the part of existing brands" will affect spending.

P&G introduced several major brands in 1985, including Crest Tartar Control toothpaste and Ultra Pampers disposable diapers, which directly affected P&G's record $492 million outlay that year. Spending for the acquired Richardson-Vicks also was added to the P&G column that year.

Some analysts said the shifts are more fundamental. "I'm sure they're putting a lot more money in cable TV and a lot more into coupons" and promotions, said Jack Salzman, a VP at Goldman, Sachs. Syndication TV also is being emphasized at P&G.

There may be other reasons behind the drop. P&G owns a substantial block of daytime TV, which it uses for its own productions, and a softening daytime market in the past few years, as well as flat ratings on some of P&G's own shows, probably has caused the value of its own commercial time to fall.

P&G keeps some commercial time in its shows for its own brands; the networks sell the rest of the time.

BAR reported that the biggest fall-off in P&G's spending was in daytime. BAR counted $245 million worth of P&G daytime inventory in 1986; that had fallen 19.3% to $197.7 million last year.

Kellogg's whopping increase is primarily due to a rash of new, heavily marketed products.

In 1987, it committed $100 million in marketing and ad support for only four brands: three new cereals—Mueslix, Nutrific and Pro Grain; and Nutri-Grain line extensions.

In addition, the No. 1 cold-cereal marketer maintained heavy support for established lines, including Frosted Flakes and Special K.

But some of the big 1987 spending increase probably is attributable to a negligible increase the previous year. Kellogg typically does not comment on ad spending reports.

Automotive spending was affected by shifting market share patterns. Detroit-based GM put millions of dollars behind new entries in the fourth quarter, including the Buick Regal, the first of the GM-10 cars.

The company also lost nearly 5% market share last year and boosted spending to reverse the loss. Dearborn, Mich.-based Ford, however, had factories operating at full capacity to meet higher demand. Ad spending then softened.#

Julie Liesse Erickson in Chicago and Raymond Serafin in Detroit contributed to this story.

ABC

(Continued from Page 3)

work would have to deliver any make-good payments.

"With the exception of [the night of Feb. 13], they've done fine," said Bill Hadlock, exec VP, Leo Burnett USA, Chicago. "I suspect ABC is not unhappy; I know I'm happy."

If ratings do not pick up, ABC probably will offer some advertisers make-goods within the Games because some airtime was withheld for this purpose.

Some advertisers were optimistic ABC could make up the differential this week.

"They're within striking distance," said Bill Croasdale, senior VP, Backer Spielvogel Bates, New York.

Audience demographics also have been strong for the Games. "The audience comp has been higher than anticipated, and when you balance that out vs. household [ratings], then it's got to be pretty close to washing out," said Steve Grubbs, senior VP, BBDO Worldwide.

Clearly, ABC's success hinges on the success of the U.S. hockey team. "I think the ratings will go down if the hockey team is out of it," said Bob Watson, director of advertising services, AT&T. Mr. Watson's company concentrated its entire Olympic effort on the Feb. 21 telecast.

A major concern looms for NBC, whose telecast of the Summer Olympics in Seoul kicks off.

NBC has sold just over 70% of the total ad time in the event. One top ad executive said NBC could have trouble selling the balance of time if ABC's Games fall flat.

"Obviously, we hope ABC will do as good as it can for a lot of reasons," said Bert Zeldin, VP-Olympics sales and marketing at NBC.

Like ABC, NBC also is guaranteeing a 21 prime-time rating for the Summer Games.

Mr. Zeldin added, however, "I don't think [ABC's performance] will make any difference [in the NBC sales effort], but it would enhance it if their ratings were very good."

ABC got a 9.9 prime-time rating on Feb. 13. The network got an 19.7 rating on Feb. 14; an 18.1 rating on Feb. 15; a 25.5 rating on Feb. 16; a 19.3 rating on Feb. 17; and an estimated 19 rating on Feb. 18.#

Spot lineup irks viewers

NEW YORK—ABC-TV's commercial format for the Olympic Games is under attack.

Many commercials, including one for Chrysler Corp., interrupted goals by the U.S. hockey team during a crucial match against Czechoslovakia.

Also, during a game against the Soviet Union, ABC cut away to show skiing and skating, and missed two goals by the U.S.

"It's a fact of life in commercial TV and we deal with it the best we can," said an ABC spokesman, who added that advertisers had not criticized the network over this.

However, other sources said there was concern by some advertisers, and that ABC indicated it would shorten commercial pods in the hockey telecasts to minimize the chance for a recurrence.#

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Last Minute News

Sears revamps retail operations

CHICAGO—Sears, Roebuck & Co. this week will announce a sweeping restructuring of its retail operations, *Crain's Chicago Business* reports. The No. 1 retailer has been faced with languishing sales and profits in its flagship merchandise group. Sears' 27 buying groups will become independent, vertically integrated business units, each with greater control over the selling process. Entire layers of management structure will be eliminated in some cases as the reorganization is phased in during the next two to three years. Significant cuts through layoffs or attrition in the headquarters office are expected. The strategy is seen as an admission by Sears that each of its product lines has different merchandising and management needs, and that its current structure prevents the company from responding quickly to customer tastes.

JWT joins Revlon review

NEW YORK—Revlon Group has been talking to J. Walter Thompson USA about its $25 million media-buying account, resigned by Bozell, Jacobs, Kenyon & Eckhardt, as well as creative assignments, sources say. Reportedly, Young & Rubicam also has been added to the media re-

(Continued on Page 8)

Sorrell on target with JWT profits

By LAUREL WENTZ

LONDON—WPP Group Chairman Martin Sorrell appears to be on track in fulfilling the ambitious profit targets he set for J. Walter Thompson Co. when he bought the troubled communications giant last summer.

When Mr. Sorrell makes public WPP Group's 1987 financial results March 2, the announcement is expected to show concrete evidence of cost cutting at its JWT subsidiary and strong growth for other WPP companies.

By this time next year Mr. Sorrell should be far ahead of the goals he set for JWT's operating margins.

Although the figure for 1987 is expected to be only 5.5%, up from the agency's 1986 margins of 4%, the 1988 figure is expected to rise to 10%, a goal Mr. Sorrell initially hadn't planned to reach until 1990.

Financial analysts here and in the U.S. are forecasting pretax profit of $21 million to $22 million for WPP in 1987, which includes five months of JWT contributions through December.

Predictions for 1988 are even higher—more than double that of 1987.

Although there is no comparable figure for 1986, last year's results are an improvement over both JWT's and WPP's separate earlier figures.

"Our goal during the first six months has been to put things right with the directors of the different branches as far as precise financial goals are concerned," Mr. Sorrell recently told a European advertising publication. "We give

(Continued on Page 86)

Rolling out fresh foods

Carnation gets a head start

By MARCY MAGIERA

LOS ANGELES—Carnation Co. is establishing itself as early leader in a market that's whetting the appetites of many major food companies.

Carnation is racing to build a national presence in the fresh prepared foods business before Kraft Inc. and General Foods Corp. go national with products currently in limited test markets.

Carnation President-CEO Timm Crull told ADVERTISING AGE his company will invest as much as $40 million on the midyear national introduction of its Contadina Fresh Pasta & Cheese line.

Pasta & Cheese, like the other companies' experimental lines, is designed to compete with gourmet takeout food from restaurants and a growing number of supermarket deli sections.

"We want to determine [the parameters of] the category and own a big piece of it," said Stephen Cunliffe, president of the independently run Pasta & Cheese subsidiary. "That means pushing to get national before anyone else."

The Pasta & Cheese line consists of six fresh-cut pastas, nine filled pastas and nine pasta sauces. Carnation expects to add "second-generation" Italian-style line extensions by the end of the

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Is this man lying?
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America's Corp.

Conner pushes for logos

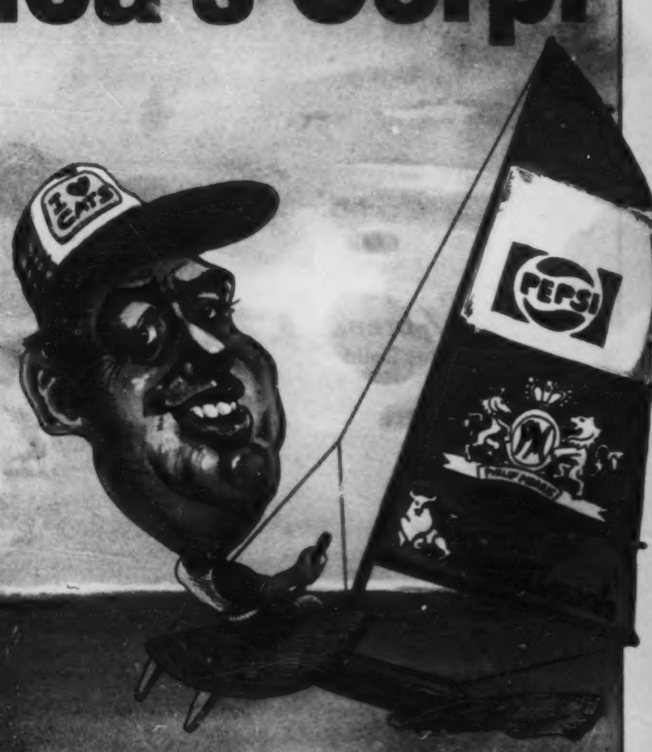

Illustration by David Kramik

By PATRICK Mc[illegible]GAN

If skipper Dennis Con[illegible]r gets his way, corporate log[illegible] will appear on the sails, h[illegible]s and crew of his catamaran during the America's Cup races this fall.

Mr. Conner's plan would make the logos of Merrill Lynch, Pepsi-Cola Co., Philip Morris Cos. and one other company visible throughout the nationally televised races.

In previous America's Cup [illegible] appeared on sails during practice and travel but not during races.

"Not only will [the logos] be on the sails, they'll be on the boat," said Mr. Conner, who is the skipper of the San Diego Yacht Club's defense of the America's Cup.

Merrill Lynch, Pepsi and Philip Morris have made sponsorship deals with Sail America, the syndicate organizing the defense of the cup.

A fourth company has signed up as a sponsor, Mr. Conner said, but he declined to identify it.

As organizer, Sail America decides how and where sponsors' logos can appear during the races, said Peter Isler, VP-communications of Dennis Conner Sports, a sports-marketing company.

Previously, individual race organizers have established the guidelines for sponsors. However, any guideline or proposed rule can be challenged.

Mr. Conner has told sponsors he wants four logos to appear on the hulls of the boat during all races.

He also said that each company would have the main sail and crew members' clothing to itself for one race.

His plan is contingent on the New Zealand challenger agreeing to a best-of-seven series, assuring at least four races. In a best-of-three series, the four logos would appear together on the sail, under Mr. Conner's plan.

"This is just a post-contract signing development," said Cathy Lieber, director of event promotions at New York-based Philip Morris. "It came as a big

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Campaign 88

Will Gore get gory?

ALBERT GORE

By STEVEN W. COLFORD

WASHINGTON—Sen. Albert Gore Jr. (D., Tenn.) is turning to a veteran media "streetfighter" from the Deep South to jump-start his presidential campaign.

Only 13 days before the crucial Super Tuesday, the Gore campaign hired Raymond Strother, who is expected to unleash a barrage of "attack" ads.

Work by Raymond D. Strother Ltd., Washington, will supplement Gore's Philadelphia-based agency, The Campaign Group.

Mr. Strother, 47, was unavailable for comment, and a Gore campaign spokesman said only that Mr. Strother's shop will help the other agency.

"Ray Strother is fairly versatile and capable of very effective negative ads, though he's also good at positive stuff," said Greg Schneiders, partner in political agency Hamilton, Frederick & Schneiders.

Mr. Strother has criticized Sen. Gore's decision to bypass Iowa and New Hampshire for an all-or-nothing gamble on Super Tuesday March 8, which involves primaries and caucuses in 20 states.

"Gore's got to finish first or second in the South," said Mr. Schneiders, media adviser to former presidential candidate Bruce Babbitt. "He's now brought in someone who's from the South, understands Southern politics better than anyone in this media business and is very strong in the closing days of a campaign."

It was during the closing days of campaigning in New Hampshire that Vice President George Bush broke negative ads against Sen. Robert Dole (R., Kan.) and won the primary. That scenario looks plausible for Sen. Gore, said Adam Goodman, VP at the Robert Goodman Agency, a Baltimore-based shop that works for Republicans.

"There's been a real trend in the last 14 days to negative ads," Mr. Goodman said, "and as that lesson is learned by Al Gore, who's got to do well on Super Tuesday, I think he will take a more aggressive approach."

He said Mr. Strother, a Louisiana native, "has a sense of the pulse of the South" and might be more attuned than The Campaign Group to what media will work in the South.

"Going negative wouldn't surprise me now, and Ray Strother is . . . a streetfighter who's not afraid to mix it up," Mr. Goodman said.

The most likely target of negative spots from Sen. Gore would be Rep. Richard Gephardt (D., Mo.), Mr. Schneiders said.

"He can't go negative against every other Democrat," Mr. Schneiders said. "When you spray buckshot like that, it will come back and hurt you.

"But if the polls are saying Gore is sharing votes with Gephardt—looking for the moderate-to-conservative Southern Democrat—then it would make sense to go after Gephardt. He's the logical target, not [Massachusetts Gov. Michael] Dukakis, whose appeal is to the more liberal Southern voters."#

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April start date

MasterCard sets 'difference' drive

By JUDITH GRAHAM

While the Visa card is grabbing the glory as an official sponsor of the Olympics, MasterCard is developing its game plan for the months ahead.

MasterCard International will reposition itself as a company that "Makes a difference." Advertising for all MasterCard products will be overhauled, sources close to the company said, though ad spending is expected to remain level at about $40 million.

MasterCard's new marketing direction will be formally proposed to member banks at its March board meeting.

The "Makes a difference" theme is a refinement of last year's cause-related promotion, themed "Choose to make a difference," that ran from Oct. 1 through Dec. 31, giving donations to various charities.

That promotion, which MasterCard says was a major success, contributed to a 25% rise in cardmember charges to more than $250 billion during the crucial Thanksgiving-to-Christmas holiday season.

The "Makes a difference" theme is seen as warmer and more substantive than the "Master the possibilities" theme that was launched in 1986, and it underscores MasterCard's actual benefits as opposed to its potential, sources said.

MasterCard's 1988 strategy is to spread its ad budget more carefully over a larger group of products. The first major creative for "Makes a difference" will be two 30-second network TV spots, breaking in April for Gold MasterCard. Lintas:New York handles the $5 million-plus effort, which is the first foray into TV for the product.

Last November, American

(Continued on Page 86)

'Soldier' loses protection plea for 'hit man' ad

By STEVEN W. COLFORD

A federal judge last week refused to give First Amendment protection to an ad placed by an alleged murder-for-hire "hit man" soliciting business.

The advertisement, which ran in several 1984 issues of *Soldier of Fortune*, said, "Ex-Marine—Nam Vets. Weapons specialist, jungle warfare, pilot, M.E., high risk assignments in U.S. or overseas. World security group."

A reader, Robert Black, answered the classified ad, placed by Atlanta mercenary John Wayne Hearn, and allegedly arranged for Mr. Hearn to murder Mr. Black's wife, Sandra.

As a result, Mr. Black is facing execution in Texas on a murder-for-hire conviction, and Mr. Hearn is serving three life sentences in Florida, two on other convictions.

In the suit against *Soldier of Fortune*, Mrs. Black's family charged that the magazine was negligent for not investigating the nature of the ad, and is seeking $22 million.

Lawyers for *Soldier of Fortune*, which is published by Omega Group, Boulder, Colo., have argued that the First Amendment insulated the magazine from responsibility.

The magazine's lawyers contend the ad didn't specifically propose illegal conduct.

But U.S. District Court Judge David Hittner on Feb. 25 rejected those arguments and sent the case to the jury to decide whether the magazine should pay damages.

Slade Metcalf, chairman of the legal affairs committee of the Magazine Publishers of America, said a judgment against the magazine might make other publications "more reluctant in taking ads of a controversial nature of ads that could cause harm to anyone."#

BEST AVAILABLE COPY

ADWATCH

AdWatch survey of advertising awareness Top 10 in January

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 1/88	12/87	Advertiser	Agency
1	4	McDonald's	Leo Burnett USA
2	2	California raisins	Foote, Cone & Belding
3	7	Ford	J. Walter Thompson USA
4	1	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
5*	9	Chevrolet	Lintas:Campbell-Ewald
5*	5	Pepsi-Cola	BBDO Worldwide
7*	6	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates
7*	—	Tide	Saatchi & Saatchi DFS Compton
9	3	Coca-Cola	McCann-Erickson
10*	8	Chrysler	Bozell, Jacobs, Kenyon & Eckhardt
10*	—	Toyota	Saatchi & Saatchi DFS

* indicates a tie

'Mac attack' wins battle for ad recall

By SCOTT HUME

Throw an extra bit of whimsy into McDonald's advertising and the recall needle jumps.

McDonald zoomed to the top of the charts in September with the "Mac Tonight" mini-campaign featuring the McMan-in-the-Moon character promoting the Big Mac sandwich.

It happened again last month, when McDonald's emerged with the best recall after it introduced a series of funny commercials, also for the Big Mac.

January was the Big Mac's 20th birthday. To celebrate, the chain aired a series of spots—from Leo Burnett USA, Chicago—graphically portraying the incredible power of the fabled "Big Mac attack."

In one spot, viewers were treated to a high-speed journey from home to the closest McDonald's through the eyes of an actual "attack" sufferer.

Jumping over obstacles, taking a shortcut down a child's backyard slide and zooming down the street, the "attackee" arrives at McDonald's and passes the Big Mac moonman in a rush to the counter.

You don't forget a journey like that. While McDonald's advertising seems to have a permanent home among the top 10 in recall in ADVERTISING AGE's monthly adWatch surveys, those commercials, coupled with local-market advertising promoting Big Mac price discounts, moved McDonald's into the top spot in January.

Rounding out last month's top 10 were the California Raisin Advisory Board's lovable dancers; Ford Motor Co.; Anheuser-Busch's Budweiser/Bud Light brand team; General Motors Corp.'s Chevrolet and Pepsi-Cola Co. in a dead heat for the No. 5 spot; Miller Brewing Co.'s Miller/Miller Lite brand duo tied Procter & Gamble Co.'s Tide laundry detergent for No. 7; Coca-Cola Co.; and Chrysler Corp. and Toyota Motor Sales USA tied for No. 10.

AdWatch is a joint project of AA and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days. In January, 1,000 adults were polled by telephone.

Among changes in individual product categories last month:

- After closing the gap with category leader Pepsi-Cola in past months, Coca-Cola lost ground last month in the **soft drink** category.

Coke's was the first soft drink advertising to come to mind for 27.8% of the sample, down 3.2 percentage points from 31% in December. Pepsi fell 0.3 points to a 34.4% share.

- E&J Gallo Winery's **wine** advertising remained in the No. 1 spot last month with a 12.4% share of first mentions. Its Bartles & Jaymes wine cooler tied with Banfi Vintners Riunite for second place with 5.4%. Riunite's recall was down 4.6 points from December.#

For more information or data, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

CORRECTIONS & CLARIFICATIONS

- Ralston Purina Co. will introduce Bran News cereal in selected markets in March (AA, Feb. 15, P. 1; Feb. 22, P. 10). At that time, its Double Chex moves into the East Central area of the U.S. These products are not moving into national distribution in March.
- A 1985 IBM Corp. business-to-business target video marketing program was referred to generically as "Videoware" in an article entitled "Selling Through Video Wins Proponents" (AA, Jan. 18, P. S-2). Videoware Corp. actually is the name of a New York-based target video marketing company that IBM hired to carry out the project.#

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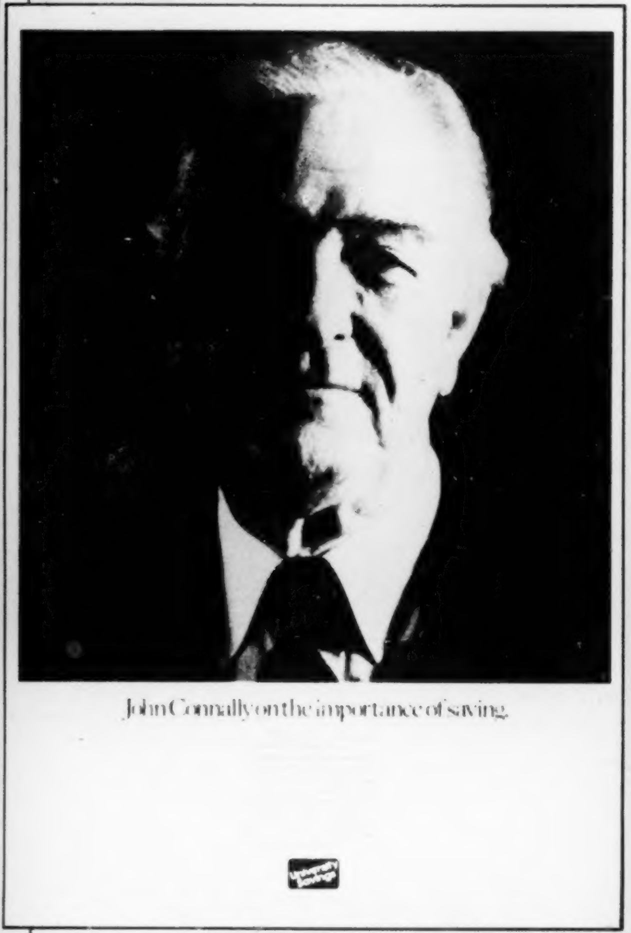
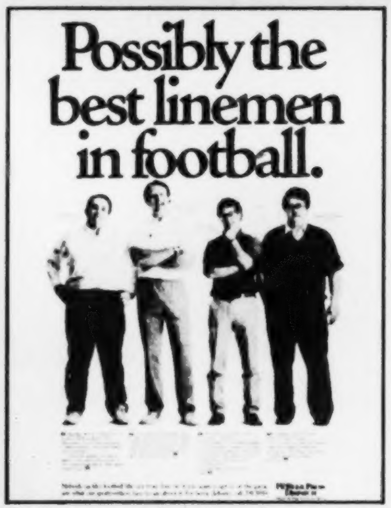
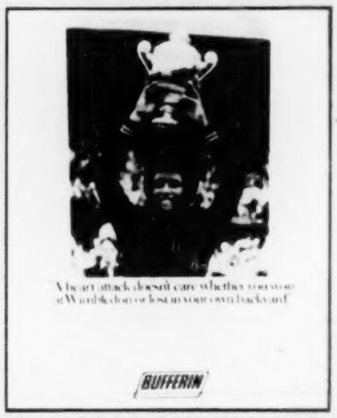

John Connally on the importance of saving.
University Savings

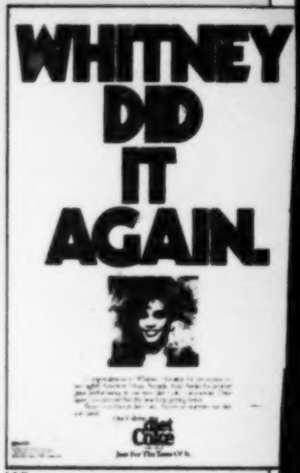
Using a Texan with a Texas-size problem, here is a testimonial you can trust. Considering John Connally's predicament, the headline amounts to black humor, and while anyone can get it, credit Taylor Brown & Barnhill, Houston, for creating a campaign neither the bank nor Mr. Connally will feel embarrassment about. Creative director: Dick Smith; art director: Mike Fazende; copywriter: Jane Child; photographer: Henry Sandbank.


Possibly the best linemen in football.

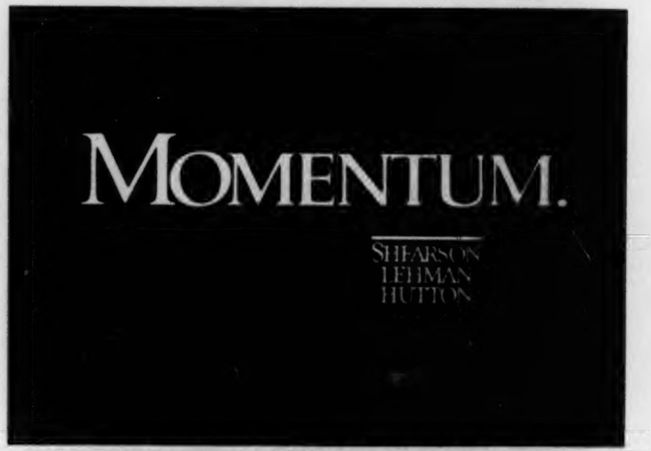
Sports-page readers always have a close relationship to sportswriters. So why not introduce the guys with a slice of their prose? Credit Clarity Coverdale Rueff, Minneapolis, for playing to writers' egos and readers' curiosity. At least you know they haven't missed any meals lately. Art director: Jac Coverdale; copywriter: Jerry Fury; photographers: Jim Arndt, Paul Sinkler.


A heart attack doesn't care whether you won at Wimbledon or lost in your own backyard.
BUFFERIN

You can't beat a testimonial when it comes on the heels of a study that shows aspirin may help prevent heart attacks. But credit Laurence, Charles, Free & Lawson, New York, for not being too heavy-handed. Instead, the Ashe quote delivers the story. Art director: Steve Pashkoff; copywriter: Dan Franklin.


WHITNEY DID IT AGAIN.
diet Coke
Just For The Taste Of It.

When a company congratulates its own spokeswoman, there aren't many surprises. And there are none here. But credit Coke and Lintas:New York for moving fast and targeting the success of its young star. All Whitney would have to do is show up at the American Music Awards and the copy would have worked. Executive creative director: Don Gill; art director: Michelina Pagano; copywriters: Peter Kellogg, Jordan Allen.


MOMENTUM.
SHEARSON LEHMAN HUTTON

One company has gotten a lot of mileage out of a trotting bull, but Shearson Lehman is showing what can be done with just words. In this case, one word that says it all after it gobbled up E.F. Hutton. Despite the new edition, credit McCann-Erickson USA, New York, for keeping it seamless. Creative directors: Bruce Nelson, John Nieman; assistant creative director/copywriter: David Liemer; senior art director: Marc Eisenoff.

Best of Press selections are made by a committee of three: Hank Simons, VP-creative director, Newspaper Advertising Bureau, New York; James Duneway, VP-information, Newspaper Advertising Bureau; and Patrick Reilly, Advertising Age newspaper industry reporter. National System Inc., St. Louis, provides tearsheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Reilly in AA's New York bureau.

Newspaper ad spending up for holidays

NEW YORK—Concerns about decreased consumer spending after the Oct. 19 Wall Street plunge encouraged department stores and general merchandise stores to step up their usual holiday ad blitzes.

In the newspapers measured for the ADVERTISING AGE Flash Report, the department stores and general merchandise stores advertising categories posted $6.6 million and $10.7 million gains, respectively, in December 1987, compared with one year earlier.

General merchandise had the biggest year-to-year dollar gain of any of the 16 categories tracked for the December report by Media Records.

The amusements advertising category continued a surge that began last summer, largely because of the sustained box office sales boom for Hollywood moviemakers. Amusements ads posted a $7.2 million gain, or a 20.5% increase. That follows dollar increases in October of $8.1 million and in November of $8.4 million.

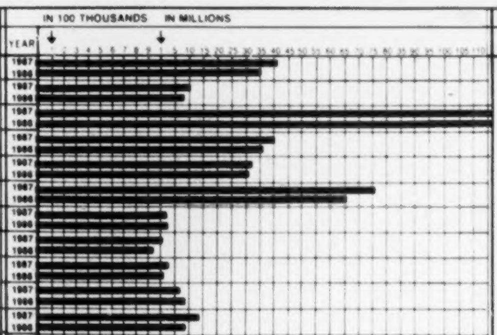
In general, newspaper ad spending surged in December. Only five of the 16 categories were down from year-ago levels: alcoholic beverages; airlines; banks and trust companies; public service utilities and communications; and stock, bond and investment houses.

One of December's gainers, new-car advertising, has been running ahead of 1986 levels through most of '87. The new-car ad category was up to $24.9 million in December, a 14.5% increase.

Ad spending in cigarettes, a category that often ran behind 1986 spending levels last year, showed one of the largest percentage increases to $2.6 million, or a 31.6% jump. December was the third time in the last four months that cigarette spending has picked up from '86 levels. However, the December spending level was still below the $3.1 million spent in November.

The largest percentage increase came in publishing and media, where spending increased 33% to $13 million.#

FLASH REPORT: Newspaper advertising investment for December



December 1987		DOLLARS		CHANGE	
CATEGORIES	YEAR	1987	1986	ACTUAL $ G OR L	% G OR L
Amusements	1987 1986	$42,506,680	$35,261,655	+7,245,025	+20.5
Computer stores & supplies	1987 1986	10,281,968	8,629,386	+1,652,582	+19.2
Department stores	1987 1986	139,425,697	132,802,960	+6,622,737	+5.0
Food stores	1987 1986	41,926,459	37,634,753	+4,291,706	+11.4
Radio, TV, phonographs, records	1987 1986	33,286,905	32,740,824	+546,081	+1.7
General merchandise stores	1987 1986	76,346,281	65,571,725	+10,774,556	+16.4
Alcoholic beverages	1987 1986	3,365,147	3,788,759	-423,612	-11.2
Cameras, photo supplies & services	1987 1986	1,118,520	950,834	+167,686	+17.6
Computers, equipment & services	1987 1986	3,671,513	2,975,833	+695,680	+23.4
Public service utilities & communications	1987 1986	7,083,363	9,013,966	-1,930,603	-21.4
Publishing & media	1987 1986	13,033,318	9,798,229	+3,235,089	+33.0
Cigarettes	1987 1986	2,580,758	1,960,942	+619,816	+31.6
Airlines	1987 1986	9,507,533	9,842,509	-334,976	-3.4
Passenger cars-new	1987 1986	24,936,257	21,769,751	+3,166,506	+14.5
Banks & trust companies	1987 1986	5,834,434	6,893,482	-1,059,048	-15.4
Stock, bond & investment houses	1987 1986	1,587,494	1,715,439	-127,945	-7.5

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 22 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.

Source: *Media Records Inc.*

Special Report

Automotive Marketing

Dan Hurley

Spinoffs lead carmakers upward

By Anita M. Busch

Following Acura's lead, Nissan and Toyota are planning to venture into the luxury car segment by introducing upscale divisions by 1990. Other import marketers are trying to upgrade their image as well.

Toyota's Lexus division, Torrance, Calif., and Nissan's Infiniti division, Carson City, Calif., are positioning themselves to compete with American Honda Motor Co.'s Acura division and domestic and European luxury lines in the 1989-1990 model years.

Other importers with image problems, including Yugo and Audi, are tackling the market with new ad campaigns designed to change consumer perception.

Yugo America, Upper Saddle River, N.J., whose $3,990 price tag and poor car performance has been cited in the press as inexpensive but cheap, will advertise the car's durability and endurance. Audi of America is battling to regain consumer confidence after a substantial 1987 U.S. sales decline. The Troy, Mich.-based company introduced its 80/90 series to the U.S. market for model year 1988.

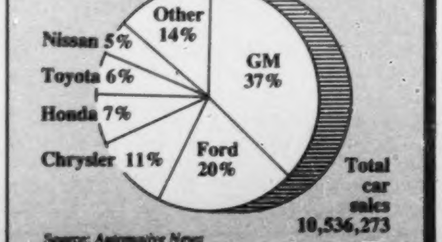
Meanwhile, the Big Three domestic carmakers each have launched image-oriented campaigns focusing on product design, brand identification or new model introductions to win over U.S. consumers.

Ford's Lincoln-Mercury division, Dearborn, Mich., will put most of its marketing dollars behind Lincoln-branded models and the redesigned Continental.

Chrysler, Highland Park, Mich., with its newly acquired Jeep/Eagle division, wants to establish the Eagle brand as a luxury line.

Detroit-based General Motors will try to create a distinct brand identity for each of its divisions. Concept cars presented in January at the "GM Teamwork and Technology" auto show in New York along with the company's ad efforts hope to reflect that move.

1987 model year sales by car share



Source: *Automotive News*

The Acura gambit pays off for Honda

By Ruth Stroud

When American Honda Motor Co. first introduced the Acura in March, 1986, it was viewed as a bold but risky move.

Critics wondered if a Japanese auto company could succeed in a European-dominated luxury car market.

After nearly two years of marketing efforts, American Honda's Acura division, has become the leader in the import luxury auto market. More than 160,000 of the cars were sold in the U.S. during the Acura division's first 21 months in operation—109,470 of them last year.

That figure tops 1987 sales of key competitors, including BMW, Mercedes Benz, Volvo and Audi. *Motor Trend* named the Legend Coupe 1987 Import Car of the Year, and Acura ranked number one in a customer satisfaction index by J.D. Power & Associates, a Westlake Village, Calif.-based automotive researcher.

Honda's success in the luxury performance automotive segment—perceived to be one of the few growth areas in a basically flat car market—has lit a fire under its major rivals. Both Nissan and Toyota announced plans last year to introduce their own luxury car lines in the fall of 1989.

Other Japanese car companies are already pushing upscale lines. Both Mitsubishi Motor Sales of America, Fountain Valley, Calif., and Mazda Motors Corp., Irvine, Calif., introduced high-end models last fall. American Isuzu Motors, Whittier, Calif., has been studying the market as well.

Honda, while confident that its 3½ year lead on Toyota and Nissan will make the Acura a tough act to follow, isn't resting. The company's Gardena, Calif.-based Acura division will introduce two cars in the 1990 and 1991 model years, including Acura's first V-8 sedan and a mid-engine sports car.

Analysts expect Honda's Acura division to introduce two updated versions of its flagship models—the Legend sedan and coupe—in 1991 to compete against specialty coupes and smaller four-door sedans from Lexus and Infiniti.

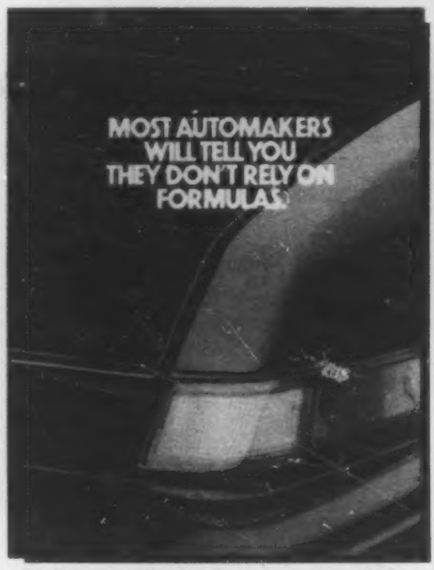
"We can hear the footsteps [of the competition] and . . . we're trying to lay as much track as we possibly can before they start running against us," says Eric Conn, manager of automobile advertising for both Acura and Honda cars.

Honda was the first Japanese automaker to open a U.S. auto plant and the first to announce last fall that it would export American-made cars overseas.

"It's our feeling we were here first, so we have the right to choose the trail we want to go down," says Mr. Conn. Honda's aim is to maintain the Acura image in its advertising "without becoming reactionary," he adds.

So far, Acura advertising has taken on European automakers rather than the Japanese. Ads announcing the introduction of the Acura Legend coupe last spring stated "the finest sports coupes no longer have to come from Europe." And, recent print and TV ads have touted the Legend Sedan as "the performance sedan that's making European automakers uncomfortable."

But American Honda insists that it isn't out to "get" the Europeans. "[The company] has always had the distinction of carving out a new niche for itself," says Ron Buckhammer, senior VP and management supervisor on the Acura account at Ketchum Advertising, Los Angeles.



Performance plus comfort equals Acura's formula for its Integra.

MAYBE THAT'S BECAUSE THEY JUST HAVEN'T FOUND THE RIGHT ONE.
ACURA

"For the time being we need to use the Europeans as a point of reference. But our intent is not to start an advertising war with [them]," Mr. Buckhammer says.

From the early decision to market Acura through a separate division and advertising agency, American Honda has sought to distinguish its upscale car line from Honda. Initially ads made little reference to the Honda connection. The cars were referred to as "Precision crafted automobiles" and, more recently, the tagline has changed to "Precision crafted performance."

Later ads have linked the performance of the vehicles with Honda's championship racing heritage. One TV spot shows a Formula One race car speeding around a track, ending with a shot of the Integra. "It's only because we can do this so well that we can do this," the announcer says. "Formula One technology—and it's street legal," the voiceover says in another spot.

Other TV spots have emphasized the Acura's press statements and awards. This year marks the first time Acura has used radio spots.

Acura: Total U.S. car sales

Acura division of American Honda Motor Co.

1986	52,869*
1987	109,470
% change	107%
Projected 1988	150,000- 160,000

*not a full year

Source: *Automotive News*. Projected sales from the Acura division of American Honda Motor Co.

The emphasis on performance and speed in commercials, with shots of the car cornering on race tracks and revving to top speeds within seconds, have had some minor drawbacks. One 60-year-old Californian was appalled when his insurance company refused to insure his new 1988 Acura Legend sedan because they considered it a high-performance vehicle. Other insurance companies agreed to insure the car, but only with expensive premiums.

"[It's] smarter to advertise the overall performance and feel of an interesting car than to talk about flat-out speed because that does attract the attention of insurance companies," says Mr. Buckhammer.

So far, Honda's ad strategy has paid off in sales. With less than half the dealers of each of its major competitors last year, Acura became the best-selling import in the U.S. luxury market. In 1987, total U.S. sales were up 52% from the previous year, from 52,869 in 1986 to 109,470 in 1987. The company is projecting sales of 150,000 to 160,000 this year and about 300,000 by 1990, according to Mr. Conn.

Whether that goal proves too ambitious depends how fast the luxury car market continues to grow. According to J.D. Power, sales of cars priced above $20,000 have nearly doubled since 1980 to about 1.2 million last year, while the overall automotive market has grown only half as fast.

Christopher Cedergren, senior automotive analyst at J.D. Power, projects the category will grow another 20%, or more than 200,000 cars by 1991.

Others in the industry are less sanguine. Carl Flesher, general manager, marketing communications for BMW of North America, Montvale, N.J., says BMW forecasts a slowdown in growth in the upscale vehicle market in the wake of Black Monday, the weak dollar and the new tax law.

"There's probably not room for everybody [in the luxury auto segment]," said George Peterson, president of AutoPacific Group, a Newport Beach, Calif. research company. However, Acura, because it introduced the first upscale Japanese import, will probably continue to do well, he says. But Nissan and Toyota, by waiting, may be introducing their upscale lines in the middle of a recession. "They're going to have to make more noise to get attention," Mr. Peterson says.

Toyota and Nissan are expected to spend at least $60 million each the first year to promote the introduction of Lexus and Infiniti. In contrast, American Honda's first year ad budget for Acura was about $20 million, not quite large enough to support the introduction of both the Legend and Integra lines, according to Mr. Peterson.

"A lot of their dealers were forced to advertise . . . probably more than they anticipated just to establish brand awareness and get the attention of the public."

The Acura ad budget increased to the mid-$40 million range in 1987 and is expected to rise above $50 million this year as the company almost doubles its dealer network to 400-plus and strives to meet sales projections. Still, Mr. Peterson says, "[The Acura division] probably could do more in terms of share of voice to make sure their cars are very solidly entrenched before the Lexus and Infiniti get here."

Acura's initial idea was to attract "move-up" Honda buyers—those ready to graduate into a more expensive model. Acura, benefiting from the falling dollar against the yen and mark, is now attracting the European import buyers, according to industry analysts. Although, the Japanese and European automakers both increased their car prices, the initial sticker price of European imports were higher. This sent more potential customers of BMW and Mercedes to Acura dealerships, industry analysts say.

Recent prices for the Legend models, the flagship of the Acura line, ranged from the mid-$21,000 range for a 4-door sedan to about $30,000 for the Legend Coupe LS. BMWs range from about $24,000 to $67,000, while Mercedes range from $30,000 to $70,000.

Competitors are quick to acknowledge the significance of Acura's presence in the luxury market and the coming of Lexus and Infiniti. "Any European manufacturer that sells cars in the $20,000-to-$40,000 range must be fully aware of what the Japanese [automakers'] plans are. If they aren't, based on what [the Japanese] have done in the past, they could pose a very grave threat," says Mr. Flesher.

Although BMW's U.S. sales were down about 10% in 1987 from the previous year, the German automaker says it isn't changing its strategies in response to Acura, according to Mr. Flesher.

The Acura's success has put European automakers on the defensive, according to Peter Serchuk, group creative director at Grey Advertising, New York, Mitsubishi's agency.

"Acura has come in and proved people will pay [more than $20,000] for a quality Japanese car if treated properly."

Ruth Stroud is AD AGE's *Los Angeles-based correspondent.*

Lexus learning the lexis of luxury

By Chuck Wingis

The official launch of the 1990 Lexus luxury car division of Toyota is still some 18 months away, but the pre-sell promotion has already begun. Lexus marketing executives, after studying some competitors' promotional strategies, expect to model their efforts after some of the auto industry's most successful launches. In fact, Lexus' research included talks with Acura dealers.

Chuck Wingis is an Advertising Age *corporate editor.*

■ *Eager new Toyota division does its homework in studying other car launches*

"Textbook example: Ford's Taurus and Sable launches were the best we've ever seen. The cars were sold out long before they came to market, a great pre-sell," says Janet Thompson, the division's national marketing/operations manager. Ms. Thompson is former national ad manager for Toyota pickup trucks and one-time Chrysler Corp. executive.

Prototype Lexus models will be displayed at the first of the 1989 national auto shows next January. The finalized versions of the factory production units are expected to roll into dealer showrooms in September, 1989.

This year marketing strategies for Lexus—the car that Toyota Motor Sales U.S.A, Torrance, Calif., has promised will be "a dramatically new, world-class luxury performance sedan that will establish new standards in technology and performance"—will focus on image-building and name recognition.

Toyota: Total U.S. car sales

1986	641,195
1987	630,052
% change	−2%
Projected 1988	same as 1987

Source: Automotive News. Projected 1988 sales from Toyota Motor Sales USA

According to Ms. Thompson, "We're expecting to do a tremendous pre-sell. By the time of the official launch and dealership grand openings everything with a Lexus name on it will be sold and gone. They're exclusive cars, not mass-market vehicles. Supply will be about one less than demand."

Although Lexus was formally announced late last August, Toyota had the concept of the new division at least since January, 1987, when J. Davis Illingworth, previously the company's assistant national sales manager, was named corporate manager. Before joining Toyota in 1980, Mr. Illingworth had spent ten years at Chrysler Corp.

There are currently 40 staff members for the division; the company hopes to have more than 200 people on board by the fall 1989 launch date. Upcoming hirings will include administrators for sales development and auto shows/special events.

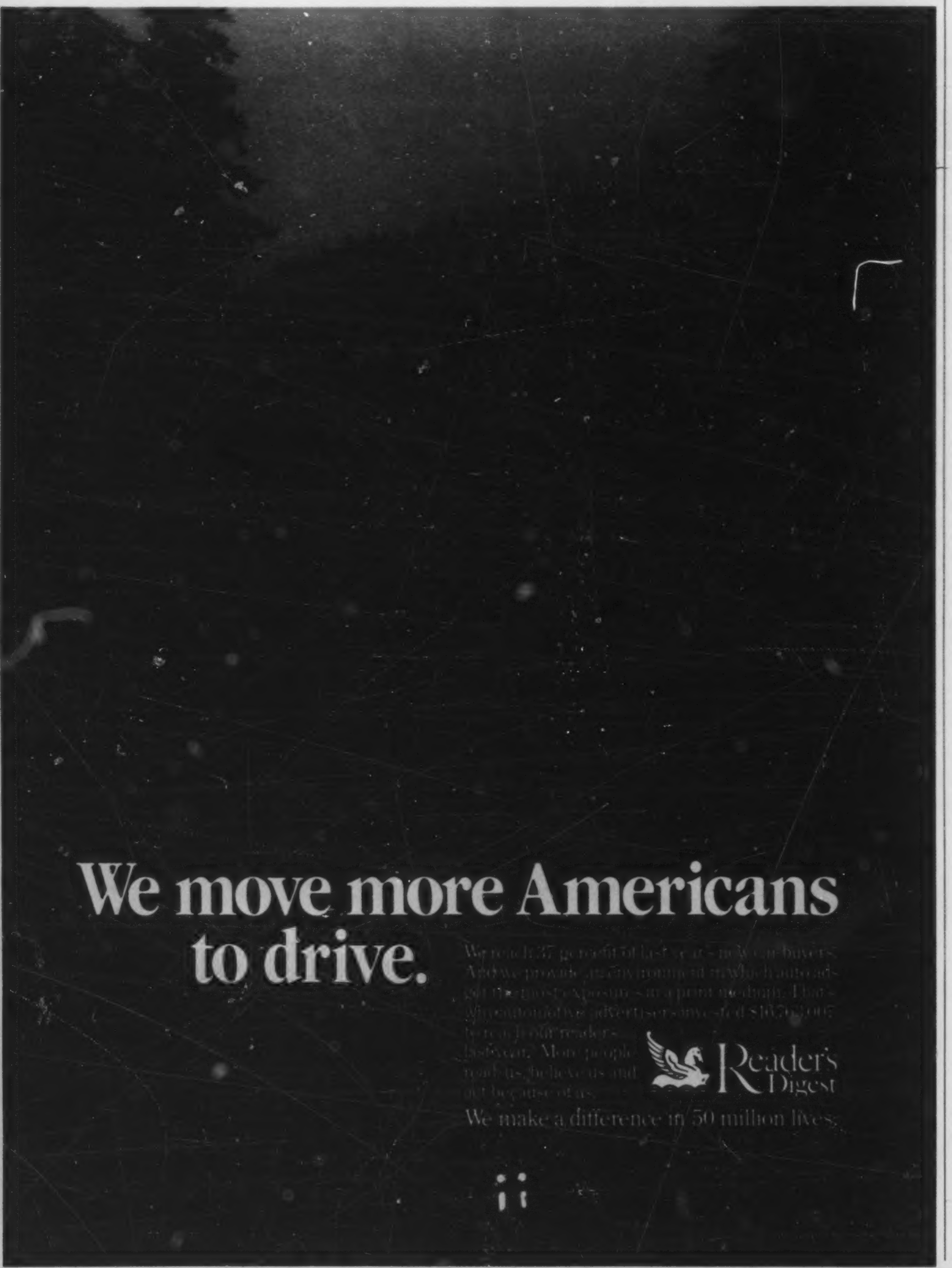
Lexus was hastened by the March, 1986, entry of American Honda Motor Co.'s luxury-car division, Acura, and by Nissan Motor Corp.'s Infiniti division, which was announced just a month ahead of Lexus.

When Toyota decided to join the other players in the luxury car segment, it moved quickly, selecting the company's Saatchi & Saatchi DFS, Torrance, Calif., as the agency for Lexus in early November.

The S&S offspring handling Lexus is known as Team One. Scott Gilbert, senior VP for Team One, had previously worked with Ms. Thompson for nearly a year executing the marketing strategy that established Toyota pickup trucks as a market leader.

The day after its selection, Team One began fine-tuning its research of the luxury car market and began creative

(Continued on Page S-10)


We move more Americans to drive.

We reach 37 percent of last year's new-car buyers. And we provide an environment in which auto ads get the most exposure in a print medium. That's why automotive advertisers invested [illegible] to reach our readers last year. More people read us, believe us and act because of us.

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We make a difference in 50 million lives.

Image conscious? Here's what to b[illegible]

Practical? Get a Honda, not a Lamborghini. Fun-loving? Try a Porsche, [illegible]

Most prestigious	Most luxurious	Most reliable	Most practical	Most fun	Most sporty
1. Lamborghini	1. Mercedes	1. Mercedes	1. Honda	1. Porsche	1. Porsche
2. Porsche	2. Cadillac	2. Toyota	2. Toyota	2. Lamborghini	2. Lamborghini
3. Mercedes	3. Lincoln	3. BMW	3. Ford	3. Jeep	3. Jaguar
4. Jaguar	4. Jaguar	4. Volvo	4. Chevrolet	4. Jaguar	4. Mercedes
5. BMW	5. Lamborghini	5. Porsche	5. Nissan	5. Mercedes	5. BMW
6. Cadillac	6. BMW	6. Jaguar	6. Buick	6. BMW	6. Jeep
7. Lincoln	7. Porsche	7. Lamborghini	7. Oldsmobile	7. Nissan	7. Nissan
8. Audi	8. Audi	8. Nissan	8. Volkswagen	8. Toyota	8. Audi
9. Volvo	9. Oldsmobile	9. Honda	9. Chrysler	9. Saab	9. Toyota
10. Saab	10. Volvo	10. Oldsmobile	10. Volvo	10. Audi	10. Saab

Least prestigious	Least luxurious	Least reliable	Least practical	Least fun	Least sporty
1. Volkswagen	1. Jeep	1. Renault	1. Lamborghini	1. Lincoln	1. Lincoln
2. Jeep	2. Volkswagen	2. Jeep	2. Porsche	2. Chrysler	2. Cadillac
3. Chevrolet	3. Honda	3. Peugeot	3. Cadillac	3. Renault	3. Chrysler
4. Honda	4. Renault	4. Pontiac	4. Lincoln	4. Oldsmobile	4. Oldsmobile
5. Toyota	5. Toyota	5. Chrylser	5. Jaguar	5. Buick	5. Volkswagen
6. Ford	6. Chevrolet	6. Mercury	6. Peugeot	6. Mercury	6. Buick
7. Renault	7. Nissan	7. Audi	7. Saab	7. Cadillac	7. Mercury
8. Nissan	8. Ford	8. Volkswagen	8. Jeep	8. Peugeot	8. Renault
9. Mercury	9. Pontiac	9. Saab	9. Mercury	9. Ford	9. Ford
10. Pontiac	10. Peugeot	10. Ford	10. Audi	10. Volvo	10. Chevrolet

[illegible]

Lexus learns lexis of luxury

(Continued from Page S-6)

work on a Lexus video presentation for the 1988 auto show season.

Their study found that an estimated 29 new models would enter the market by 1992, bringing the total number of models in that category to 70 or 80.

The Team One videotape debuted at the Greater Los Angeles Auto Show in January. No Lexus product was shown but the video presentation helped trigger 5,000 consumer inquiries from potential buyers. Repeat performances in Chicago, Atlanta and New York auto shows were expected to boost the total response to more than 20,000 names, leads Team One will follow up with a direct-mail campaign.

Full-page ads that ran last summer in *Automotive News* and *Ward's Auto Dealer*, have generated more than 1,000 inquiries and 400 applications (as of January) from potential Lexus dealers, according to the company.

The print ad reads, "Lexus is looking for the finest dealers to sell the world's finest motor cars," and carries the names and addresses of the division's area marketing representatives. Besides the auto shows, this one ad represents the only real advertising Lexus has done to date.

The ante for acquiring a dealership is $3 million to $6 million, depending on market location. Both Toyota and non-Toyota dealers are being considered as Lexus dealers. They will be judged on their customer satisfaction records, financial soundness and business know-how.

About 100 dealers will be in place at launch time; the first dealers will be announced in late March or early April. Dealers will be concentrated in the top 50 U.S. luxury car markets.

A public relations effort is also polishing the Lexus image. The liaison between Lexus management and press is Kurt von Zumwalt, public relations manager, a 14-year veteran of the Toyota Motor Sales organization.

Phase one of the promotional effort began in January with the unveiling of the Lexus logo at the Los Angeles Auto Show. Known as the gold "L" design, the logo was the product of three design and advertising agencies over a six-month period.

The new logo was tested with Toyota employees and focus groups made up of luxury car owners. Nearly 75% of the test groups rated the gold "L" as their first or second choice among the eight designs tested. Gold will be the primary color for Lexus logo applications.

LEXUS IS LOOKING FOR THE FINEST DEALERS TO SELL THE WORLD'S FINEST MOTOR CARS.

Trade ads last summer drew more than 1,000 inquiries to become one of the estimated 100 Lexus dealers.

In January, Toyota also released an artist's rendering of the Lexus sedan, which will be one of the two 1990 models.

Both models are Japanese designed and built. Auto shows scheduled for the 1989 season will feature actual prototypes of the Lexus models. The division's primary market will be the U.S., although the line will eventually be sold in other major markets throughout the world.

The flagship model, priced from $30,000 to $35,000, will be a 4-door, luxury sedan, with a V8 engine and equipped with state-of-the-art electronics. The sedan will compete in the market now dominated by European nameplates—Mercedes-Benz, BMW, Jaguar, Volvo and Audi—but the majority of buyers are expected to be baby boomers, many of them Toyota

(Continued on Page S-14)

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Source: Scarborough San Francisco Market Study, 1987, 1-issue reach.
Sales & Marketing Management, Survey Buying Power, 1987

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SAN FRANCISCO NEWSPAPER AGENCY
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San Francisco Examiner

Lexus learns lexis of luxury

(Continued from Page S-10)

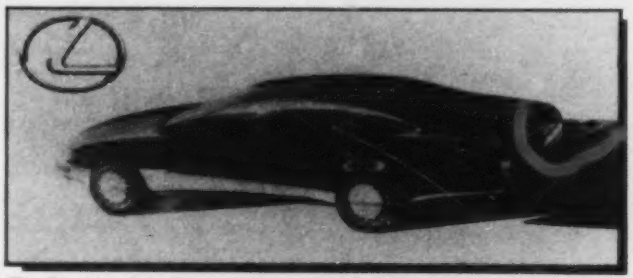
owners looking to move upscale.

A second Lexus model, a 4-door sedan powered by a V6 engine, will carry a price tag of about $20,000. The sedan will compete with selected European models as well as the Acura Legend and the Sterling. A sport coupe will be added to the line in 1991.

Toyota's Lexus division and Nissan's Infiniti division each will have three basic model lines by 1991 to compete in the upper-$20,000 to mid-$30,000 range.

Infiniti's 1990 V8-powered flagship sedan and Lexus' V8 sedan are expected to try to create a new niche between the big American luxury cars and European cars, such as Mercedes-Benz, Volvo and BMW's 5 and 7 series.

Lexus executives see the Acura Legend, which sells in the $20,000- to-$25,000 range, as being more volume-oriented than Lexus models. And, priced at $30,000-plus, the Lexus V8 comes to market at a higher price level than the Acura. "Our $20,000 near-luxury Cressida is more in the range of the Acura and is a nearer competitor," says Ms. Thompson. "With Lexus we're coming in with an exclusive, true luxury car, 'leap-frogging' the Acura, which is more of a mass-market product . . ."



The flagship of the Lexus division, seen in this rendering, will be priced from $30,000 to $35,000.

Total sales of the Acura Legend and Integra in 1987 were 109,470 units.

Though the Lexus executives wouldn't discuss advertising budgets, they did say they expect to spend heavily—possibly more than the competition—in order to carve a niche in the crowded, luxury segment. Spot TV, radio, auto buff magazines and selected consumer publications will part of the media mix.

The luxury market is a high stakes game, says Ms. Thompson. "A $50 million, $60 million budget . . . BMW is up to $75 million now . . . and that's just in basic media spending. They can see us coming and they're trying to solidify their markets as much as they can."

While Acura reported total sales gains in 1987, other importers in the luxury category did not.

The Lexus sales forecast for the first 4 months, is 16,000 units. Tentative sales target for calendar 1990, its first complete year, is 60,000 units, rising to a goal of 100,000 units in its fifth year.

> ***"We're expecting to do a tremendous pre-sell. They're exclusive cars, not mass-market vehicles. Supply will be about one less than demand."***
>
> **Janet Thompson**
> **Lexus**

"You lose exclusivity when you aim for the mass market and a 600,000-unit sales goal," says Mr. Illingworth.

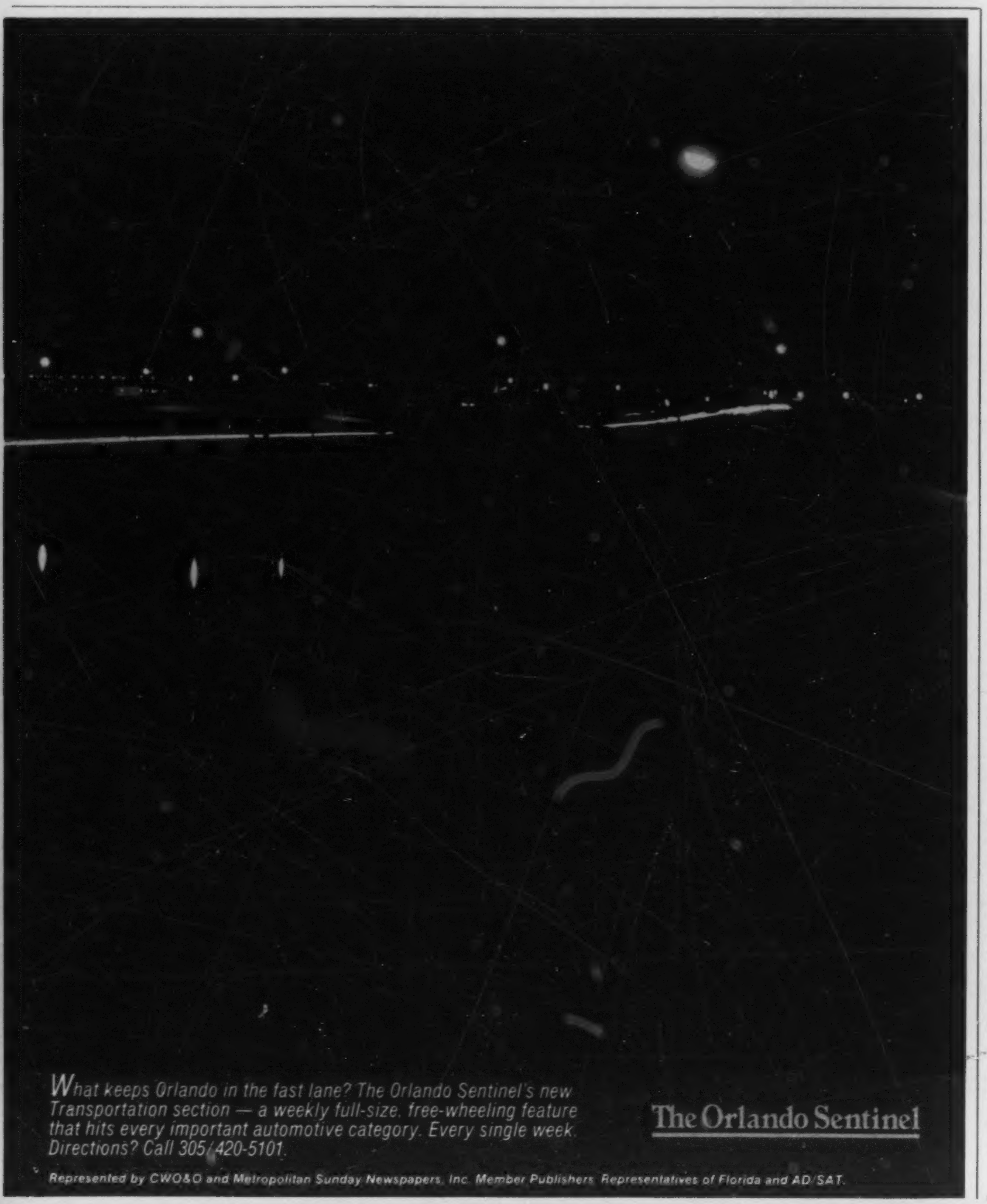
Last fall, at the start of the 1988 model year, Toyota adopted a three-year/36,000 comprehensive car warranty, same as that for Honda's Acura line and some European manufacturers. The same type of warranty is expected to extend to Lexus cars, although Toyota can be expected to tout product quality, not the new warranty.

The launch is proceeding on schedule, however, there are still advertising and marketing questions to be answered, such as sports sponsorship and the use of celebrity spokesmen. The Lexus marketers view sports, both local and national events, as an important part of the luxury-car promotion effort.

"We're still six months away from making a decision in this area. We think the customer we're trying to reach is very focused, so our attention needs to be equally focused on specific media offerings that appeal to . . . the customer's interest." Possible areas may include college basketball and cultural events programming, says Mr. Illingworth.

"Our preliminary research indicates that maybe a celebrity spokesman wouldn't work for us, but we're certainly not going to overrule that possibility," he says.

"We've only begun to work on our creative and we're not going to eliminate any approach too early in the game."



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Infiniti eyes young, affluent crowd

By Sheryl Harris

A competitor's success and Nissan Motor Corp's own research are inspiring yet another grab for a share of the upscale car market.

Ready for launch in the fall of 1989, Nissan's Infiniti division will splash onto the auto scene with an ad budget "above and beyond what Acura spent," according to William Bruce, general manager of the Infiniti division.

Acura's first year budget was about $20 million and in 1987 has increased to the mid-$40 million range.

Executives at the Carson, Calif.-based Infiniti division contend that studies conducted the last two years, coupled with lessons learned from Honda's 2-year-old Acura division indicates that yuppies acquainted with Japanese cars are ready to graduate into a luxury Japanese car comparable to that of a Mercedes-Benz or BMW.

Mr. Bruce says that more than a year's worth of research has helped Nissan target potential upscale customers in the 1990s. "They want what we call the Total Ownership Experience," says Mr. Bruce. "It is a triangle of the product, the purchase experience and the ownership experience."

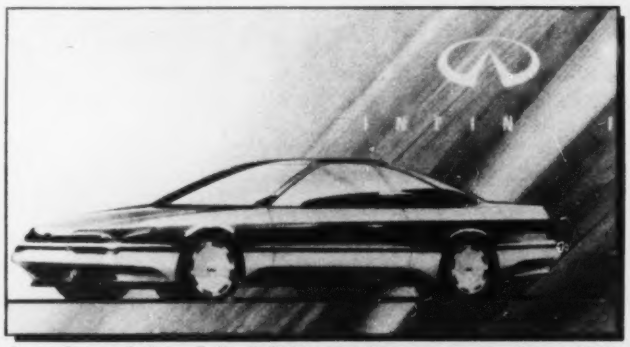
"The Infiniti division buyer will be younger than those of some other luxury divisions, their income and education level will be higher and many will have moved up recently into the luxury category," predicts Mr. Bruce.

The division's executives believe potential Infiniti customers expect the product to be comparable to any luxury car available in terms of design, function and price.

■ *Nissan unit expects to sell to buyers wanting the Total Ownership Experience*

Mr. Bruce says the purchasing experience for Infiniti must be positive. "The programs offered have to be pleasant, friendly, professional and offered on a one-on-one basis."

Also, he says, "Once you buy the car, you don't want to wait in lines for service. You want the entire operation to be [convenient]."


An artist rendering of the Infiniti specialty sport coupe shows off its aerodynamic look. The car will be powered by a race-tested V-6.

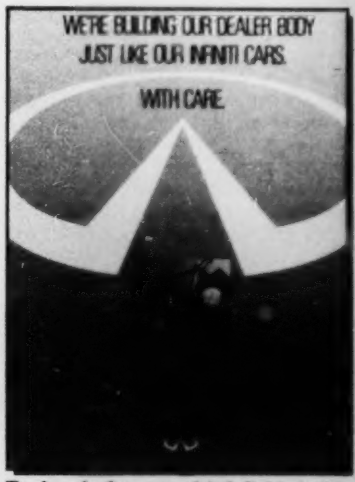
He says the division will employ knowledgeable service representatives who will be able to discuss the needs of the car with the customer and provide good service, communication and follow-through.

"The first manufacturer to do that on a nationwide basis is going to be a big winner," he says.

Infiniti franchise dealers are required to have a full-service, stand-alone facility designed for the needs of the buyer. "We want to be small," Mr. Bruce says. "We are accepting 75 franchises the first year and maybe 300 for the whole division. We believe we can provide better focus and offer unique services if we stay small."

The company plans to announce their dealerships shortly after the National Automobile Dealers Association meeting earlier this month.

The Infiniti symbol was created by Lippincott Margulies, New York. According to company sources, the mathematical symbol was too generic, so Infiniti chose one that created a "limitless and boundless image." The two sides of a cirle converge and turns inside itself forming an apex, which Infiniti sources say represent a road without end. The Infiniti name was chosen "because it was conceptually consistent with the Japanese heritage." An "i" rather than a "y" is used for product distinction.


WE'RE BUILDING OUR DEALER BODY
JUST LIKE OUR INFINITI CARS.
WITH CARE.
Trade ads for potential Infiniti dealers were meant to be selective.

Mr. Bruce predicts the luxury market will experience "rather dramatic growth well into the 1990s—one of the most rapid growths in the automotive industry. The functional luxury car sales will approach 500,000 in the early '90s. It is an arena that Nissan certainly wants to be in.

"The European luxury cars are more functional luxury, and domestic luxury cars are what we term traditional luxury. We target to the functional luxury buyer."

Infiniti will offer two products in the first year of operation: a 2-door specialty sport coupe and a 4-door sedan.

Mr. Bruce says that Infiniti will differ from the Honda's upscale Acura line "not so much in terms of strategy as in product. In terms of size and functional characteristics, our cars are going to be differentiated. Our 4-door luxury sedan is going to be bigger than what Acura has now, more powerful," he says. "Our product differentiation will be the most distinguishable, along with our focus, the small number of dealers and attention to the Total Ownership Experience."

Infiniti executives haven't decided whether or not they will carry "Total Ownership" into their advertising. The search for an ad agency to handle the Infiniti account is scheduled to begin this spring. "We'd like [the agency] to be aboard by summer to give time to work out final strategies before the fall '89 introduction," says Mr. Bruce. "We believe they must be a full-service agency. The Infiniti division is important enough and the budget will demand that. It must be dedicated to Infiniti division as a major part of their account."

Sheryl Harris is a free-lance writer based in Agoura Hills, Calif.

Nissan builds on 'human race' bid

By Sheryl Harris

Nissan's search for corporate identity began in when research done in 1986-1987 showed the company's image needed strengthening.

However, the company says its research of success of the ongoing "Built for the human race" ad campaign—which features designers and engineers discussing car design—is encouraging, despite criticism. "Initial research confirms we are on the right track," says Joe Opre, director of advertising, Nissan Motor Corp., Carson, Calif.

He says that the "Human Race" campaign, which broke in October, has high recall by consumers. According to the study, after four weeks on the air, 75% of the people polled recalled the company's TV spots, 75% believed the spots are unique in the automotive business, 71% said they liked it, and 64% said the spots increased their interest in Nissan and they would consider buying a Nissan. "In exit interviews, many could repeat or describe the commercial in detail. It is getting noticed and watched," says Mr. Opre.

"The overall essence [of the 'Human race' campaign] is to really establish a foundation for an image for Nissan that we can develop and begin to manifest as we introduce new models in '89," says Tom Patty, VP and executive director, Chiat/Day, Los Angeles. "We are attempting to differentiate Nissan on a simple basis: Nissan is different from other manufacturers because of human engineering . . . There are actually designers just like the ones in the ads at Nissan Design Institute in La Jolla that do exactly that," he says.

The campaign was preceded by a number of changes in 1987. "The name is Nissan" theme was altered mid-year by adding, "We make you feel like driving." Then, in August, William Esty Co., New York, was fired from the $150 million account and Chiat/Day was selected as Nissan's new agency. A flurry of redesigned vehicles were introduced in 1987, and the company's positioning took a harder product-oriented approach, and then finally a non-product corporate image-building focus.

Nissan: Total U.S. car sales

1986	546,896
1987	529,154
% change	− 3%
Projected 1988	535,000

Source: *Automotive News*. Projected 1988 sales from Nissan Motor Corp.

"The 'Human Race' campaign is intended to evolve over the next year," says Mr. Opre. "Our intention is to create an image . . . that our cars are designed with the potential owner in mind."

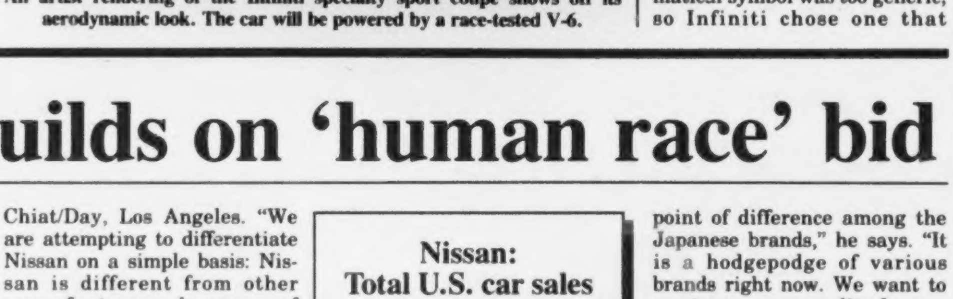
"We also want to create a point of difference among the Japanese brands," he says. "It is a hodgepodge of various brands right now. We want to create some personality for ourselves."

Mr. Opre says that part of the reason the TV spots were so successful was because of their presentation. "Phase I viewers didn't necessarily have an awareness of a specific model or even that [the spot] was an ad until the end.

"The October-December Phase I television spots were more generic, more philosophical," he says. "The focus was less product-specific but with more Nissan brand emphasis."

Phase II of the campaign launched in January and will run through May. Radio, TV and print ads emphasize pri-

(Continued on Page S-18)


Nissan builds cars and trucks for the most important race of all.
The Human Race.
Long copy print ads continue the "Human Race" campaign emphasis on function.

Yugo warranty aimed at skittish buyers

By Tim Harris

The Yugo, once described by *Consumer Reports* as difficult to recommend at any price, addresses reliability concerns in advertising its 1988 models. "We're shifting emphasis from pricing to features and benefits," says William Prior, president of Yugo America, Upper Saddle River, N.J.

"We want consumers to say, 'Hey, we appreciate [the fact] this car is a good value.' "

Yugo America executives say their car has a pricing, not a value problem.

"The consumer's perception of value is [the car's] features, plus its reliability, divided by its price. In the early days, we put so much attention on price to launch the brand that we didn't tell the other side of the story," says Paul Lambert, president of Yugo's agency, Lambert Dale Advertising, New York.

The centerpiece for Yugo America's 1988 marketing and advertising efforts is a comprehensive warranty plan for all of its 1988 models. "During the first 12,000 miles or first year of ownership," says Mr. Prior, "a Yugo owner won't have to pay for any parts or servicing. If you need a little oil or some fluids checked, go to the dealer. He'll do the work at his own expense."

> *"If the driver hits a pothole, we still pay. We're wrapping our customer in a peace of mind package."*
>
> **William Prior**
> **Yugo America**

Under this first-year or 12,000-mile warranty plan, Yugo owners will not pay for parts or labor costs for wear-items, such as clutches or wiper blades, or for adjustment-items, such as wheel balancing. "If the driver hits a pothole, . . . we still pay," Mr. Prior says.

Yugo: Total U.S. car sales

1986	35,959
1987	48,812
% change	36%
Projected 1988	70,000

Source: *Automotive News*. Projected 1988 sales from Yugo America.

The warranty also covers parts and labor costs on the engine and transmission for four years or 40,000 miles. "We're wrapping our customer in a peace of mind package," he adds.

This warranty confronts Yugo's inexpensive-but-cheap image. This image, both the cause and bane of Yugo sales in America, has not prevented Yugo from leading its particular market niche. "We sell 60% of the new cars with a transaction price under $6,000" says Mr. Prior.

At the same time, Yugo is not considered a tough competitor in the broader, entry-level market—the segment that includes all cars with a base price, not a transaction price, under $6,000.

Industry analysts credit Yugo with redefining this entry-level niche by creating the mini-compact segment. This occurred in mid-1985, when Yugo America announced a $3,990 base price for its GV, the only car it sold. Since then, Hyundai, Ford, Volkswagen, Subaru and Mitsubishi and others have produced cars for this market segment.

"Other low-price cars have a reputation for higher quality, and people choose these cars even though the GV's base price is $1,000 less," says Christopher Cedergren, a senior automotive analyst with J.D. Power & Associates, Westlake Village, Calif.

One of Yugo America's new models to debut this year is the GVC convertible, which will be priced under $10,000.

As a result, Yugo sales have been consistently disappointing. In 1986 and 1987, sales were 35,959 and 48,812 respectively.

During the American debut of the GV, in August, 1985—the GV was available in Europe at least four years before the U.S. introduction—the company had predicted 200,000 in eventual annual sales.

Yugo America's advertising and marketing goal for its 1988 models is to change the potential customer's perception of the car.

"We don't necessarily want people to think it's the best car," says Mr. Prior. "But we want people to think it's the best choice."

The company has doubled its marketing budget from 1987 to $48 million, with the "vast majority" being used for advertising, according to a company spokesman. Last year, the marketing budget was $26 million and $22 million went to advertising, according to the company.

"Price will still be our calling card," explains Mr. Lambert. "But we're also going to emphasize the toughness and reliability of the car."

To deliver this message, Lambert Dale has developed five new 30-second Yugo TV spots. The tagline for the ads is "The toughest, most dependable cars a little money can buy."

The company broke these commercials in January on such prime-time TV shows as "The Cosby Show," "Knots Landing," "Simon and Simon" and "The CBS Evening News."

The spots try to establish that the Yugo is tough and reliable. To make this point, Yugo America brandishes the GV's solid performance in several automobile endurance races.

Yugo now offers three models, the GV, GVL and GVX. One 30-second TV spot show the three models zooming

Timothy Harris is a New York-based free-lance writer.

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Nissan builds on 'race' bid

(Continued from Page S-16)

mary vehicle attributes: performance, innovation and technology.

The performance spot features the 300-ZX and Maxima. The Pulsar NX—advertised as the first real modular car—is spotlighted in the innovation spot. And, Maxima's sonar suspension system illustrates Nissan's technical detail spot.

An important part of Phase II is the addition of product-oriented multi-page magazine inserts, says Mr. Patty.

The 12 and 20-page color inserts featuring Nissan's 1988 lineup will appear nationally this month in *Automotive News, Cycle World, Four-Wheeler, Four Wheel & Off Road, Newsweek, People* and *Rolling Stone.*

The inserts will continue the human-engineering theme and show various models from the Nissan lineup. "The campaign was designed to handle image building in broadcast media and use print media to handle product coverage. All print coverage is very product focused," he says.

Phase III of the "Human race" campaign is scheduled for May, June and July. TV spots and print ads will be product oriented and feature individual models.

Other marketing efforts to build consumer awareness, corporate image and brand and product knowledge "will be a gradual evolution," says Mr. Opre. "There are millions of along on rugged, desert terrain, while the voiceover explains the company's new comprehensive warranty plan. The tagline also is "The toughest, most dependable cars a little money can buy."

The company will introduce the GVC, a convertible, and a sporty model of the GV, the GVLS, later this year.

"The One-Lap of America Race is our [country's] toughest road rally," says Mr. Lambert. "It's 8,000 miles in 22 states and Yugo placed third [in 1987]."

The car also performed well in recent One-Lap Florida and One-Lap Michigan rallies, he says. Another spot for the GV, GVL and GVX, which broke this month, simulates the One Lap of America race.

These commercials are a departure from past Yugo America advertising strategies. Ads for Yugo's 1987 GV had the tagline: "Buy yourself a little freedom. Buy yourself a Yugo." With the new executions, says Mr. Lambert, "We were trying to give a little personality to the brand."

The emphasis on toughness and reliability is possible because of changes in Yugo's manufacturing and engineering. Since 1986, the company reportedly has made 230 changes that improve the Yugo's styling, comfort and reliability.

"They're doing whatever it takes in their plant in Yugoslavia to give credibility to their claims of improved durability and reliability," says Mr. Cedergren.

Yugo America executives believe the GV's enhanced toughness will broaden the car's appeal. Currently, the car usually attracts first-time buyers, who often lack the cash or credit for a more expensive auto. Blue-collar workers of all ages are also buyers. Overall, women make up 56% of Yugo buyers, according to the company.

"With these ads and our emphasis on reliability," explains Mr. Prior, "we're trying to expand the types of people who will put the Yugo on their shopping list. These ads should be market expanding and not cannibalize our existing market base."

Auto reviews criticizing the car and public skepticism contributed to the brand's disappointing start in the U.S. "Right now, purchasing a Yugo is not perceived as a smart thing to do," says Mr. Prior.

Attitudes may be changing, however. "We don't have any tracking study telling how consumer perception of the Yugo is changing," says Mr. Cedergren. "But we have anecdotal information indicating the public thinks quality is up."

> *"The One-Lap of America Race is our [country's] toughest road rally and Yugo placed third [in 1987]."*
>
> **Paul Lambert, Lambert Dale Advertising**

Even so, Yugo America has to wage the battle for product credibility in its dealers' showrooms. To do so, Yugo America needs dealers who are committed to selling the cars. Currently, less than 10 of the company's 324 dealers sell Yugos exclusively. Some dealers reportedly steer buyers to their other car lines.

To counter this problem, Yugo America is encouraging its dealers to assign special salespeople, technicians and showroom space to its cars.

Should this heightened dealer and service commitment take hold, the company then wants to broaden its customer base by positioning itself as a supplier that works exclusively in the entry-level market. "Yugo America now has a full line of cars," says Mr. Lambert. "There are five models available that range in price from $4,190 to $5,900. No other manufacturer supplies only this market. Hyundai has only one car at $5,200. All their other cars are between $8,000 and $10,000."

"There will always be demand for the Yugo," says Mr. Cedergren. "Here, the most important thing is price; the GV base price is still only about $4,190."

"What we're saying about quality and value has to go past the TV set and into the showroom and to the psychology of the dealer and mechanic," says Mr. Prior. "What we need is marketing with a capital M." ■

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possible permutations. The strategy will remain the same although its execution may change," he says.

"It is a competitive market and there are incentive programs and manufacturers with high inventory. The consumer is in control," says Mr. Patty.

"In a competitive market you have to get smarter than the competition. One way to do that is design and build a differentiated product . . . so [consumers] want your product specifically," he adds.

"We are building a foundation for that."

Nissan's share of domestic sales was 5% in 1986. It retained its 5% share during 1987, in a total sales market that was down 6.04% from last year. The company expects its share to increase to 6.3% for 1988. ■

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Source: Survey of Buying Power 7/86. Circulation 86-87.

Reborn Audi rekindles youth

By Sandra Lee Breisch

Audi of America is entering 1988 with a substantial 1987 U.S. car sales decline brought about, in part, by lingering image problems from the 5000S alleged unintended acceleration. The company is depending on an estimated $40 million marketing budget—the largest part of which is being spent on "image" advertising spots for the 80/90 sports sedan—to regain U.S. sales and win back consumer confidence.

"The sports sedan market is a new market for us. We are certainly concentrating on it because it has been so successful in Europe and we are hoping to make it successful [in the U.S.]," says Tony Kirton, marketing director of Troy, Mich.-based Audi. The prices of the 80/90s range between $18,000 and $27,700.

Says Christian Von Glasow, senior VP, management supervisor at DDB Needham Worldwide, Detroit, who handles the account, "Part of the strategy is to put all the thrust behind the new cars . . ." According to Fred Zosel, public relations manager, Audi has not increased its total media budget from 1987.

Audi: Total U.S. car sales

1986	59,795
1987	41,322
% change	– 31%
Projected 1988	40,000

Source: *Automotive News*. Projected 1988 sales from Audi of America

While DDB's Troy-based office is handling creative on dealer co-op ads and services the account, its Chicago office is handling the creative. Audi's latest marketing efforts, which broke in November, include print and TV spots that take a soft focus and reminisce on childhood days. Pedal cars, sleds, paper airplanes and bicycles with training wheels are used in the spots to elicit emotional responses.

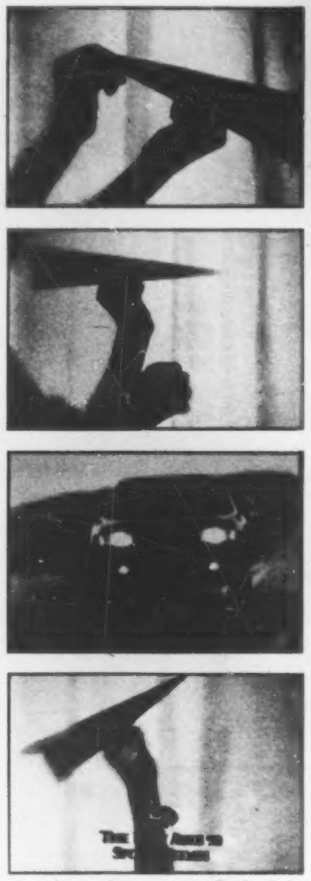
For example, in one of the four TV spots, the camera opens on a young boy in a pedal car with voice-over, "Remember what it was like to drive a car by the seat of your pants? Hair flying. Heart pounding. Pulse racing. You flew. Limitations were exceeded. Expectations surpassed. You and your car were one . . ."

Bill Klimas, DDB senior VP, group creative director and copywriter, says, "What I tried to do in these spots was tap into the feeling all of us experienced when we were kids. There was a certain pleasure and joy that came with riding a bike. A sense of freedom that was experienced when you raced down a hill in a little pedal car. This was our first taste of being in control, of being able to transport ourselves from one place to another. And have fun doing it. The promise of these commercials is that you can recapture those forgotten feelings in an Audi . . ."

Dick James Productions, Los Angeles, took about a week to produce each spot with music created by Steve Samler in Chicago. Costs for the spots were unavailable.

Print ads appear nationally in newsweeklies, buff books such as *Car & Road* and magazines such as *Gourmet*, *Town & Country* and *Smithsonian*.

Four different radio spots are playing in "snow-markets" such as Chicago, Denver, Detroit and New York. According to Mr. Zosel, the radio spots differ from the TV spots in that they run only in "snow-markets" and were designed to feature certain qualities of the Audi models.



Aerodynamics are emphasized in one nostalgia spot, which features a boy making a paper airplane.

A child's excitement behind the wheel of a pedal car is used to capture the feeling of driving an Audi.

For example, one radio spot begins with a travel advisory, "You wouldn't need a snowstorm to appreciate an Audi Quattro, but if you have one so much the better . . . Because the engine power is distributed to all four wheels instead of two, traction is increased and slippage decreased . . . When you have the optimum stopping power of an anti-lock braking system, the combination adds up to one of the most secure mobility systems going . . ."

Direct mailings for the Audi 80/90 series were sent to potential customers, and the company sent a videocassette and product information about the series to prospective buyers who responded to the first mailing.

Sandra Lee Breisch is a Chicago-based free-lance writer.

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Source: Scarborough's 1987 Newspaper Audience Ratings Study

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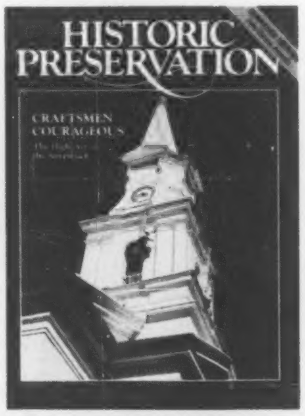

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Originally debuting in Europe a year and a half ago, the 80/90 series outsold both its competitors—the BMW-Three-series and the Mercedes 190 series. According to Audi, sales figures in West Germany through September 1987 were as follows: Audi 80, 110,000; Audi 90, 6,800; BMW Three-series, 75,200; Mercedes 190 series, 88,000.

The Audi 80 is the successor to the 4000 series. The Audi 90 is a new series and reports describe both 80/90 lines as shortened versions of the 5000. Both series have been introduced in the U.S. as 1988 models and come in four versions—all four-door sedans. They are: the front-wheel-drive Audi 80 and the all-wheel-drive 80 Quattro, which replaces the Audi 4000 series, and the FWD Audi 90 and AWD 90 Quattro.

Anti-lock braking systems are standard on all models except the 80 Quattro. The 80 and 90 badging are European, and gradually all Audi series will convert to the European nomenclature. In 1989, the 5000 series will be known as the 100/200.

Audi hopes to attract repeat customers and compete for the European high-group, according to Fred Zosel, Audi pr manager. These include the BMW-3 series, Mercedes 190 series, Merkur Scorpio, Saab, Volvo, Sterling and Acura buyer. Audi's target market for the 80/90 series are consumers with an annual income of $60,000, with an even mix of male and females aged 29-49, 70%-80% of which are college graduates.

Mr. Von Glasow says Chicago, Denver and New York are big-selling Audi markets.

Though total sales predictions for the 80/90 series in the U.S. market are 28,000 units, published reports indicate that U.S. deliveries from the West German automaker Volkswagen AG, have dropped 29% to 42,400 units.

Total U.S. sales for November-December for the 80/90 were at 1,317, according to the company. From December through February, Audi offered a dealer incentive program of 6.9% financing.

Company spokesmen declined giving any specific numbers of production on Audi's 80/90 series as well as the Audi 5000, but admitted all were "definitely lower" this year.

Though all advertising for the Audi 5000 has been put in neutral at this time, Audi plans to reintroduce a facelifted 5000 in July, says Mr. Kirton.

"We'll probably come back with some 5000 advertising pretty soon—it's a volume car for us. We hope that the 5000 will eventually come back . . ." After allegations of unintended acceleration, 1987 sales for the 5000s were 26,000, down from 40,000 in 1986.

Although Mr. Von Glasow admits "Image advertising by its very nature takes longer, . . ." he is confident that Audi will make a comeback in the U.S. market.

Durable Volvo adds another tier

By Len Strazewski

With a two-tier marketing campaign and an increased national advertising budget, Volvo North America Corp. wants to make more of an impression on its U.S. audience.

Volvo, the largest European automobile importer behind Volkswagen AG, is reshaping its advertising into separate national and local tiers using two different sets of TV spots and print ads, all created by its agency of more than 20 years, Scali, McCabe, Sloves, New York.

The importer is increasing its national advertising budget by an undisclosed amount to increase consumer impressions by 21%, according to Gerry Dudzik, national advertising manager of the Rockleigh, N.J.-based company.

Each of the company's three 30-second TV spots, which ran nationally from Jan. 18 to Feb. 15, represented different aspects of the Volvo image, says John Slaven, senior VP and management supervisor of the Volvo account at Scali.

One spot, "Heavy Traffic," emphasizing construction and durability, shows a truck trailer being placed on top of a Volvo. The announcer asks, "How well does your car stand up to heavy traffic?"

"The spot is rather typical of the work we've been doing for Volvo over the years, emphasizing a traditional message of durability and sound construction," Mr. Slaven says.

In a second spot, "Kalimar," the agency expands the image of fine construction with a look

(Continued on Page S-22)

Volvo:
Total U.S. car sales

1986	113,267
1987	106,539
% change	– 6%
Projected 1988	same as 1987

Source: *Automotive News.* Projected 1988 sales from Volvo North America Corp.

Len Strazewski, a Chicago free-lancer, is a frequent contributor to Special Report.

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	Number in Metro Area	Daily Times Readers	Daily Tribune Readers
Total Adults	1,510,100	44%	32%
Households With Cars	1,401,900	44%	33%
New Car Buyers	701,100	51%	35%

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Source: The 1987 Scarborough Report.

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Subaru finds 10,000 reasons to compete

By Tim Harris

Subaru has decided on a two-tier marketing strategy this year, advertising cars below $10,000 as inexpensive, and those above $10,000 as upscale.

The company will spend an estimated $60 million during its fiscal year marketing and advertising its full line of cars. David Sippel, VP-marketing for the Cherry Hill, N.J.-based company, says the marketing budget will be higher than the previous year. "We plan to spend about 30% of the [advertising] budget on print and 70% on broadcasting."

Lee Garfinkel, senior VP and creative director at Subaru's agency, Levine, Huntley, Schmidt and Beaver, New York, says, "The cars are still reliable and durable. But it doesn't make sense to say that a car over $10,000 is inexpensive." So, the company is using its familiar tagline, "Inexpensive and built to stay that way," only in ads for cars priced under $10,000. Ads for models over $10,000 will have the tagline, "We built our reputation by building a better car."

About 50% of Subaru sales are four-wheel-drive cars. Durability and reliability are central to Subaru's image. "Basically, Subaru has a strong image in the market," says Christopher Cedergren, a senior automotive analyst at J.D. Power & Associates, Westlake Village, Calif. "But when they tried to move upscale, their image became convoluted. There are so many new players in that marketplace.

"Subaru's prices were going higher than its image would support. We view that plan to shift the sales mix to less expensive cars as a very positive step," he adds.

According to J.D. Power's 1987 Customer Satisfaction Index, the Subaru station wagon was rated sixth by Americans. The index is a blend of owner opinions on the technical quality of their cars and their dealers' service.

In part, the company's successful, and award-winning, TV spots have produced the strong core-image for Subaru cars. "We've tried to avoid pretty-car-on-the-road-with announcer-copy ads," says Mr. Garfinkel. "Instead, we've tried to do very human-approach ads. So far, this has helped our ads stand out from the crowd."

Subaru: Total U.S. car sales

1986	179,100
1987	175,864
% change	−2%
Projected 1988	same as 1987

Source: *Automotive News*. Projected 1988 sales from Subaru of America.

This so-called human approach advertising features Subarus in real-life situations. The Subaru Justy "ad shows the car's technology, but in human terms," says Mr. Garfinkel. "A girl calls up her boyfriend and says that her parents just went out for the evening. So he gets in his Subaru Justy and drives over horrible terrain and through terrible weather to get to her house."

This spot ends with the girl and her father answering the door. "Her parents went out but came back because they didn't have a Subaru," says Mr. Garfinkel. The music is "When a Man Loves a Woman."

A TV spot for the company's station wagon features a suburban housewife toting children around and running errands. The music over is "Rawhide." The Subaru station wagon's base price is $10,000.

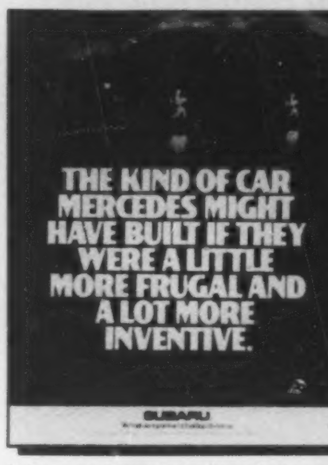
"We showed something like 57 activities in a 30-second spot," says Allan Chalfin, senior VP and creative director at LHS&B. He says the ad shows how a typical suburban housewife uses the car.

Another spot, which features the company's under-$10,000 DL series, captures identical incidents in a drive-in occurring 20 years apart. The music over is "Remember Then."

The spot begins in b&w with an announcer asking, "Do you remember when a drive-in movie was a dollar and a hot dog 10¢ and cars cost less than $10,000?" This scene repeats itself in a contemporary setting with the announcer listing current prices of movies and hot dogs. The spot ends with voiceover, "Subaru has a full line of cars under $10,000 . . ." and the camera pans the lot filled with Subaru DLs.

According to Mr. Sippel, the "Remember Then" spot presents an important competitive advantage of Subaru. "The ad talks of a full line of cars under $10,000. We don't have just one inexpensive car. This is significant for us relative to our two-tier strategy."

For the XT6, Subaru's up-


THE KIND OF CAR MERCEDES MIGHT HAVE BUILT IF THEY WERE A LITTLE MORE FRUGAL AND A LOT MORE INVENTIVE.
SUBARU

Subaru continues to tout product superiority at a surprising price.

Volvo tier

(Continued from Page S-21)

at the Volvo manufacturing and design facility in Kalimar, Sweden. Featuring craftsmen at work both inside the plant and in the village, the spot targets an upscale market by portraying European craftsmanship as artful, dedicated and superior. According to this spot a town where "precision is a way of life . . . is the only place in the world where [the Volvo 760] could be built."

In a third spot, "Radar Gun," Volvo takes a direct shot at Porsche by having a radar gun operator time a race between a Porsche 944 and a Volvo 740 Turbo Wagon. It's a tie. The voiceover is "To you they're two completely different cars . . . but to a radar gun, they look exactly alike."

"People don't think of Volvo as a performance automobile. While we are not trying to portray the Volvo as a racing car, we are demonstrating that performance is not a neglected issue and that it is on a par with many other expensive imports," Mr. Slaven says.

"The imported auto segment is becoming more and more competitive," explains Mr. Slaven. "And 1988 is going to be a very confusing car year. That's why we have decided to emphasize the traditional messages early in the year and maintain some flexibility for later in the year."

One reason for Volvo's increased spending and a more stratified advertising plan is sales. Over the past 10 years, Volvo has more than doubled its share to about 1% of the U.S. auto market, but from 1986 to 1987 sales slipped from 111,086 cars to 105,087, according to the company.

Volvo executives would not make specific projections for 1988, but say the company does not expect substantial sales increases.

To sell new cars in a competitive market a company needs more than a national adverting campaign—it takes strong, synergistic local advertising and strong sales promotion, says Mr. Dudzik.

Volvo created its second tier of advertising primarily for dealer associations needing to eliminate the high spot production budgets that can stymie local ad spending.

"By taking the two-tiered approach, we are able to offer our dealers commercials that maintain the high standards of quality demonstrated by our agency over the last 20 years and that will reflect favorably on the Volvo image overall," says Mr. Dudzik. "Although this is a fundamental shift in our strategy, we believe that the local or decentralized campaign will be complementary with our present and previous national campaigns."

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Volvo North America proves its cars can carry their weight in today's car market.

The local tier of advertising will include a broader array of about 12 TV spots, including the national spots and derivatives, according to Mr. Slaven. The agency will also produce about 12 radio spots that will also be available as part of the Volvo co-op advertising program.

"The national spots are traditional; primarily image advertising emphasizing performance, luxury and Volvo's position among its competition," Mr. Dudzik says. "The dealer spots are more specifically a 'call to action,' closer to what a dealer would consider more appropriate."

More than 50% of Volvo's total advertising budget will be used in the local tier. The national budget will be split three ways: 50% broadcast 40% print and 10% other (outdoor, sales promotion and possibly some radio). According to Mr. Dudzik, 1988 marks the first major scheduled prime-time network

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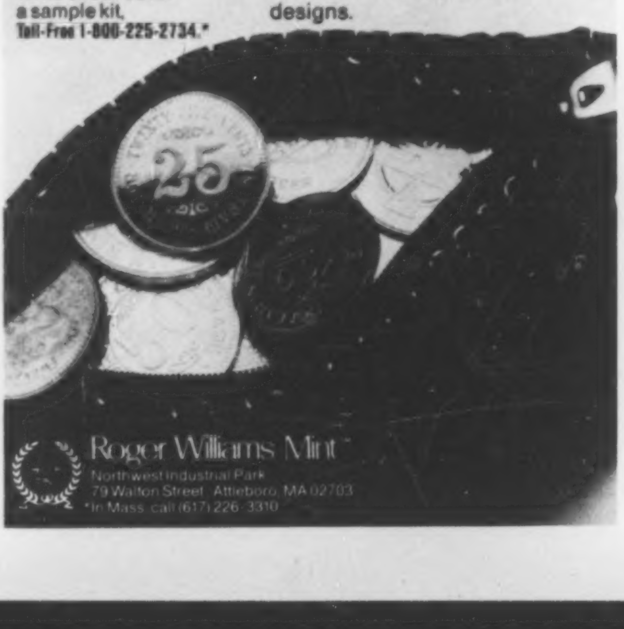

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scale, sporty entry with a base price of $15,780, the company uses comparative print ads and upbeat TV spots. Copy for print ads compare the XT6 with Mercedes: "The kind of car Mercedes might have built if they were a little more frugal and a lot more inventive."

One TV spot, "La Bamba," shows a man who has just left his car with his family. While he's gone, someone in the family drives the XT6; music-over is "La Bamba." When he returns, he notices someone has driven his car, but is not sure who it was. His grandmother is on the porch humming "La Bamba."

Mr. Sippel says the company will do heavy advertising during the 1988 National Football League season and network news programming. The company also says they will advertise during the Olympics, touting that Subaru is the official car of the 1988 U.S. ski team.

Subaru executives believe the company is back on track this year after experiencing slagging U.S. sales and financial woes partly linked to the rising yen that raised the cost of their U.S. vehicles.

And, according to Stanley Lanzet, a first VP of research at Drexel Burnham Lambert, New York, "[Subaru management] tried to force their top line of cars into a market that is intensely competitive. And when they didn't sell, they were too stubborn to cut back on cars from Japan."

According to Mr. Sippel, "We had a poor selling mix. Our cars costing more than $10,000 were way past 60% of deliveries. And when the market turned, we had to advertise and incentivize our way out of high-line cars."

Industry analysts say incentives averaged between $800 and $1,500 on most Subaru vehicles larger than subcompacts. Overall, the incentives cost the company about $75 million.

With this two-tier marketing strategy, Subaru is placing more emphasis on attracting the first-time buyer. "When we brought in the Justy in 1987, our line of cars really took off with first-time and price-sensitive buyers. And with our new sales mix, we're moving even more this year to the first-time buyer."

For the model year, Subaru expects to sell an estimated 80,000 cars in the under-$10,000 price tier and 100,000 in the over-$10,000 range. At the start of the company's 1987 fiscal year, industry sources say only 20% of Subaru's cars fit in this category.

Some industry analysts say a favorable image may still not be sufficient. "They make statements to the effect that they got religion last year," says Mr. Lanzet. "And right now, inventory is in good shape. But they're in the process of taking more [deliveries] again.'

Industry analysts believe Subaru could better use its strong image to preserve margins, not increase volume. "They have to be disciplined and hold down imports from Japan," Mr. Lanzet says. "If they sell their cars without incentives, they will be a very profitable company."

Despite criticism, executives at Subaru of America are happy with their advertising strategy and the image their ads create for their cars. "No way we'd change," says Mr. Sippel.

TV buy for the company. And Volvo will be using prime-time network TV to compete more directly with other automakers, he says.

Volvo will continue to buy spot TV and cable.

Mr. Slaven says he expects Volvo to approve additional spots later in the year which may target specific developments.

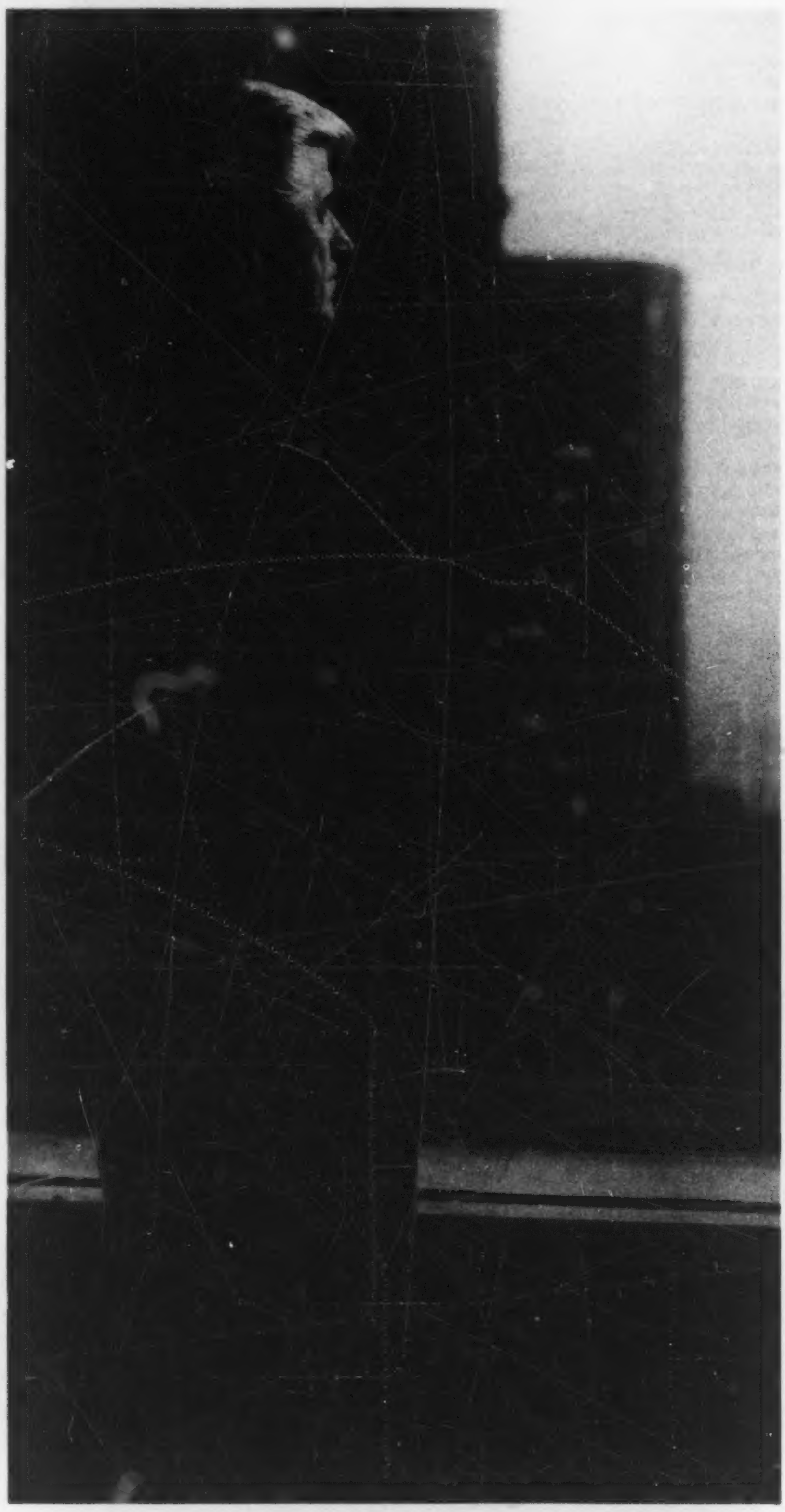
The later spots are also expected to include the fall 1988 release of the Volvo 480 for the 1989 model year.

Originally, the 480 was scheduled for introduction in 1987, but the U.S. debut has been repeatedly delayed. The 480, Volvo's mid-price entry, will have a sticker price of about $12,000, according to the company. However, recent reports cite the 480 at an estimated price of $15,000.

The current print campaign, which uses stills from TV spots, is being placed primarily in national magazines including newsweeklies such as *Time*, *Newsweek* and *U.S. News & World Report* and in general-interest publications. Some magazine ads now feature the 780, and late in 1988 may feature the new 480.

The company also will continue to sponsor tennis tournaments at the professional and collegiate levels and plans to sponsor the World Equestrian Games in Stockholm in 1990.

"The major difference between the 1988 campaign and previous campaigns is flexibility," says Mr. Slaven. ". . . We will try to balance the long-term image development needs with the short-term need to attract attention to the dealerships."



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Partnership for a Drug-Free America

Wary Big 3 hope to solve identity crisis

A major acquisition, design changes, technological innovations and carefully crafted brand identification all are helping Chrysler Corp., General Motors and Ford Motor Co. fight for their home turf market shares.

Chrysler: Total U.S. car sales

1986	1,385,991
1987	1,096,385
% change	−21%
Projected 1988	1,187,500

Source: Automotive News. Projected 1988 sales from Chrysler Corp.

Chrysler set to soar

Chrysler Corp. is now poised to carve out a bigger share of upscale segments with its August acquisition of Southfield, Mich.-based American Motors Corp. Highland Park, Mich.-based Chrysler now has the high-demographic Jeep buyer base, plus car models brought under the new Eagle standard.

Other nameplates continue the process. Last year, Chrysler rolled out an all-new New Yorker to go after the traditional luxury market and introduced a LeBaron coupe and convertible to compete with mid-size specialty cars.

In June, Chrysler will introduce a two-seater convertible designed and built in a co-effort with its Italian partner, Maserati. The car, to be known as the TC, will sell for an estimated $30,000. Chrysler owns a minority stake in Maserati, and last year bought another Italian upscale maker, Lamborghini.

The company hopes the TC will have a halo effect that upgrades the image of Chrysler's entire line. The TC is expected to compete with the Cadillac Allante, Mercedes-Benz 560 and the Jaguar XJS. According to the company, the TC will be offered at a considerably lower price.

The upscale drive is taking place within an overall marketing scheme that assigns specific brand images to each car line.

For example, Plymouth targets the low-price, conservative end of the market by projecting a family-car image, and Dodge targets the low-price, sporty auto market by emphasizing the car's performance.

SPREAD YOUR WINGS.
770

Chrysler debuts Premier by urging buyers to "spread your wings."

Chrysler seeks buyers in the traditional, conservative, upscale market by emphasizing luxury, while the new Eagle brand is trying to establish itself in the upscale segment by focusing on European style.

With a $20 million ad budget, the new Jeep-Eagle division was launched in late December with a campaign code named "The Big Bang." The campaign, created by William Esty Co., Southfield, Mich., introduced the new Premier sedan and announced that Chrysler was "spreading its wings" with the Jeep-Eagle division.

Ralph Sarotte, Eagle brand marketing manager, affirms that the Jeep-Eagle division plays a key role in Chrysler's upscale marketing strategies.

"The Eagle Premier offers the same type of European styling that's available on the Mercedes-Benz, BMW and Volvo, yet without the steep price," says Mr. Sarotte. Launch advertising calls the Premier "an American car with European sophistication and handling."

The Jeep-Eagle divisional theme line, "Expect the best," also reinforces upscale aspirations.

Chrysler hopes the new Premier will attract the same affluent buyers that have made its Jeep brand so successful. Median age for the targeted Premier buyer is about 42 years old, with an estimated earning capacity near $55,000, according to the company.

By relaunching the Renault Medallion under the Eagle emblem, the division also hopes to capture generally brand-oriented, first-time buyers. The compact Medallion is slated to debut in May.

A four-door sedan version of the Japanese-built Mitsubishi Mirage, a third Eagle model, is scheduled for launch in July. By 1990, Eagle will get a four-wheel-drive sports coupe that will be built by Diamond-Star, the joint venture assembly plant between Chrysler and Mitsubishi.

Demographics for Jeep's Wagoneer and Grand Wagoneer models are the highest for any domestically produced vehicle in the U.S., capturing a median age bracket of 45-years-old, coupled with household income near $90,000.

Chrysler officials found that Jeep buyers also owned a high-priced European sedan, a discovery that aided the decision on how to position the Eagle brand.

Demographically, Chrysler has had a lot of success with its New Yorker models by targeting a mature market, typically ranging from 49-56 years-old, with an average income of at least $40,000-$50,000.

Chrysler will maintain its conservative luxury position with its new Fifth Avenue and Imperial luxury sedans, expected for model year 1990.

Both the Chrysler corporate and Chrysler-Plymouth division advertising are handled by Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich.

Dodge division is trying to extend its reputation as a maker of youthful, performance-oriented vehicles to attract a larger percentage of buyers interested in expressive, responsive, yet affordable cars. For the past three years, the Daytona has been Dodge's image leader.

Dodge opened its 1988 TV campaign using the trendy black-and-white format, in an attempt to break through ad clutter. BBDO Worldwide, Southfield, Mich., handles.

Although the accompanying theme, "It's gotta be a Dodge," is expected to be retained, future use of the b&w footage format has not yet been determined.

—Dee Ann Maki

GM sharpens its look

General Motors is hoping to boost its image by staking a new claim to leadership in technological innovation and demonstrate that its new products have a distinct brand identity.

General Motors: Total U.S. car sales

1986	4,693,161
1987	3,728,313
% change	−21%
Projected 1988	4,379,000

Source: *Automotive News*. Projected 1988 sales from General Motors.

In January, the Detroit-based automaker presented its collection of futuristic vehicles in New York at a show the company tagged "GM Teamwork and Technology for Today and Tomorrow." But, even before the show, GM knew that it was in a brass-knuckle brawl for market share and that its image needed improving.

GM enters 1988 with a 5% loss of market share and trailed Dearborn, Mich.-based Ford Motor Co. in earnings for the second straight year.

To address these problems GM is using comparative advertising for both its Cadillac and Chevrolet divisions. "Comparative advertising isn't necessarily a bad strategy, considering GM's current situation," said Thomas O'Grady, president of Integrated Automotive Resources, Wayne, Pa., a marketing-research company.

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"GM's customers are clearly looking at the competition, mainly Ford. GM is making the point that its products do have some advantages."

To counter the impression that Cadillac models are sluggish compared with their European and domestic competitors, the Detroit-based division, once the gold standard for cars, launched a series of comparative ads in the 1988 model year via its ad agency, D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.

The first ad says that in accleration and other tests conducted by the United States Auto Club, the Cadillac Eldorado, Seville and De Ville equipped with a V-8 outperformed certain models from BMW, Jaguar, Lincoln, Mercedes-Benz and Volvo.

A follow-up ad specifically targets Ford's new Lincoln Continental. And within weeks of the Continental's Dec. 26, 1987 launch, Cadillac's ads were touting USAC results on comparative tests with that car.

GM's Chevrolet division also uses comparative ads with a print and TV campaign that broke last fall. The ad compares its new full-size pickup to its Ford competitor. Lintas: Campbell-Ewald, Warren, Mich., handles the Chevrolet account.

In both TV and print, the two trucks are shown standing vertically on their tailgates. Attributes of the "advanced new Chevy" are contrasted with few changes on the "old new Ford." In the TV spot, the Ford topples over.

GM also created a $4 million print campaign to spread the word of its "Teamwork and Technology" show. The campaign, via N W Ayer, broke Feb. 8.

An eight-page insert, like the show, features 1988 models as well as future prototypes from each division.

It also uses the GM corporate theme line, "The vision is paying off," itself a combative rebuttal to critics who say Chairman Roger Smith's expensive obsession with high tech is part of the reason GM lost touch with the real marketplace.

The Pontiac division's success along with ad campaign "We build excitement," has led GM's other divisions to seek their own identities. Concept cars, shown in New York and in the ad insert, are supposed to reflect that drive.

At the show, Cadillac presented the Voyage—an aerodynamic, four-door sedan, designed to hold a V-12 engine—amid hints that an early 1990 production Cadillac model will be based on it.

Buick is trying to restore its image as the premium American car and to evoke a contemporary image of its 1967 and 1979 Riviera models with its Lucerne, a front-wheel-drive coupe, which was presented at the show.

Oldsmobile wants to present its products as contemporary family cars, marked by originality and uncluttered functionality.

In New York, Oldsmobile displayed the Aerotech, which last August established two speed records in runs topping 250mph. The car was conceived to evaluate high-performance versions of the Quad 4 engine GM began offering this model year, starting with the Oldsmobile Cutlass Calais.

Chevrolet's goal is to justify its theme line as the "Heartbeat of America" by offering upmarket features at entry-level prices. The division's concept car, Venture, is a four-passenger car combining features of a sport coupe with utility of a family sedan.

Pontiac's concept car, Banshee, is being touted as a prototype for early 1990s replacement of the Firebird.

All divisional identities are being mapped against a new, customer-defined segmentation scheme to determine each division's direction and its competition.

The plan identifies distinct types of customers within each segment. Each division, with a refined identity, should be able to go after specific customer groups within the segments in which it competes.

—Raymond Serafin

Ford shaping up

While Ford Motor Co.'s Lincoln-Mercury and Ford divisions aren't completely foresaking people and lifestyle-oriented messages, they are focusing more on describing tangible consumer benefits and positioning their models as leaders in product design.

Ford: Total U.S. car sales

1986	2,080,822
1987	2,060,834
% change	– 1%
Projected 1988	2,170,000

Source: *Automotive News*. Projected 1988 sales from Ford Motor Co.

The theme line for L-M's upscale Lincoln-branded models is "What a luxury car should be," and the theme for Mercury, Ford's near-luxury brand is "The shape you want to be in." Young & Rubicam, Detroit, handles L-M.

For the 1988 model year Ford division launched an umbrella, image-oriented campaign that broke last fall, which positions Ford as "the one car company that's winning the world over." The campaign, via J. Walter Thompson USA, Detroit, focuses on design and other areas where Ford has made market gains, including its new position as the top-selling brand (cars and trucks combined) in the U.S.

A print ad for Taurus—Ford's aerodynamic, radically designed mid-size car that has hurt GM's market share in that segment—talks about the model's awards, design, engineering and warranty under the headline, "Advanced design. Designed to reward you."

"We're focusing on the shape of our cars and gaining a foothold with the public before either of the other [domestic automakers] attempts to dislodge us," says Sheldon Wardwell, L-M advertising manager.

Important to L-M's strategy is the new front-wheel-drive Lincoln Continental, which debuted Dec. 26. Lincoln-branded models are getting 25% of L-M's 1988 ad budget, Mr. Wardwell says, and Continental accounts for 19% of L-M's total ad budget.

ADVERTISING AGE estimates L-M 1988 spending at $125 million.

That leaves only 6% of the budget to advertise the Mark VII, the Lincoln Town Car—L-M's top-selling car with 1987 sales of about 133,000 units—and the Lincoln brand.

"Continental is getting a much larger share of our budget because it's a totally redesigned car that's appealing to a different, younger buyer," Mr. Wardwell says.

"I consider Continental a [futuristic] car for Lincoln because it's definitely the direction we're taking the whole brand," he says.

Print ads position Continental as "the most advanced luxury car" while TV spots describe it as "one of evolution's greatest triumphs."

L-M, which projects first-year Continental sales of 30,000 units, has sold out its production through early May, Mr. Wardwell says.

This year L-M also plans to step up efforts to establish awareness of Merkur, the brand name for its two upscale German imports, the luxury sedan Scorpio and the sporty XR4Ti.

Merkur hopes to attract European import-intenders to Lincoln-Mercury dealerships, but so far L-M has had trouble creating awareness for the three-year-old brand.

L-M will focus on the models' names in two TV spots that will break this spring. Both spots, which include former Grand Prix world champion driver Jackie Stewart as ad spokesman, position the models as "everything a European luxury car is and has offered in the past, but with a surprising level of interior comfort," Mr. Wardwell says.

This spring Ford will add to its lineup the Mazda-built Probe, a sporty subcompact. Mercury will launch in late 1988 or early 1989 the new Capri, a two-passenger roadster designed in Italy and built in Australia.

Mr. Wardwell describes the market positioning of Ford and Mercury brands in terms of a triangle with luxury cars at the apex, midstatus cars in the middle and the entry level segment at the triangle's base.

Mercury is at the top of the midstatus level, and Ford is at the top of the entry level segment, according to Mr. Wardwell.

The long-running Ford theme line, "Have you driven a Ford . . . lately?" is now in its seventh year, and initially was a major part of the division's new emphasis on quality, says John Vanderzee, Ford advertising manager.

"We wanted people who had been disenchanted with Ford in the late 1970s to take a new look," he says.

"Now it says that we're a modern, high-technology, design leadership automobile company, and if you haven't driven us lately, you're missing something."

—Patricia Strnad

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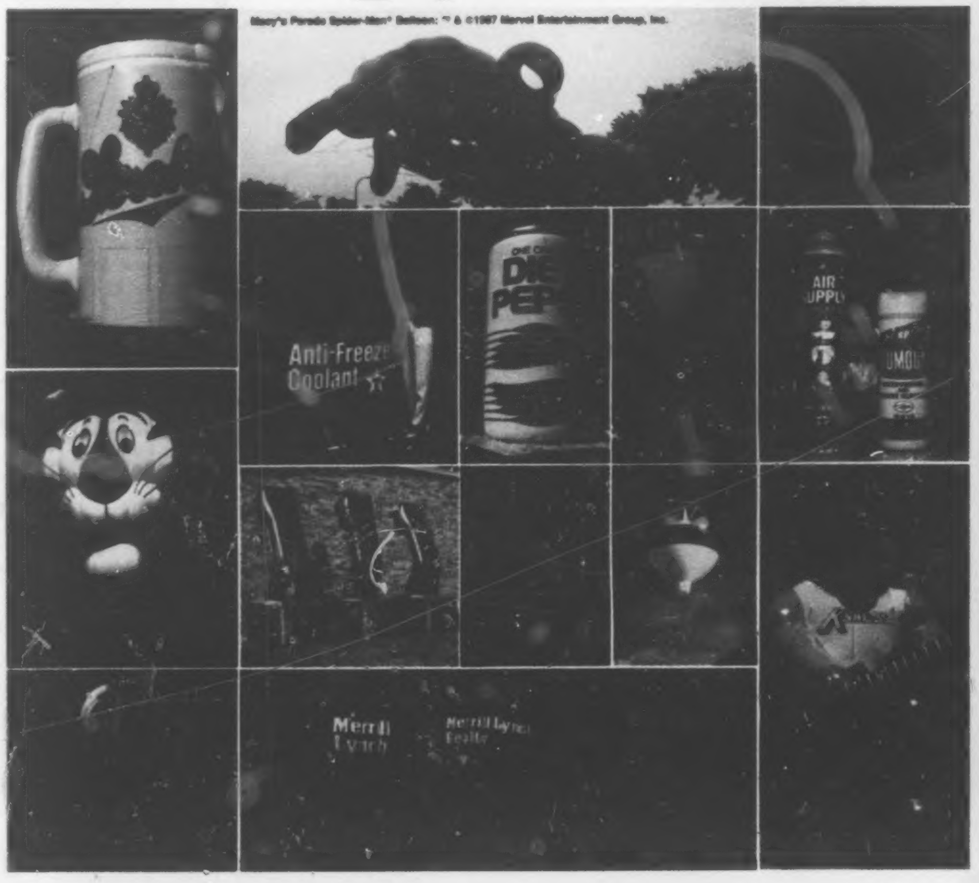
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Auto/cycle/rec. vehicles

	Current month 1988	1987	Year-to-date 1988	1987
ATV Sports	—	—	—	—
Autoweek (52X)	175.0	115.5	296.0	227.5
Car & Driver	104.4	64.9	182.6	148.4
Car Collector & Car Classics	17.7	15.8	37.1	31.9
Car Craft	65.2	63.3	115.7	113.1
Circle Track	102.8	56.6	150.4	100.7
Cycle World	38.8	46.8	62.0	71.9
Dirt Rider	28.6	30.7	56.6	62.8
Dune Buggies & Hot VWs	66.1	69.6	133.9	146.6
Family Motor Coaching	158.0	135.4	354.5	303.4
4 Wheel & Off-Road	64.1	66.7	127.3	126.7
Four Wheeler	79.0	92.0	150.0	153.0
Hot Rod	63.0	61.8	156.8	105.3
Motorcyclist	37.1	32.2	52.8	46.4
Motor Trend	96.4	50.5	142.3	104.5
Motorhome	81.8	75.8	163.4	152.1
Rider	35.4	35.7	56.5	61.5
Road & Track	108.8	87.7	209.2	161.3
Trailblazer	46.3	37.0	82.5	72.0
Trailer Life	80.5	87.3	165.4	174.7
Total Group	1,449.0	1,225.3	2,695.0	2,363.7
% change		18.3%		14.0%

General

	Current month 1988	1987	Year-to-date 1988	1987
American Health (10X)	—	—	69.5	64.2
American Heritage (8X)	35.7	25.9	35.7	25.9
American West (6X)	33.0	29.2	33.0	29.2
The Atlantic A.	41.0	30.4	100.7	58.0
Bon Appetit A.	69.6	86.8	136.1	144.3
Cable Guide	22.0	19.5	45.0	45.9
Changing Times	57.6	58.0	110.3	123.9
Conde Nast's Traveler	47.3	—	81.9	—
Connoisseur	59.0	69.3	109.3	107.1
Consumers Digest (6X)	—	—	17.5	27.5
Ebony	129.5	107.7	199.8	179.5
Fifty Plus	—	—	—	—
Food & Wine	53.6	55.8	90.6	89.9
Games (6X)	14.6	17.9	26.4	31.4
Golden Years	48.8	32.4	86.2	57.3
Gourmet	97.0	91.7	166.3	148.3
Harper's A.	29.4	27.0	56.6	56.0
Harrowsmith (6X)	—	—	65.0	54.4
Let's Live	49.0	44.0	97.0	89.0
Life	32.3	35.9	81.8	88.4
Mature Outlook	—	—	32.5	46.3
Modern Maturity (6X)	40.6	50.6	40.6	50.6
Money	103.4	130.1	207.6	220.9
Money Maker	8.0	—	8.0	—
Mother Jones (9X)	18.0	18.4	32.3	37.2
National Geographic	40.7	18.6	50.0	30.6
National Geographic Traveler(4X)	—	—	—	—
Natural History	41.8	41.1	75.2	81.2
Prevention	68.8	75.1	118.9	141.6
Psychology Today	32.9	31.6	63.4	63.6
Reader's Digest A.	107.7	77.2	175.1	142.8
Saturday Evening Post (9X)	—	—	39.0	43.9
Smithsonian	106.7	71.9	190.8	131.8
Sylvia Porter's Personal Finance (10X)	—	—	54.5	67.3
Town & Country	140.4	108.3	238.2	190.4
Travel-Holiday	56.3	55.4	102.0	94.7
Travel & Leisure	106.9	73.5	174.7	137.4
Vanity Fair	72.4	43.6	105.4	68.1
Writer's Digest	27.0	24.2	53.4	51.1
Yankee	99.8	74.1	169.2	144.8
Total Group	1,890.8	1,625.1	3,539.5	3,164.4
% change		16.3%		11.9%

Home

	Current month 1988	1987	Year-to-date 1988	1987
Americana (6X)	—	—	16.7	14.6
Architectural Digest A.	166.5	87.4	246.4	167.2
Better Homes & Gardens	102.5	94.0	177.7	146.3
Colonial Homes (6X)	67.2	67.0	42.7	44.0
Columbus Monthly-Homes (4X)	—	—	30.2	22.6
Country Home (6X)	—	—	41.9	36.2
Country Living	82.0	83.6	138.2	142.1
Family Handyman (10X) A.	40.2	48.5	88.6	87.2
Flower & Garden (6X)	54.4	51.8	54.4	51.8
Home	61.7	69.5	105.7	102.7
Home Mechanics	—	—	—	—
The Homeowner (10X)	—	—	43.6	40.5
Horticulture	46.7	35.3	95.5	75.7
House Beautiful	70.2	56.2	108.6	99.2
House & Garden	71.4	86.1	130.7	137.9
Houston Home & Garden	71.6	77.6	111.8	119.9
Metropolis	—	—	55.9	63.9
Metropolitan Home	84.7	60.9	135.0	94.7
1,001 Home Ideas	50.8	45.3	97.2	81.7
Organic Gardening	74.7	71.9	132.9	127.7
Phoenix Home/Garden	94.0	86.0	164.8	145.8
Practical Homeowner	63.8	74.4	107.7	113.3
San Diego Home/Garden	72.7	68.5	125.0	129.0
South Florida Home/Garden	50.0	35.9	93.0	71.6
Southern Accents (6X)	—	—	82.3	84.1
Southern Living	101.5	103.2	169.3	176.3
Sunset Magazine A.	125.0	107.0	210.2	168.6
Workbench (6X)	—	—	48.4	49.4
Total Group	1,551.4	1,410.0	2,854.2	2,593.7
% change		10.0%		10.0%

In-flight & other passenger

	Current month 1988	1987	Year-to-date 1988	1987
Aboard Group (7X)	—	—	28.0	27.8
Alaska Airlines	54.9	55.8	109.6	107.9
America West Airlines	59.2	43.5	120.7	86.1
American Way (24X)	124.2	92.9	251.6	172.1
Brighton Inflight Group:				
Hawaiian Air (6X)	—	—	—	—
East/West Network:				
Continental	59.7	—	111.7	—
Eastern Review	52.5	72.2	113.7	150.0
Northwest	37.2	44.5	80.4	83.5
Pan Am Clipper	39.7	36.0	83.0	79.2
Spirit	70.3	52.7	130.0	110.0
TWA Ambassador	53.8	43.5	104.8	86.0
Vis 'A Vis	56.0	61.2	96.7	114.4
Halsey Publication:				
Delta Sky	—	—	—	—
Pace Communications:				
Piedmont Airlines Pace	90.5	95.1	163.8	168.5
US Air	68.7	36.2	125.2	77.7
Spirit of Aloha (6X)	20.9	34.0	41.7	68.0
Total Group	787.5	667.6	1,560.9	1,331.2
% change		18.0%		17.3%

Men's

	Current month 1988	1987	Year-to-date 1988	1987
Esquire A.	73.9	61.3	121.2	105.7
Firehouse Magazine	28.8	29.8	66.8	76.8
Gentlemen's Quarterly A.	127.6	115.6	211.9	170.4
M Magazine	83.5	89.9	127.1	125.2
Muscle & Fitness	117.8	105.8	238.3	220.5
Penthouse A.	35.6	33.0	91.5	77.4
Playboy A.	44.5	32.1	97.5	92.7
Salute (10X)	27.4	—	27.4	—
Total Group	539.2	467.6	981.7	868.7
% change		15.3%		13.0%

Metropolitan

	Current month 1988	1987	Year-to-date 1988	1987
Aloha (6X)	—	—	18.8	27.9
Atlanta	61.4	53.9	112.5	105.8
Baltimore	68.3	77.7	119.7	135.1
Boston	144.0	143.1	270.7	277.1
California	50.0	60.4	112.1	97.6
Chicago	89.8	83.2	195.7	154.2
Chicago's North Shore	79.1	62.5	172.4	141.3
Cincinnati	41.6	38.6	89.3	83.9
Cleveland	49.9	49.6	102.9	102.0
Coast (39X)	51.7	61.2	103.4	121.2
Columbus Monthly	43.4	44.8	113.3	105.1
Connecticut	99.1	92.5	174.1	175.7
D/Magazine, Dallas/Ft. Worth	93.1	116.8	165.0	207.4
Denver	34.5	34.7	62.7	56.2
Detroit Monthly	66.0	51.2	117.5	147.1
Grand Rapids	33.3	34.7	60.9	64.4
Gulfshore Life (10X)	113.0	105.0	199.0	191.0
Honolulu	57.2	50.8	112.6	107.0
Louisiana Life (6X)	—	—	24.2	29.8
Madison	40.5	68.0	71.0	122.0
Memphis	71.0	67.0	145.0	148.0
Mid Atlantic Country	—	—	—	—
Milwaukee	46.3	53.8	93.8	85.8
Minneapolis/St. Paul	75.6	81.0	143.6	142.4
Nashville	37.0	59.0	81.0	103.0
New England Monthly	35.5	32.4	82.0	64.0
New Jersey Monthly	84.6	86.0	154.8	156.2
New Mexico	—	—	—	—
Ohio	37.8	39.6	92.9	107.4
Oregon (6X)	—	—	—	—
Orlando	81.3	78.9	173.4	163.8
Palm Beach Life	104.1	110.3	189.8	201.9
Palm Springs Life	—	—	—	—
Philadelphia	114.8	108.1	237.4	231.7
Phoenix	55.2	71.9	118.3	147.0
Pittsburgh	68.8	60.6	118.1	110.7
St. Louis	—	—	—	—
San Diego	117.3	135.3	294.2	245.8
San Francisco Focus	87.0	93.2	141.7	150.5
South Florida Magazine	74.9	46.2	156.8	100.1
Texas Monthly	102.0	64.0	155.1	142.1
Twin Cities	51.6	41.9	116.6	76.5
The Virginian (6X)	—	—	60.5	52.1
Washington (7X)	—	—	47.4	40.0
The Washingtonian	149.4	154.5	263.0	272.2
Total Group	2,610.1	2,612.3	5,263.1	5,193.0
% change		-0.1%		1.3%

Music/entertainment

	Current month 1988	1987	Year-to-date 1988	1987
Audio	85.5	62.4	195.4	160.8
Dance Magazine	59.6	55.8	115.4	113.6
Playbill	48.8	41.8	84.2	75.4
Stereo Review	96.5	99.2	198.3	197.7
Video Magazine	—	—	—	—
Total Group	290.4	259.2	593.2	547.5
% change		12.0%		8.3%

National Sunday magazines

	Current month 1988	1987	Year-to-date 1988	1987
Parade (52X)	50.4	53.6	108.8	102.2
Total Group	50.4	53.6	108.8	10[illegible].2
% change		-5.9%		[illegible]%

Outdoor & sport

	Current month 1988	1987	Year-to-date 1988	1987
Alaska	46.6	40.0	78.7	63.8
The American Handgunner (6X)	—	—	49.0	41.0
American Hunter	19.5	16.4	37.1	37.3
American Rifleman	20.0	19.0	44.7	47.6
Backpacker (6X)	—	—	34.5	27.0
Bass Master (10X) A.	111.0	95.4	193.9	162.4
Bicycling (9X)	—	—	85.6	69.6
Ducks Unlimited (6X)	—	—	22.6	18.3
Field & Stream	90.2	84.3	145.9	159.8
Fins & Feathers A.	—	—	—	—
Fishing World (6X)	—	—	43.0	33.1
Florida Sportsman	200.1	163.0	333.8	312.6
Golf Digest	128.4	103.6	215.0	204.2
Golf Magazine	144.9	121.8	295.2	240.0
Gun Dog (6X)	—	—	27.2	31.0
Guns	32.2	26.9	65.2	55.9
Guns & Ammo	63.4	39.8	102.5	74.7
In-Fisherman (6X)	162.8	145.0	162.8	145.0
Outdoor Life	98.5	91.5	154.1	161.9
Outside Magazine	—	—	—	—
Petersen's Hunting	67.0	36.6	103.4	74.8
Runner's World (12X)	33.7	27.0	69.5	49.1
Salt Water Sportsman	120.0	104.9	320.3	288.4
Sierra (6X)	34.5	39.4	34.5	39.4
Shooting Times	63.5	43.7	89.5	78.3
Ski (8X) A.	102.8	78.8	207.3	162.2
Skiing (7X) A.	68.8	55.6	181.8	150.5
Skin Diver	113.5	104.3	204.6	203.4
Southern Outdoors (9X)	96.5	51.3	141.1	97.4
Southern Saltwater(8X)	41.4	32.5	80.8	32.5
Sport	33.2	32.3	69.2	64.3
Sports Afield	102.6	92.8	145.4	224.4
Tennis	50.1	63.3	91.7	107.8
Waterski (8X)	—	—	49.5	43.0
Western Outdoors (10X)	64.7	57.4	102.3	87.4
Wildfowl (6X)	14.8	8.9	14.8	8.9
Wing & Shot (6X)	—	—	15.5	11.9
World Tennis	51.6	21.0	71.3	34.8
Total Group	2,176.2	1,796.4	4,083.3	3,641.2
% change		21.1%		12.1%

Photography

	Current month 1988	1987	Year-to-date 1988	1987
American Photographer	24.6	33.3	62.6	58.3
Petersen's Photographic	19.7	24.1	43.4	46.1
Popular Photography	73.0	64.8	154.1	132.8
Total Group	117.3	122.3	260.1	237.2
% change		-4.0%		9.6%

Science/electronic /mechanic

	Current month 1988	1987	Year-to-date 1988	1987
Discover	38.4	44.9	77.5	92.8
Family & Home Office Computing	42.7	51.9	89.5	107.0
Omni	51.0	57.8	104.9	105.3
Personal Computing	260.1	124.4	479.6	251.8
Popular Mechanics	74.9	90.5	133.8	164.2
Popular Science	79.5	75.6	139.3	134.7
Scientific American	56.1	41.4	74.4	71.7
Spectrum	59.0	74.0	145.8	149.3
Total Group	661.5	560.4	1,244.9	1,076.8
% change		18.0%		15.6%

Woman/fashion/service

	Current month 1988	1987	Year-to-date 1988	1987
Bride's Magazine (6X) A.	703.6	581.9	703.6	581.9
Cosmopolitan A.	185.7	190.4	327.7	343.3
Elle Magazine	142.6	162.5	212.0	227.0
Essence	79.2	75.1	137.2	130.5
Family Circle (17X) A.	188.7	87.9	244.8	162.1
Glamour	154.7	160.3	246.5	279.7
Good Housekeeping A.	142.6	125.0	209.1	208.9
Harper's Bazaar	111.2	120.3	172.9	189.7
Health	60.6	45.0	87.7	79.0
Ladies' Home Journal	114.6	102.0	189.1	167.2
Mademoiselle	111.4	108.4	173.4	185.8
McCall's	87.5	119.2	142.8	174.1
Military Lifestyle	50.3	50.1	83.9	94.4
Modern Bride (6X)	555.7	575.0	555.7	575.0
Ms.	30.3	28.5	63.3	76.2
New Woman	85.1	75.0	142.2	131.9
Parents Magazine A.	99.1	89.6	179.7	153.4
Redbook	84.5	95.0	157.4	168.0
Savvy	44.9	41.5	84.5	73.9
Self	102.3	96.6	153.9	154.0
Seventeen	67.7	86.3	111.4	161.6
Shape	62.2	68.3	118.1	119.8
Soap Opera Digest (26X)	—	—	—	—
Teen Magazine	34.9	49.0	67.0	81.7
True Story A.	52.8	55.9	92.2	90.3
Vogue	29.3	30.2	132.9	148.7
Woman (10X)	39.3	30.0	39.3	30.0
Weight Watchers	52.2	31.5	81.7	65.8
Woman's Day (16X) A.	93.8	117.8	180.3	210.9
Workbasket	32.9	37.4	58.4	65.1
Working Mother	78.7	70.8	133.0	134.2
Working Woman	92.3	74.0	159.4	156.3
Total Group	3,770.5	3,580.4	5,441.0	5,420.4
% change		5.3%		0.4%

AD AGE regrets the inconvenience it may have caused its readers by reducing the consumer linage report in this issue to a single page. Space requirements forced the move.

Consumer linage also will not appear in March, but not from lack of space. Editors are switching to a new monitoring system that will help the reader track ad trends. Under the system, current-month reports will be presented in the succeeding month.

Monthly data will continue to be collected from participating magazines through the mailer cards, but data will be manipulated into charts pointing out monthly and year-to-date ad movements and prior-year comparisons of magazine categories. The AD AG Index monitoring leading magazine categories will be introduced and a writeup will accompany the linage report identifying leading magazines.

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads.

All figures represented in this chart are supplied by the magazines. ADVERTISING AGE makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

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0201909649 AV00 8810 COMP LW2
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WASHINGTON DC 20014

NEWSPA

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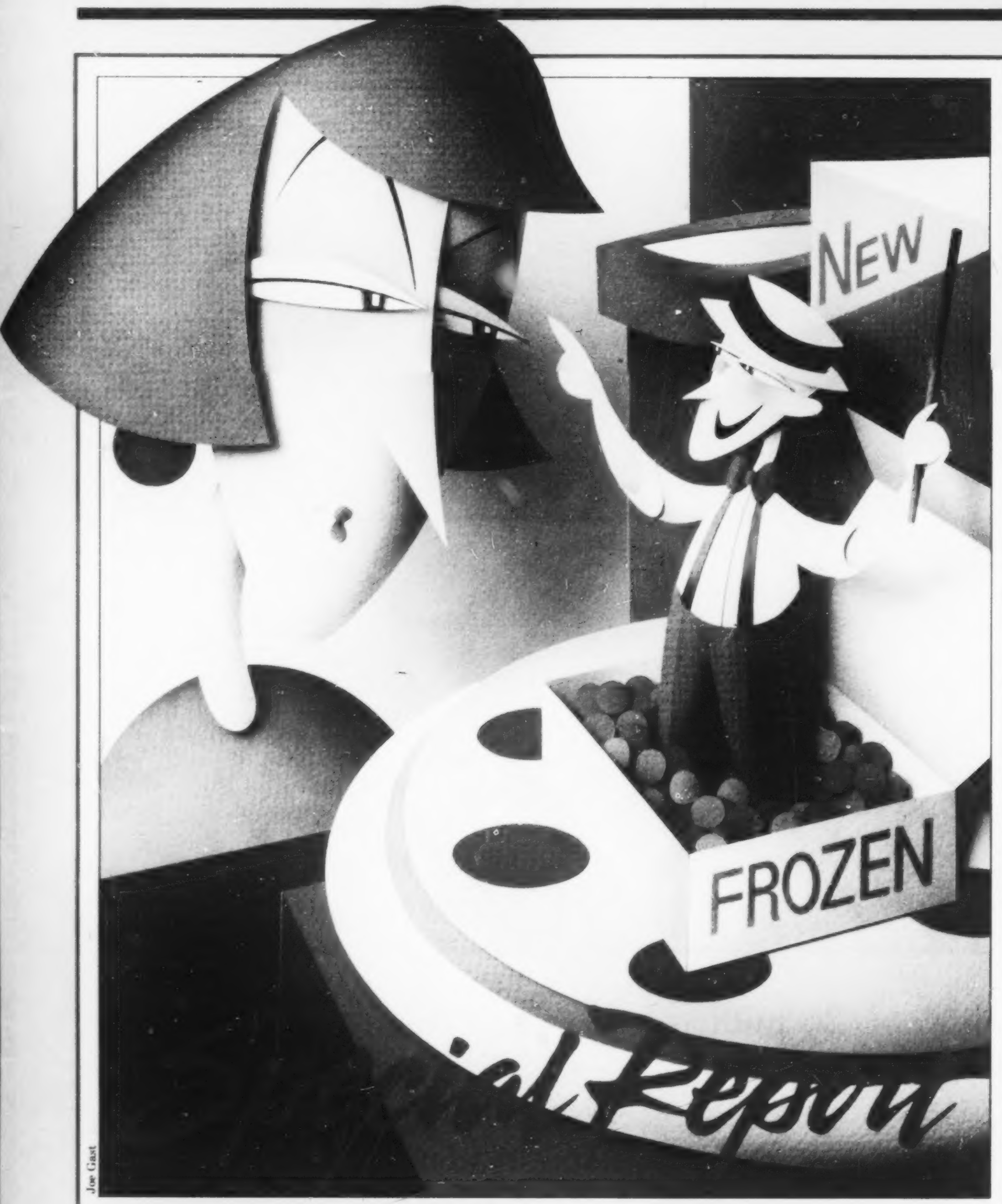
March 7, 1988

C2710-1
3/4/88

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.



Marketing to Women

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Pillsbury: Where the doughboy went wrong

—Page 1

A not-super Tuesday for Bob Dole's ad strategy

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Faberge's new-product blitz sets strategy

—Page 6

Good news: Man of Steel flying high even at 50

—Page 74

BEST AVAILABLE COPY

Does this guy look 50? See P. 74

March 7, 1988

Advertising Age®

Crain's International Newspaper of Marketing

What's behind Pillsbury woes

By SCOTT HUME
and JULIE LIESSE ERICKSON

John M. Stafford took the fall last week for failing to solve Pillsbury Co.'s myriad marketing problems.

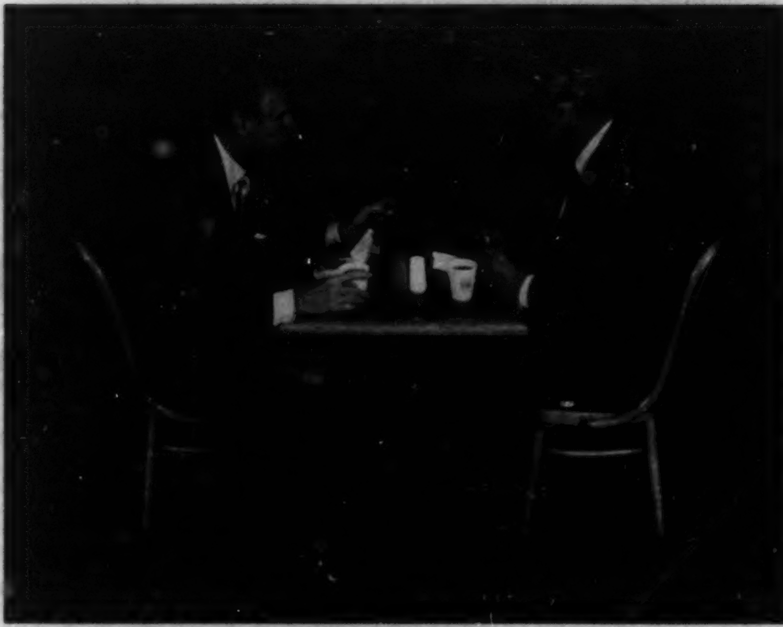
But the company's problems go deeper —and back further—than two years of disappointing sales and profits for the Restaurants Group.

William Spoor, the former chairman-ceo who temporarily replaces Mr. Stafford as chairman-president-ceo of the $6 billion food and restaurant company, bears a major responsibility for creating many of those problems, industry observers say.

The problems include: a rash of executive departures, a half-dozen short-lived ad campaigns, a host of failed or undersupported new-product introductions, a dearth of in-store promotional marketing and a consistent lack of focus.

Although attention has focused on the Restaurants Group's problems with Burger King Corp.—and there's little question the wheels came off the No. 2 burger chain's marketing—the Foods Group, too, has lost key executives and had its share of marketing blunders while still managing to post profits that have satisfied Wall Street.

Pillsbury in the past two years has lost far more share points in the microwave popcorn market than BK has in the fast-food arena, for example.



Steve Woit/Picture Group

John Stafford (l.) shares a Burger King lunch with William Spoor, whom he succeeded as Pillsbury's chairman until Mr. Stafford was replaced by Mr. Spoor last week.

Pillsbury had pinned much of its food division's hopes on microwave technology. Despite generally being first in the market, however, Pillsbury hasn't been able to maintain its lead in microwaveable products.

First on the market with microwave popcorn, the company now is a distant third in the $300 million market, behind Beatrice Cos.' Orville Redenbacher's la and General Mills' Pop Secret.

What's in the future for Pillsbury—P.

One reason for that is Pillsbury let a l executive on microwave products leave start a third competitor that has done well in the market.

More important, however, is the fact that the company allowed ad support for popcorn to dwindle drastically; Beatrice and General Mills are outspending Pillsbury 3-to-1.

Another seemingly unnecessary marketing fiasco occurred in frozen pizza, where Pillsbury held a major position with Totino's.

When Pillsbury acquired Jeno's in 1985,

(Continued on Page 78)

Last Minute News

Dole spot lashes out at Bush

WASHINGTON—Sen. Bob Dole (R., Kan.) late last week unleashed a negative TV spot on Vice President George Bush's role in the Iran-contra affair. The 30-second spot, from Murphy & Castellanos, Alexandria, Va., was slated for five or six major markets *(see related story below)*.

ABC-TV drops $75M on Olympics

NEW YORK—**ABC-TV** lost $75 million on its Winter Olympics telecast, or double the original estimates, network sources say. However, Capital Cities/-ABC's overall losses were about $35 million to $40 million because of ad sales by its eight owned-and-operated TV stations, sources said. Separately, negotiations on the 1992 Winter Olympics in Albertville, France, are ex-

(Continued on Page 8)

Inside Campaign '88

How Dole killed election hopes

By STEVEN W. COLFORD

Sen. Bob Dole's chances of winning the Republican presidential nomination are dead, says his former media adviser.

They were killed last month in Boston by a negative TV spot from Vice President George Bush that the Dole campaign declined to answer, said Don Ringe, former top adman for the Kansas senator.

The attack spot from Vice President Bush ran on Feb. 11, only days before the crucial Feb. 16 New Hampshire primary. That primary, coming after Sen. Dole's strong showing in the Iowa caucuses on Feb. 8, was a momentum-stopper for the Dole campaign, Mr. Ringe said.

Brady's Super Tuesday—P. 76

The spot accused Sen. Dole of straddling the fence on whether he would reject a tax increase.

The vice president, who was

(Continued on Page 76)

GM's Saturn breaks mold

UAW helps select ad agency

By RAYMOND SERAFIN

TROY, MICH.—In what may be an unprecedented move, a United Auto Workers official will help select an ad agency for the $70 million-to-$80 million General Motors Corp. Saturn account.

The arrangement, which is unique at least to the automotive industry, reflects Saturn's attempt to forge new labor-management relations. The UAW official is a member of Saturn's internal Strategic Action Council, a high-level committee dealing with strategic direction. The official hasn't been identified.

The UAW is being included because "they're a stakeholder in the whole process," said Thomas Shaver, 47, director of marketing services for Saturn Corp., in an exclusive interview with ADVERTISING AGE.

"They're part of our business teams, they're with us at our staff meetings," he said of the UAW. A tour of Saturn headquarters would turn up union representatives commonly working next to company executives, he said.

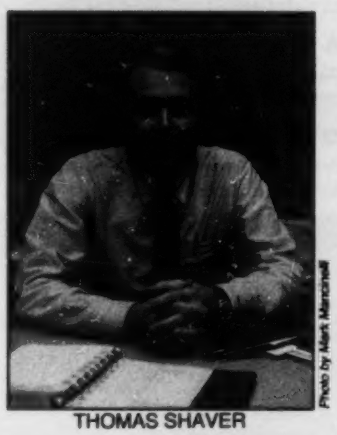


Photo by Mark Marcinek

THOMAS SHAVER

The innovative contract signed in 1985 by Saturn and the UAW eliminated nearly all the rigid job classifications traditional to manufacturing. Workers in return get lifetime job guarantees (under most circumstances) and a bigger say in the organization.

A UAW spokesman said union members were part of the committee that designed the assembly plant being built in Spring Hill, Tenn. "The contract is a brand new concept that calls for total integration of UAW and management," the spokesman said.

Mr. Shaver declined to comment on whether a union representative will continue to have involvement with Saturn's ad agency after a selection is made. But he said there will be a more "streamlined process" for working with the agency, compared to the selection procedure.

"We're not setting up something where 10 million people are writing copy," he said.

In a wide-ranging interview, Mr. Shaver also revealed that a car dealer will join the UAW in

(Continued on Page 78)

Coffee price war brews

P&G tests low-cost 'fast roast'

By LAURIE FREEMAN and JUDANN DAGNOLI

Procter & Gamble Co. is embarking on an adventurous new strategy for Folgers that could re-ignite coffee price wars.

In Western markets beginning today, P&G is replacing 16-ounce regular Folgers coffee with a 13-ounce "fast roast" Folgers.

The introduction won't affect the Western markets' test of Folgers Gourmet Supreme, a premium-price Colombian blend.

The new lines could indicate that P&G is moving away from midprice coffees to concentrate on the high and low ends.

The new Folgers is made by roasting coffee beans "faster and hotter" so they "puff more," said a P&G spokeswoman. The process allows more flavor to be extracted from each bean. As a result, P&G can use fewer green coffee beans and reduce the list price by 20¢ per can.

The cost savings are derived from "green coffee costs only, because the cost [to P&G] to manufacture, package and deliver Folgers remains the same," the spokeswoman said.

The new process results in 13 ounces of fast-roast Folgers being equal in volume to the 16-ounce size. The technology has been used by the company in its decaffeinated variety since 1983, the spokeswoman said.

The P&G threat may be a factor in General Foods Corp.'s decision to re-institute Maxwell House advertising (AA, Feb. 22).

The new lower-price product from No. 2 P&G comes at a time when GF, the leading coffee marketer, has had to raise prices to take pressure off the company's slimmer margins on Maxwell House. GF has about 37.8% of the $4.8 billion coffee market while Folgers has about 27.5%.

P&G maintains the new Folgers isn't a high-yield coffee; it will continue to sell Folgers Special Roast Flakes, a high-yield coffee. But one California retailer contended P&G is "downsizing a pound to 13 ounces and producing another high-yield coffee" and only taking 20¢ off the price.

He said P&G's move will force competitors to follow suit or "discredit" P&G.

The premium-price Folgers Gourmet Supreme is testing in Denver; Phoenix, Ariz.; and Salt Lake City (AA, April 13). Handled by Wells, Rich, Greene, New York, the brand is targeted at GF's Yuban and supported with a lavish campaign that cost a reported $1 million to produce. Print, radio and spot TV are being used.

Two 60-second commercials are takeoffs on adventure films in which a swashbuckling character named Alex relates the tale of his dangerous and involved search for "the supreme coffee bean."

The fast-action footage has Alex caught in rock slides and crashing over waterfalls as he struggles to reach the summit of a craggy mountain peak. At the top is the signature black can of Gourmet Supreme.

P&G said it won't advertise the new 13-ounce Folgers because there's no change in the regular product's packaging, labeling or flavor. The national Folgers campaign uses a "Waking up" theme, created by N W Ayer.

The new Folgers also will be sold in 26-ounce packages and will be distributed in Arizona, California, Colorado, Idaho, Nevada, Oregon, Utah and Washington.#

Highlights

EWS

4 Avis trying harder than ever
Avis kicks off its first ad campaign since being sold to its employees last year.

6 Faberge dresses up marketing
Faberge USA will unveil its revamped marketing strategy, supported by a $40 million ad budget.

24 Dishing up conflicts
Food marketers are creating new agency conflict problems as they branch out into new food areas.

29 Consumer promotions gear up
The forecasted shift of marketing dollars to consumer promotions from trade promotions appears to have begun.

32 First Nationwide banks on service
First Nationwide Bank is creating a national chain with a hometown feel.

54 Blockbuster plots expansion
Blockbuster Entertainment Corp. plans to make the chain the industry's largest.

64 K-C boosts spending
Kimberly-Clark Corp. is increasing its ad and promotional spending by about 14% this year.

70 Public backs Detroit JOA
Hometown pressure could influence the U.S. attorney general's decision on a joint operating agreement for Detroit's dailies.

71 British Airways global ads fly
British Airways' revamped business-class service is booming, thanks to a global ad campaign.

80 When ads poke fun at ads
Critics believe the trend toward "parody advertising" isn't the best way to sell products.

INTERNATIONAL

47 P&G scrubs brand loyalty
In West Germany, Procter & Gamble Co. is trying to transfer market share and brand loyalty from its top-selling denture cleanser to a new brand name.

AD REVIEW: K mart spots get green light. Page 80.

David Mahoney's "Confessions." Page 36.

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Feds tell states to back off on ad restrictions

By JENNIFER LAWRENCE

The U.S. Department of Transportation, in its strongest move yet to curb state regulation of national advertising, is threatening to go to court to block enforcement of state airline ad guidelines.

If successful, the DOT suit would undercut a plan by the National Association of Attorneys General to regulate airline advertising as well as threaten other future NAAG ad proposals.

The move comes just as NAAG holds a crucial meeting in Washington this weekend, where it will consider proposals to regulate rental car, airline and possibly other ads.

B. Wayne Vance, DOT general counsel, last week sent a letter to seven state attorneys general claiming that states are pre-empted by the federal government from regulating air-fare price advertising that encourages price competition.

Mr. Vance closed his letter with "I am asking you and the other attorneys general not to take further action in this matter that could lead to our being opposing litigants rather than partners without thorough discussion at both state and federal levels. . . .

"If threats to enforce the particular sections of the guidelines continue, we will be forced to consider taking formal legal action to prevent their enforcement."

Mr. Vance offered to attend this weekend's NAAG meeting in Washington or meet with the state officials before then.

The DOT letter objects to regulation of round-trip-fare ad requirements and the required inclusion of surcharges in the advertised fare.

"If the DOT doesn't want to protect consumers, they should keep their mouth shut and let other people do it," said Stephen Gardner, assistant Texas attorney general. "The federal agencies are continuing on their course of being lackeys to the airline industry."

In other developments:

- The state attorneys general are expected to endorse a three-month study of the car-rental industry and its ad practices, sources say. This study could produce a set of national car rental ad guidelines.
- The New York and Texas state attorneys general have sent letters to Sterling Drug's Glenbrook Laboratories and to SmithKline Consumer Products seeking discussions about ads for Sterling's Bayer aspirin and SmithKline's Ecotrin. The attorneys general say the ads may violate state consumer protection laws.

State officials fear the ads don't clearly differentiate between using aspirin for first or second heart attacks and also don't fully explain the risks and side effects.

They also charge that although the Food & Drug Administration approved "professional labeling" for doctors to recommend aspirin to reduce second heart attack risks, no one has specifically approved advertising these claims to consumers.

> *"The federal agencies are continuing on their course of being lackeys to the airline industry."*
>
> **—Texas assistant attorney general**

- With battles likely over the airline guidelines, the Council of Better Business Bureaus last week urged the states to shift gears and work through the advertising industry's self-regulation process.

CBBB President James McIlhenny "encouraged" the state officials to work through CBBB's National Advertising Division, which reviews complaints about national advertising and has handled more than a dozen cases involving airline ads.

The CBBB offer was endorsed by the Association of National Advertisers, the American Association of Advertising Agencies and the American Advertising Federation, which co-sponsor the NAD program.

Four A's President Leonard S. Matthews attacked the NAAG airline guides as "impractical and costly," unconstitutional and potentially "a real disservice to the American consumer."#

Contributing to this story: Patricia Winters in New York and Steven W. Colford and Laurie Freeman in Washington.

Newspaper Advertising Inches; December 1987 vs. December 1986 (Standard Advertising Units in the Media Records Conversion System)

AKRON, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Beacon Journal (M)	114,757	——	106,490	——
Beacon Journal (S)	73,349	——	75,783	——
Grand Total	188,106	——	182,273	——

NOTE: Beacon Journal changed from evening to morning publication effective July 13, 1987.

ALLENTOWN, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Call (M)	178,511	——	172,944	——
Call (S)	92,128	——	92,859	——
Grand Total	270,639	——	265,803	——

NOTE: Part run figures not available.

ASBURY PARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press (E)	175,214	51,350	192,681	20,254
Press (S)	137,341	20,317	135,838	17,054
Grand Total	312,555	71,667	328,519	37,308

ATLANTA, GA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Constitution (M)	183,931	89,256	189,532	95,661
Journal (E)	188,338	97,210	198,213	103,837
Journal & Constitution (S)	95,133	105,038	103,671	83,466
Journal & Constitution (Sat)	44,063	——	42,579	——
Grand Total	511,465	291,504	533,995	282,964

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Sun (M)	146,783	27,244	161,008	8,856
Sun (E)	121,485	25,755	126,790	8,650
Sun (S)	138,512	55,844	133,682	52,736
Grand Total	406,780	108,843	421,480	70,242

BERGEN COUNTY, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Record (E)	164,770	44,404	174,623	29,599
Record (S)	150,292	55,312	143,623	40,060
Grand Total	315,062	99,716	318,246	69,659

BOSTON, MA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	83,896	——	97,692	821
Herald (S)	25,427	54,640	23,717	38,042
Globe (M)	161,990	15,659	155,961	15,736
Globe (S)	157,761	44,062	154,518	33,880
Grand Total	429,074	114,361	431,888	88,479

BUFFALO, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (AD)	106,005	46,406	118,910	35,813
News (S)	44,197	52,446	68,026	24,252
Grand Total	150,202	98,852	186,936	60,065

CAMDEN, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courier-Post (E)	129,353	26,260	127,534	17,535
Courier-Post (S)	68,575	27,800	57,024	20,012
Grand Total	197,928	54,060	184,558	37,547

CHARLOTTE, NC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Observer (M)	146,956	——	148,849	——
Observer (S)	64,267	——	64,023	——
Grand Total	211,223	——	212,872	——

NOTE: Part run figures not available.

CHICAGO, IL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
*Tribune (M)	197,485	353,537	192,598	376,369
*Tribune (S)	161,588	138,721	145,785	124,673
Sun-Times (M)	146,866	78,907	142,767	88,660
Sun-Times (S)	66,004	65,124	55,111	42,529
Grand Total	571,943	637,289	536,261	632,231

NOTE: Tribune figures supplied by publisher to Media Records. 1987 figures represent advertising for 11/23/87 - 12/27/87.

CINCINNATI, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Enquirer (M)	182,018	18,575	188,656	18,169
Enquirer (S)	145,636	14,596	148,097	13,914
Post (E)	104,115	31,954	103,197	33,955
Grand Total	431,769	65,125	439,950	66,038

CLEVELAND, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Plain Dealer (M)	158,596	32,128	157,259	29,344
Plain Dealer (S)	108,557	9,796	104,558	10,517
Grand Total	267,153	41,924	261,817	39,861

DALLAS, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	292,634	20,094	317,029	11,704
News (S)	162,834	29,340	146,782	18,979
Times-Herald (AD)	223,509	25,362	238,297	31,436
Times-Herald (S)	115,731	40,515	115,101	24,884
Grand Total	794,708	115,311	817,209	87,003

DENVER, CO

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Rocky Mt. News (M)	267,263	36,176	294,682	6,084
Rocky Mt. News (S)	84,012	34,898	104,030	131
Post (M)	174,911	49,264	200,575	18,731
Post (S)	83,187	46,819	108,528	3,550
Grand Total	609,373	166,157	707,815	28,496

DETROIT, MI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Free Press (M)	116,067	77,120	108,611	85,754
Free Press (S)	45,631	53,104	46,646	50,886
News (AD)	177,750	60,108	158,068	67,426
News (S)	87,806	48,644	86,154	44,931
Grand Total	427,254	238,976	399,479	228,987

ESCONDIDO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times-Advocate (E)	119,972	5,903	119,636	8,019
Times-Advocate (S)	58,071	130	43,258	34
Grand Total	178,043	6,033	162,894	8,053

FORT LAUDERDALE, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News & Sun-Sentinel (S)	107,300	——	115,531	——
Sun-Sentinel (M)	264,083	——	296,018	——
Grand Total	371,383	——	411,549	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal Gazette (M)	101,814	——	97,724	——
Journal Gazette (S)	73,646	——	69,810	——
News Sentinel (E)	98,295	——	107,317	——
Grand Total	273,755	——	274,851	——

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Time (E)	73,994	16,604	78,834	1,501
Time (S)	61,187	8,871	64,299	718
Advocate (E)	106,497	23,374	101,936	20,713
Advocate (S)	62,542	13,261	64,008	4,768
Grand Total	304,220	62,110	309,077	27,700

HARTFORD, CT

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Courant (M)	167,831	46,160	166,885	31,040
Courant (S)	81,538	141,707	75,918	135,147
Grand Total	249,369	187,867	242,803	166,187

HONOLULU, HI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Advertiser (M)	150,532	——	143,457	——
Star-Bulletin (E)	139,271	——	139,464	——
Star-Bulletin & Advertiser (S)	91,392	——	89,327	——
Grand Total	381,195	——	372,248	——

HOUSTON, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (AD)	240,544	43,006	231,515	46,333
Chronicle (S)	112,638	45,037	98,579	43,831
Post (M)	164,206	38,534	161,176	49,477
Post (S)	75,293	42,110	72,877	35,794
Grand Total	592,681	168,687	564,147	175,435

LONG BEACH, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Press Telegram (M)	136,113	51,419	115,376	61,985
Press Telegram (S)	64,484	15,239	68,291	2,098
Grand Total	200,597	66,658	183,667	64,083

LONG ISLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Newsday (E)	100,195	140,414	125,931	113,313
Newsday (S)	65,496	135,430	89,395	98,887
Grand Total	165,691	275,844	215,326	212,200

LOS ANGELES, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	348,811	276,947	356,098	285,295
Times (S)	173,120	93,920	164,033	81,924
Herald-Examiner (M)	70,294	17,319	75,893	11,603
Herald-Examiner (S)	24,805	14,289	16,296	11,006
Grand Total	617,030	402,475	612,320	389,828

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
News (M)	204,322	50,882	199,469	56,736
News (S)	86,333	11,007	83,252	681
Grand Total	290,655	61,889	282,721	57,417

***LOS ANGELES/TORRANCE, CA**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Breeze (E & S)	254,088	——	241,509	——
Grand Total	254,088	——	241,509	——

NOTE: Figures supplied by publisher to Media Records.

***MEMPHIS, TN**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Commercial Appeal (M)	132,625	32,999	160,155	115,225
Commercial Appeal (S)	53,547	——	100,243	9,520
Grand Total	186,172	32,999	260,398	127,745

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Herald (M)	195,886	——	192,594	——
Herald (S)	94,479	——	97,967	——
News (E)	61,895	——	62,435	——
Grand Total	352,260	——	352,996	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star Tribune (AD)	128,249	44,992	140,995	25,474
Star Tribune (S)	125,771	385	123,051	1,867
Star Tribune (Sat)	26,046	——	22,058	——
Grand Total	280,066	45,377	286,104	27,341

***NASHVILLE, TN**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Banner (E)	130,661	——	128,900	——
Tennessean (M)	130,688	——	127,975	——
Tennessean (S)	99,631	——	92,696	——
Grand Total	360,980	——	349,571	——

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Home News (E)	98,701	6,527	97,015	1,966
Home News (S)	85,655	8,876	80,438	5,114
Grand Total	184,356	15,403	177,453	7,080

NEW YORK, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Times (M)	187,778	19,007	196,185	17,548
Times (S)	160,841	110,954	164,747	102,493
News (M)	76,376	94,207	61,192	104,360
News (S)	36,203	102,846	35,223	94,909
Post (AD)	72,291	665	63,972	1,358
Grand Total	533,489	327,679	521,319	320,668

NEWARK, NJ

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Star Ledger (M)	214,578	9,172	215,334	8,064
Star Ledger (S)	182,299	33,907	162,071	32,335
Grand Total	396,877	43,079	377,405	40,399

OAKLAND, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Tribune (M)	97,274	117,972	102,156	102,730
Tribune (S)	31,774	62,626	33,051	45,338
Grand Total	129,048	180,598	135,207	148,068

OCEANSIDE, CA
SAN DIEGO COASTAL NORTH COUNTY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade-Tribune (E)	130,241	6,952	118,373	9,031
Blade-Tribune (S)	62,474	1,040	38,528	——
Grand Total	192,715	7,992	156,901	9,031

NOTE: Blade-Tribune Evening published five days a week only.

ORANGE COUNTY, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Register (AD)	328,130	102,388	321,953	113,383
Register (S)	122,850	31,253	129,942	5,578
Grand Total	450,980	133,641	451,895	118,961

PHILADELPHIA, PA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Inquirer (M)	162,653	34,085	183,322	38,033
Inquirer (S)	124,133	66,358	116,370	73,764
News (E)	[illegible]922	——	89,301	14,847
Grand Total	385,708	100,443	388,993	126,644

***PHOENIX, AZ**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Arizona Republic (M)	326,521	28,347	339,584	27,390
Arizona Republic (S)	190,499	——	190,818	——
Gazette (E)	307,881	28,601	324,766	27,528
Grand Total	824,901	56,948	855,168	54,918

NOTE: Figures supplied by publisher to Media Records.

***PROVIDENCE, RI**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Journal (M)	156,442	193,328	152,607	120,105
Journal (S)	151,689	122,358	152,699	95,184
Grand Total	308,131	315,686	305,306	215,289

NOTE: Figures supplied by publisher to Media Records.

***ST. LOUIS, MO**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post Dispatch (M)	81,863	35,341	128,152	38,364
Post Dispatch (S)	173,881	689	169,655	951
Grand Total	305,166	36,030	297,807	39,315

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Pioneer Press Dispatch (AD)	105,488	——	113,124	——
Pioneer Press Dispatch (S)	106,677	——	97,390	——
Grand Total	212,165	——	210,514	——

NOTE: Part run figures not available.

SAN ANTONIO, TX

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Express-News (AD)	135,993	36,648	144,468	45,686
Express-News (S)	73,691	41,045	78,835	36,452
Express-News (Sat)	29,981	——	30,392	——
Light (AD)	138,065	17,783	161,179	20,911
Light (S)	92,481	15,188	95,664	11,915
Light (Sat)	20,014	772	24,391	1,415
Grand Total	490,235	111,426	534,929	126,389

NOTE: Express-News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Union (M)	261,762	42,887	240,330	50,692
Union (S)	126,439	1,201	116,851	——
Tribune (E)	266,972	45,152	249,418	50,409
Grand Total	655,173	89,240	606,599	101,101

SAN FRANCISCO, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Chronicle (M)	141,878	97,892	140,884	115,844
Examiner (E)	138,437	97,674	——	——
Examiner & Chronicle (S)	67,958	45,911	63,958	44,136
Grand Total	348,273	241,477	204,842	159,980

NOTE: 1986 Examiner Evening figures not available.

SAN JOSE, CA

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Mercury News (AD)	316,076	26,090	302,344	21,847
Mercury News (S)	155,112	——	141,023	——
Grand Total	471,188	26,090	443,367	21,847

***STATE COLLEGE, PA**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Centre Times (E)	86,526	6,505	92,362	5,962
Centre Times (S)	46,384	3,728	41,667	768
Grand Total	132,910	10,233	134,029	6,730

NOTE: Figures supplied by publisher to Media Records.

***TOLEDO, OH**

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Blade (E)	138,246	——	144,328	——
Blade (S)	108,080	——	98,665	——
Grand Total	246,326	——	242,993	——

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Post (M)	271,853	59,192	280,371	49,689
Post (S)	133,533	56,426	126,761	60,226
Grand Total	405,386	115,618	407,132	109,915

WASHINGTON, DC SUBURBAN GROUP

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Montgomery Journal (M)	62,790	——	60,923	270
Fairfax Journal (M)	71,458	1,676	75,018	270
Grand Total	134,248	1,676	135,941	540

NOTE: Montgomery Journal Morning and Fairfax Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Reporter Dispatch (E)	115,136	13,459	105,287	24,077
Reporter Dispatch (S)	97,783	18,636	70,272	35,579
Grand Total	212,919	32,095	175,559	59,656

WICHITA, KS

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Eagle-Beacon (M)	128,147	——	138,147	——
Eagle-Beacon (S)	84,162	——	75,938	——
Grand Total	212,309	——	214,085	——

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.....
   Width and Depth in Inches.
2. Determine Square Inches of Page.....
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.....
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page.....
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.....
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

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Service magazines adapt to market

By Patrick Reilly

In the early 1980s, working woman was all important. Her power, influence and sheer numbers grew rapidly.

The growth of women in the office, the dropping birth rate and the decline of mothers at home led magazine industry pundits to predict the demise of at least one, possibly two, of the women's service magazines.

The experts were sure that for the Seven Sisters—*Better Homes & Gardens, Family Circle, Good Housekeeping, Ladies' Home Journal, McCall's, Redbook and Woman's Day*—a time of reckoning was coming.

However, the experts were wrong.

"When I came here in 1981, people said, 'Congratulations, you've just been made captain of the Titanic,' " says Myrna Blyth, editor in chief, *Ladies' Home Journal*. "People thought women wouldn't be reading the service magazines in five years. But today [stories about] work and opportunity are still important, and interest in the home and family endures. It's possible to be interested in both."

Although greater attention is being directed toward the home in the late 1980s, the Seven Sisters are not returning to the old ways, and more than ever they reflect women's dual interests.

"The overall direction of society has shifted homeward," says Del Rusher, publisher, *Better Homes & Gardens*. "We are well past discussion of whether the family is dead."

Though the seven titles haven't acted as one, the number of service articles overall has increased—and the length is shorter, stories on pressing social issues appear regularly, coverlines are positive rather than negative, and the journalistic level is improved.

In advertising, "Automotive is much stronger because it reflects the increased role of women in buying decisions," says Mr. Rusher. Consumer electronics products also show an increase of 30%, from 15 pages in 1987 to an estimated 20 or more in 1988.

Better Homes and Gardens
Grandparents
Family Circle Great Ideas
FITNESS
Victoria
A Timeless Point of View
Woman's Day introduces...
New Family

Service magazine spinoffs include BH&G's Grandparents, Family Circle's Fitness, Good Housekeeping's Victoria and Woman's Day's New Family.

Most of the advertising new to this group is in the consumer electronics and automotive categories. "Detroit has awakened to the fact that women are a force in primary purchases . . . Detroit is now looking at the bulk of America and we sit dead center on it," says Charles Townsend, senior VP-publisher of *Family Circle*.

Advertising for the first quarter of 1988, showing a positive start for almost the entire field, is running more then 2% better than the first quarter in 1987.

Speaking of her own magazine, Ms. Blyth, echoed the opinions of several editors in the field. "We don't reach to the lowest common denominator; we are doing what marketers do, that is not to be ordinary, but rather look at the best. It's a newsy magazine, more journalistic."

At the same time, service magazine publishers find that, faced with a finite number of readers, a surefire way of increasing circulation is to spin off a title from the strength of the seven titles.

Spinoffs are part of the service field history—*Country Living* from *Good Housekeeping* in 1978. According to Dale Lang, publisher of *McCall's*, all of the women's service publications will spin out vertical titles in 1988: this month *McCall's* will introduce *America Entertains*, with 1 million circulation; *Good Housekeeping's Victoria*, a 500,000-circulation home magazine, begins quarterly publication in March; this month, *Family Circle* will introduce *Fitness*, a 400,000-circulation, twice-yearly magazine from its "Family Circle Great Ideas" series; *Better Homes & Gardens* launched *Grandparents* in March 1987, and in June, *Woman's Day* will begin an insert called "New Family," that eventually will stand alone.

"On spinouts, the key is creating a magazine that appeals to your audience without cannibalizing your readers," says John Mack Carter, editor in chief, *Good Housekeeping*. Each of the magazines has a strong base to work from; *Redbook*, the smallest, had an average paid circulation in 1987 of more than 3.9 million.

The Seven Sisters are indeed a powerful club. Six of the seven titles are listed in the top 20 magazines in terms of advertising revenue in 1987; *Better Homes & Gardens'* $142 million is the highest, placing it seventh in the top 20.

Powerful, yes. Invincible, no. In 1987, while some magazines showed gains in subscriptions, others registered serious drops in newsstand sales. The group lost more than 350 ad pages, or about 3%.

Although circulation has been trending slightly downward, according to Mr. Carter, as a category that represents the largest number of readers of any group of magazines, the Seven Sisters combined circulation reached 38.3 million in 1987.

As the jockeying continues, the magazines work harder at making their products stand out.

"This is the most competitive marketplace I have ever been in and it won't be easing up at all," says Mr. Townsend.

Intramural sniping is clearly evident on the crucial question of how to balance service articles with hard-edged journalism. Some in the group have clung to the service-articles-only formula, while others have tried to combine stories of wider social importance with the recipes and crafts.

Ellen Levine, editor of *Woman's Day*, has opted for mixing real life with home life.

"We run issues where an article on cleaning your house faster and one on book censorship both score a 60% in readership interest," says Mrs. Levine. "Women have added items to their interest list, not subtracted."

Woman's Day now carries fewer articles on crafts, while *McCall's*, known for its celebrity covers, has dropped crafts altogether.

Women still want service information, and "to get readers in mass numbers, you have to have service articles," says Mr. Lang. But above the *McCall's* nameplate go coverlines such as "AIDS: What Women Need To Know," and "Death: What Survivors Experience."

"We make sure there is an issue in every issue," Mr. Lang says.

Others hold as close [illegible] possible to the service-only formula.

"We are comfortable with the intention of others pulling away from the field. I want to be dead center when every one else is gone," says *Family Circle's* Mr. Townsend. "That doesn't mean you can't have a contemporary forum of issues facing women today, but it has to come from the service side. Not the sensational side."

"Dealing with sensational topics is not what we do," says Mr. Carter. "Our foremost responsibility is the service pages. The heavier issues in other magazines in the field

(Continued on Page S-10)

Multiply your dollar by 150,000.

Reach 150,000 professional women who've all graduated from universities. They're 35-60 years old and live in every congressional district in the United States. They travel frequently, read profusely, and are leaders in their communities. And they all read *Graduate Woman*, our bimonthly everymember publication.

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Radio's strength loud and clear

By Amy Zipkin

The attraction of radio to women, who give radio the greatest share of their media time, is creating a stir in the industry.

Working women spend an average of just under three hours a day listening to the radio, 63% have a radio available at work, and 85% are reached by radio in an average workday, according to "Radio Facts," compiled by the Radio Advertising Bureau, N.Y.

Advertisers, such as automotive companies, absolutely recognize the need to address working women, says Nan Heller, VP-director of sales, Western region, Westwood One Co., Culver City, Cal.

Advertisers are also reevaluating when they target women, says Ms. Heller.

Because RAB research shows more than half of the major purchases made by working women come within one hour of listening time, package goods companies are changing schedules to reach working women closer to the time of purchase, she says.

Looking for a novel way to present "yet another" rebate program, Miller Meester Advertising/DBK&O, Minneapolis, created a humorous spot for New York-based Farberware's stainless steel cookware sets.

"We felt the spot [radio] would have more impact and allow us to capitalize on the impulse nature of the medium," says Michelle Hall, senior account exec.

The rebate program drew more than 50,000 qualified responses, which more than doubled projected figures.

Another marketer has found a spot on its own syndicated show.

L'eggs Products, Winston-Salem, N.C., a division of Sara Lee Hosiery Group, is sponsoring "Women On the Move," a program created and produced by REMN Communications, New York, which specializes in short-format syndication.

The 90-second program, preceded by a 30-second spot, debuted in August with news and information for women on the job and at home.

"The program format gives us an element of being different; it's a more interesting environment to be presented in," says Suzanne Clark, director of markets at L'eggs.

Radio stations also have begun to show up at the workplace.

Several years ago, Walter Sabo, president of W.R. Sabo, New York, a management consultancy for RKO-owned radio stations in Boston, noticed that traditional remotes from shopping malls were completely missing working women.

Now, WROR-FM, Boston, stages radio remotes two-to-three times a week, live from local companies.

Setting up in a cafeteria or lobby, the adult contemporary station broadcasts a 3½-to-4-hour program from area companies. "The programs are tremendous morale builders," says Lorna Ozmon, the station's program director. The companies consider the broadcasts a program-length commercial, she says.

Even traditional on-air promotions are geared to working women. The $2,000 normally spent by the station for a holiday promotion in 1987 became a Christmas shopping spree complete with personal shopper to buy, wrap and even return the gifts, if necessary.

Amy Zipkin is a free-lance writer who is based in Westport, Conn.

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Magazines

(Continued from Page S-6)

has focused attention on what we do best, which is service. I don't want to be all things to all people."

Along with the varying editorial content, the service magazines definitely present different covers.

"Creativity [in covers]; there is more of a difference in the Seven Sisters in the last two years than there has ever been," says Mr. Townsend.

McCall's and *Ladies' Home Journal* rely strongly on the celebrity cover. *Ladies' Home Journal* started using celebrities on the cover in the 1960s, says Ms. Blyth. "Celebrities on the cover today gives an advantage. This is a celebrity age."

Others continue with traditional photographs of cozy homes scenes but vary the number and size of cover lines.

McCall's is credited with creating the "smorgasbord" covers—full of photos and headlines. "Lang has taken *McCall's* out of the service field in terms of its covers. It reads like a tabloid," says Mr. Townsend. "That's not a discredit because it sells at supermarkets."

With intense competition in the supermarket checkout racks, there's little room for clean, open covers.

"Our art directors yearn to do the big beautiful covers," says Mr. Carter. "But that won't happen because we don't want to give up the 10,000 readers who saw the cover line on AIDS and bought the magazine."

Seven Sisters' ad pages display sharp changes

January-December 1987

Publication	1987 pages	% change from 1986	1987 dollars	% change from 1986
Better Homes & Gardens	1,434.48	6.5	$142,170,974	9.5
Family Circle	1,650.16	−7.9	123,975,448	−12.5
Good Housekeeping	1,706.50	−13.3	132,465,976	−8.6
Ladies' Home Journal	1,286.75	−3.8	76,725,281	−0.5
McCall's	1,146.19	−0.3	67,717,134	1.0
Redbook	1,223.78	3.8	64,870,739	9.6
Woman's Day	1,695.82	−1.5	115,471,862	−6.5

Affiliated advertising is included in totals.
Source: Publishers Information Bureau. Figures compiled and tabulated by Leading National Advertisers.

Signs point to outdoors

(Continued from Page S-2)

in San Diego from September 1986 through August 1987 and included TV, radio, newspaper, magazine, and point of sale, as well as outdoor, says Cal Crandall, fluid milk program director in the board's San Francisco office.

The Vital 15 painted bulletins and 30-sheet billboards, designed by McCann-Erickson in San Francisco, showed a woman looking at the product. The creative was done by hand tinting a black-and-white photograph, giving the art a soft, feminine look. Other media continued the "special milk for women" theme. Even the Vital 15 carton looked feminine, featuring a pair of women's glasses and a yellow rose.

It was a consistent strategy and it backfired. Early feedback showed that the perception of a "women-only" milk alienated men, says Mr. Crandall. The Milk Advisory Board changed to overall market positioning in its early 1987 radio and print ad—outdoor remained unchanged and ran through February 1987.

In spite of the positioning problems, Vital 15 cornered a 1% share of the San Diego milk market, which is comparable to the initial performance of lowfat milk, Mr. Crandall says. It scored several other points as well: During the test year there was a 5.3% net growth in San Diego's total milk sales. Several dairies have introduced identical products under their own names southern California, so calcium-added milks now have a 95% market share in distribution.

Lifestyle ads

(Continued from Page S-8)

tained a glossary of financial terms. "It went over very well," she says.

Ms. Hargrave's research found that, "women like to see successful role models in ads," but are annoyed by "women only" tactics that seem to single them out for special-but-not-equal treatment. The one exception to that rule, she says, is affinity marketing, where the product is marketed under the auspices of an existing women's special-interest group.

The Travelers, Farmington, Conn., targeted members of the National Association of Female Executives via a direct-mail package for auto and homeowners insurance.

Although the product and copy were unchanged from a generic campaign, the package design followed the graphic style of all association communications.

The nationally promoted product was crippled by differing state insurance regulation, says Ms. Williams. "The product was not competitively priced and that minimized the response."

A few banks have capitalized on their existing relationships with female customers to create their own affinity groups.

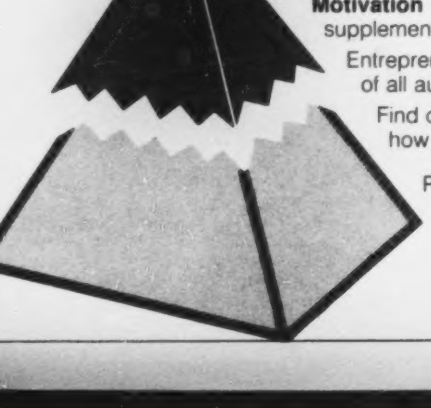
Farmers Bank & Trust Co., Georgetown, Ky., won an award in 1986 from the Bank Marketing Association for direct mailings that launched a women's travel club.

Walker Hatton, VP-marketing at Farmers, reports that with a $10,000 minimum deposit required, the program has attracted $5 million in deposits in 18 months.

Associate editor Pat Gray Thomas coordinated this report on Marketing to Women.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Sports Marketing.**



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March 14, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

swissair +
The civilized way to the world.

Hums with efficiency

Swissair breaks an unusual TV campaign today using nature instead of airplanes to illustrate its service. One spot in the $3 million effort, via Doyle Graf Mabley, shows a hummingbird hovering over a flower. The voice-over makes the point that some hubs such as Geneva and Zurich are "naturally" efficient.

Last Minute News

Sony plans small CD player

PARK RIDGE, N.J.—Sony this week will announce plans for an ultracompact, 14-ounce Pocket Discman that plays new 3-inch and standard 5-inch compact discs (AA, Jan. 11). McCann-Erickson, New York, handles Sony.

Scott names five finalists

PHILADELPHIA—Scott Paper has narrowed the review of its $6 million account. Finalists are Ally & Gargano, the Bloom Agency and Warwick Ad-

(Continued on Page 8)

Campbell stirs shops

Creative needs more meat

By JUDANN DAGNOLI

Troubled by creative inconsistency with its agencies, Campbell Soup Co. is looking for change, and the possibilities range from a fee/incentive compensation system to such hard-line action as moving business.

If there's to be any account shuffling, the big winner is likely to be W.B. Doner & Co., which Herb Baum, Campbell USA president, characterized as the company's "high-flier."

The loser, insiders predict, could be Backer Spielvogel Bates.

Mr. Baum said that after pushing agencies for better creative for two years, "there's still lots of room for improvement."

Another Campbell insider put it more succinctly: "Generally, we're spending a lot and not getting very good work."

Campbell USA spends $235 million annually on advertising.

Mr. Baum said the marketer is scrutinizing more closely the work of its ad shops but that Campbell isn't planning any shake-ups now.

But another company source said that although Mr. Baum is reluctant to pink-slip agencies, it's possible some account shuffling could occur after the company's new fiscal year starts Aug. 1.

H. Baum

Campbell's main agencies are Backer, BBDO Worldwide, DDB Needham Worldwide, FCB/Leber Katz Partners and Ogilvy & Mather, New York, as well as Southfield, Mich.-based Doner and Hal Riney & Partners, San Francisco.

In 1986, Mr. Baum added Saatchi & Saatchi Co., London, to the roster for V-8 vegetable juice because he couldn't find acceptable creative in the U.S. (AA, Aug. 6, 1986).

The company will take a "hard look" at all its agencies' work in May, when the shops meet with Campbell to plan 1989 marketing strategies, Mr. Baum said. Campbell will be ready to seriously evaluate in June. Campbell is seeking "more risk-taking in execution," Mr. Baum said.

But he admitted the company also can be blamed, noting, "When there is less risk-taking, it is always the client's fault."

Company sources said there has been tension between Backer and Campbell, though Mr. Baum said, "From my point of view, they are not in trouble."

Matters came to a head after an annual review of advertising conducted by a group of top-level executives, including Mr. Baum, company President-CEO Gordon McGovern and CSC Advertising President Paul Mulcahy. CSC is Campbell's in-house agency,

(Continued on Page 84)

Who's the biggest

Rank	Agency	Gross Income 1987	Gross Income 1986	Billings Rank	Billings 1987
1	Young & Rubicam	$735	$628	(1)	$4,906
2	Saatchi & Saatchi Advertising	694	610	(2)	4,609
3	BBDO Worldwide	537	445	(3)	3,664
4	Ogilvy & Mather Worldwide	529	460	(4)	3,663
5	McCann-Erickson Worldwide	513	428	(5)	3,418
6	Backer Spielvogel Bates Worldwide	499	371	(6)	3,330
7	J. Walter Thompson Co.	483	471	(7)	3,222
8	Lintas:Worldwide	418	325	(8)	2,787
9	D'Arcy Masius Benton & Bowles	371	334	(10)	2,494
10	Leo Burnett Co.	369	305	(12)	2,462

Notes: Dollars are in millions. U.S.-based agencies are ranked by worldwide gross income and billings. DDB Needham Worldwide is ranked ninth by billings. Source: Agency reports.

Regional ad power

Rank	City	Billings
1	New York	$19,716.9
2	Chicago	5,145.5
3	Los Angeles	2,815.6
4	Detroit	2,619.5
5	San Francisco	1,307.1
6	Dallas	897.6
7	Boston	859.3
8	Minneapolis	815.4
9	Philadelphia	743.4
10	Cleveland	595.3

Notes: Dollars are in millions. Source: Billings reports on more than 800 U.S. offices from a survey of 500 agencies.

Y&R biggest agency in '87

By R. CRAIG ENDICOTT

Young & Rubicam was the biggest U.S.-based agency in the world in 1987, ADVERTISING AGE's latest survey shows.

Y&R's worldwide totals were led by a 29.4% growth in foreign billings, far outdistancing a 7.7% improvement in domestic billings.

But Saatchi & Saatchi Advertising is steadily closing the gap. In 1986, Y&R's worldwide gross income was $628 million, compared with Saatchi's $490.5 million (the 1986 Saatchi numbers in the chart are restated to reflect mergers and acquisitions). Now the difference is $735 million vs. $694 million.

That agency's London parent, Saatchi & Saatchi Co., had gross income of $1.33 billion on billings of $9.02 billion, making it No. 1 among industry holding companies. Interpublic Group of Cos. was No. 2.

Overall, worldwide gross income rose 13.7% to $9.5 billion and billings grew 13.5% to $64.8 billion in 1987 for the AA list of top 500 agencies.

New York continued to dominate the regional markets, growing 7.0% in U.S. billings and accounting for 45.9% of all U.S. billings of the 500. Dallas and San Francisco tied for the smallest increase in billings among the top 10 with 2% growth each. Cleveland was the only new entry in the top 10, replacing Atlanta as No. 10.

A complete ranking of the AA 500 by gross income, agency accounts gained and lost and top executives will be published March 30 in the 44th annual Agency Income Report.#

Call it Addy-gate: Agency caught in awards scam

By SCOTT HUME

The Milwaukee ad community has been rocked by an Addy Award scandal that has all the elements of a Robert Ludlum spy novel.

The plot includes anonymous letters impugning an agency's ethics, a mysterious client and questions about pressures on all agencies to go to great lengths to win creative awards.

Ludlum or no, the American Advertising Federation has read enough.

The AAF will tighten entry guidelines for its Addy Awards competition next year to ensure that advertising submitted has been created for an actual client

(Continued on Page 84)

Inside:

Agency-client marriages that last. P. 3
AD AGE picks best TV spots. P. 26
'Folio' hopping mad at MPA. P. 80

Mega-shops set global media test

By JON LAFAYETTE and LAUREL WENTZ

When agency megamergers swept the industry two years ago, clients were promised benefits, particularly on the media side. That proposition is about to get its big test.

In country after country outside the U.S., the "big bang" agency holding companies are combining previously separate agency media-buying operations into one. Spurred by competition from independent media-buying companies and by the need to help shape a changing media scene in Europe, the holding companies are trying to take advantage of economies the megamerged agencies promised clients.

If it works, the practice is likely to reach the U.S.

Next month Omnicom Group plans to announce formation of new media-buying companies in Europe. The plan for the first time would combine BBDO Worldwide and DDB Needham Worldwide's media operations. The group's agencies already jointly negotiate media contracts in Australia.

Saatchi & Saatchi Co. is doing a feasibility study on the subject, and Interpublic Group of Cos., which has assiduously kept its agencies separate, is already sharing media buying in Australia, Belgium and France.

Thinking along the same lines, London-based WCRS Group this month negotiated an agreement to buy a 50% stake in SGGMD, Europe's largest independent media-buying company with operations in Belgium, Italy, Spain, the U.K. and West Germany.

> "It's inevitable. It's not going to happen with a big bang. It'll happen market by market, agency group by agency group."
> —Allen Rosenshine

Saatchi was close to buying into SGGMD last year, but the deal collapsed when Saatchi insisted on controlling interest.

"It's inevitable," said Omnicom CEO Allen Rosenshine at a conference last week. "It's not going to happen with a big bang. It'll happen market by market, agency group by agency group."

John Perriss, worldwide media director of Saatchi & Saatchi, said the company is studying the feasibility of combining media buying of its two worldwide networks—Saatchi & Saatchi Advertising Worldwide and Backer Spielvogel Bates Worldwide. That would be on a market-by-market basis, he said.

S&S has $6 billion in worldwide billings.

Such consolidations in the U.S. have been viewed with much skepticism. But sources said Saatchi is compiling information for a possible move in the U.S.

The hectic consolidation pace worldwide has been driven by several factors, including agency streamlining. But the biggest reason for the moves appears to be that media, especially TV, have grown rapidly in Europe, and agencies are faced with many buying options.

Restrictions in Europe are being lifted on commercial television, and agencies face stiff competition from independent media-buying companies that control large proportions of total media spending and charge commissions of 3% or less.

In France, these independents control up to half of ad spending. In Germany, they control about 20%.

Agencies say their new plans work this way: A central media-buying service executes buys from different agencies, which call in their orders.

These orders, the sources say, are

(Continued on Page 84)

Highlights

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Escalating car insurance premiums are posing a marketing problem for sports cars.

24 Tambrands eyes overseas growth
Tambrands wants to make a name for itself in countries that have never heard of tampons.

35 A-B water efforts dry up
Anheuser-Busch's reach exceeded its grasp in its attempt to move into the bottled-water business.

38 States grab for foreign tourists
Three more states are following New England's lead with efforts to lure foreign tourists.

41 Brown shop looks to Marines
Earle Palmer Brown is preparing to attack JWT's hold on the Marine Corps' $17.7 million account.

55 Paying attention to 'Details'
Details, the chronicler of hip fashion and nightlife, is already benefiting from being part of the family of S.I. Newhouse's Advance Publications.

66 Boston TV in flux
Ownership conflicts are jeopardizing WFXT-TV, Rupert Murdoch's Fox affiliate in Boston.

78 Magazine rolls out posters
Working Mother will launch a poster for daycare centers, with Sears as its first advertiser.

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Adolph Coors Co. already has achieved its 1988 brand-expansion goal with Killian's Irish Red ale.

80 MPA show hits snags
The MPA's first trade show has raised questions of how well it represents its members.

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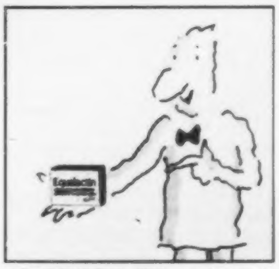
62 Bald spots get go-ahead
Upjohn Co. breaks spots for its balding remedy in Canada without mentioning the brand.

63 The Pepsi challenge
PepsiCo is ready to challenge Coca-Cola Co.'s dominance of Spain's cola market.



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Won't fight NAAG guides

Car rental ad split

By STEVEN W. COLFORD and JENNIFER LAWRENCE

In a surprise move, major car rental companies are breaking ranks with ad industry groups by supporting state regulation of car-rental ads.

John Britton, manager-public relations at Avis, said the company supports state regulatory action and could accept national ad guidelines comparable to airline rules implemented by the National Association of Attorneys General.

At Budget Rent a Car, the attitude is the same. "We want to see [the industry's] advertising as accurate and fair as possible for the consumer and the companies so we can compete on an equal level," said Allyson Zedler, Budget's press liaison.

Spokesmen for Alamo Rent-A-Car and Hertz Corp. said their companies have no objections to state policing of rental car ads.

The car rental companies' stand "amazed" DeWitt Helm Jr., president of the Association of National Advertisers.

"It's fine for them to say they favor truthful advertising . . . but I'm not sure all those folks realize what's going on," he said. "We will oppose any attorney general guidelines, whether for airlines, foods, drugs or anything."

The American Association of Advertising Agencies and the American Advertising Federation also oppose state guidelines for national advertising.

Critics contend some rental car ads promote deceptively low prices that don't include extra charges the consumer must pay, or don't disclose restrictions that limit the availability of the featured price.

NAAG is expected to form a task force to write car rental ad guidelines at its meeting in Washington this week *(see related stories on Page 12)*.

Separately, state officials, stung by renewed criticism of their airline ad guidelines by the U.S. Department of Transportation, rejected DOT claims that federal law preempts the states' guidelines.

In a letter to DOT, Texas Attorney General Jim Mattox tartly observed, "The real problem here is that the department, instead of acting to protect consumers, has instead chosen inaction."

NAAG, however, is expected to "clarify" some of the most controversial sections of the airline ad guides at this week's meeting.

One clarification would permit required disclosures in TV commercials to be made in video supers, instead of orally, provided the supers are "clear and conspicuous."#

Eddie 'The Eagle' finds fame fleeting

By TIM HARPER

LONDON—Eddie "The Eagle" Edwards' 15 minutes of fame may have ticked away.

E. Edwards

Mr. Edwards, the myopic British ski jumper who was the media darling of the 1988 Winter Olympics, is finding it more difficult to land commercial endorsement contracts than it was to touch down safely from the 90-meter jump in Calgary.

In fact, a month after the first TV and newspaper profiles began characterizing Mr. Edwards as the hapless loser with the true Olympic amateur spirit, he still has no endorsements or contracts.

"None whatsoever," said Simon Platz, the agent who signed Mr. Edwards to handle the torrent of offers he was supposedly going to get.

The flood of publicity announcing the ski jumper would endorse Hamlet cigars, whose TV spots show luckless losers, torpedoed that deal.

So far, there's been only one small offer, and clean-living Mr. Edwards rejected it. It was from Vladivar vodka, whose symbol is an eagle. The company wanted him to pose for a calendar photo; no magazine spreads, no TV commercials.

Mr. Platz admitted his only hope was that the demand for Mr. Edwards would grow "as he gets better" at ski jumping. But as anyone who saw "The Eagle's" short, wobbly landings in Calgary can testify, that may be a long wait.#

NCAA, Coke cry foul

Non-sponsor Seven-Up ties into tournament

SCORE BIG
THIS APRIL 4TH.
PLAY THE 7UP COLLEGE
BASKETBALL CHAMPIONSHIP CHALLENGE

Seven-Up Co. is pushing its college basketball promotion in several national magazines.

By PATRICK McGEEHAN

The National Collegiate Athletic Association and Coca-Cola Co. are looking to block a national promotion from Seven-Up Co. tied to the upcoming NCAA basketball tournament.

Seven-Up, which isn't one of the NCAA's eight designated corporate sponsors, this month broke print and TV advertising for the "7UP College Basketball Championship Challenge."

Grand-prize winners of the sweepstakes promotion will be decided by the score of the NCAA tourney's championship game April 4.

Print ads for the promotion carry the headline "Score big this April 4" but make no reference to the NCAA, other than a disclaimer stating the promotion "is not sponsored by nor associated in any way with the . . . NCAA and its NCAA registered trademarks."

Dave Cawood, NCAA assistant executive director, said he referred the matter to the NCAA's legal counsel after seeing an ad for the promotion.

"That promotion is not anything that has been presented to us, and it has not been approved. That looks like another step toward ambush marketing," Mr. Cawood said, referring to the practice of unofficially tying into an event after a competitor has bought exclusive sponsorship rights.

Examples of ambush marketing surfaced during the recent Winter Olympics when some marketers launched advertising that was loosely tied to the Games without paying hefty sponsorship fees.

Coca-Cola is the NCAA's official soft-drink sponsor, and the marketing giant has assigned attorneys to investigate the legality of Seven-Up's promotion, said Jack Carlin, project manager in Coca-Cola's prestige accounts department.

Sponsors pay the NCAA about $500,000 for use of its trademarks and ads on network radio broadcasts of the tournament and in tournament programs.

The only official sponsors running promotions tied to the NCAA tourney are Pizza Hut and Gillette Co., Mr. Cawood said.

Pizza Hut planned to distribute commemorative NCAA tournament cups to most of its restaurants.

Gillette planned a national free standing insert in March 13 newspa-

(Continued on Page 86)

World News Roundup

LONDON—Benckiser Group moved its $5 million-plus U.K. account to Slaymaker, Kelly & White/BJK&E from Ayer/Barker. Other BJK&E overseas agencies also have won smaller Benckiser assignments from Ayer affiliates in Italy and New Zealand.

PARIS—Canal Plus, France's subscriber TV station, reportedly is talking to the Bundespost, the West German postal authority, and the Beta Taurus group about launching a similar cable TV service in that country.

JAKARTA—TV advertising will start with a five-month trial in mid-October on Indonesia's private TV channel. A formal launch is expected later. Free commercial time will be given during the trial.

BONN, WEST GERMANY—Publicis grabbed the estimated $4 million account for the German Tax Reform. Four other agencies pitched.

MADRID—RTVE, Spain's public broadcasting corporation, is readying a piece of legislation that will allow commercial sponsorship of TV

(Continued on Page 63)

Frozen novelties plan new-products blizzard

By MARCY MAGIERA
and JULIE LIESSE ERICKSON

Delighting in three straight years of 15% sales growth, frozen novelty marketers aren't about to let up. This spring they'll stock supermarket freezer cases with new products from dietetic to decadent.

Major competitors including Carnation Co., Dole Food Co. and Eskimo Pie Corp. will introduce their first low-calorie, NutraSweet-sweetened novelties.

Others, like Mars Inc.'s DoveBar International and Pillsbury Co.'s Haagen-Dazs, will continue to pour on the chocolate or, and in the case of Steve's Homemade Ice Cream Inc., the hot fudge.

Find/SVP, a market research company, predicts the hot market for frozen treats will grow 16% this year to $2.7 billion. That growth rate will "continue right through the end of the decade," said Howard Waxman, editor of Find/SVP's *Ice Cream Reporter*. Sales are expected to hit $4.3 billion by 1991.

Lipton to roll out new fruit juice "slush"—P. 85

But the plethora of new products means more head-

(Continued on Page 85)

Politicos resort to 'ambush' ads on TV

By STEVEN W. COLFORD

Some wildly successful "ambush" commercials are being credited with cutting short an expected media-buying bonanza in the run-up to Super Tuesday.

Ambush spots are last-minute purchases of TV time to attack an opponent's presidential candidacy, leaving no time for a response.

★★★★ Campaign 88

Last-minute ambush spots by Vice President George Bush in New Hampshire and Rep. Richard Gephardt (D., Mo.) in South Dakota are widely credited with helping those candidates win important victories in those states.

"The political tactics of 1988 have become waiting to make your buys and taking your chances late because of what happened in South Dakota and New Hampshire," said Dan Payne, chief media adviser to Massachusetts Gov. Michael Dukakis.

"It's become like poker; you wait for the other guy to show his hand—don't spend too much too soon—because you're conscious of last-minute attack ads."

On Super Tuesday, the 20-state primary

(Continued on Page 82)

Matches made in heaven

Some agencies, clients stay wed for decades

By JENNIFER PENDLETON

In the mid-1970s, Mattel teetered near bankruptcy. Unable to pay its advertising bills from TV stations and magazines, longtime Mattel agency Ogilvy & Mather took the unusual step of handling those obligations for its client.

O&M had little hope of getting its money back any time soon, but the agency decided to play the odds, believing the toy marketer would eventually make good its debts and that the relationship would endure.

The gamble paid off.

Mattel is still around and it's still with Ogilvy & Mather after 33 years.

Executives at O&M in New York confirmed the story, relayed by a former executive with the agency, though they declined to discuss it further. But such tales often are associated with long-term agency/client relationships.

"There are probably stories like that one connected with every agency/client relationship of considerable length," said the former O&M executive. "Situations like that go a long way to cement a relationship."

Despite relentless change in the marketplace and, in some cases, dramatic corporate management upheaval, many agency/client relationships have endured. They've continued through a period in business history when trust between companies and agencies, in general, has deteriorated—a development many people attribute to the wave of takeovers and mergers.

Illustration by Brian Berley

Generally speaking, when a company signs a contract with an ad agency, it's like a wedding. Flush with expectations, both parties hope their marriage will last forever. It often doesn't.

The American Association of Advertising Agencies says the average length of an agency/client relationship is 7.2 years. Headlines concerning the breakups of advertisers and the agencies that serve them are a staple of the business media.

But, remarkably, some relationships actually do last—in many cases a long time.

Unilever has had an uninterrupted union with J. Walter Thompson Co. for 85 years. AT&T has worked with N W Ayer for 80 years, the first 75 without a written contract. Sunkist Growers, the marketing cooperative that first brought a brand name to grocery produce departments, has been with Foote, Cone & Belding (and forerunner Lord & Thomas) for a similar eight-decade stretch.

(Like FCB, many of the

(Continued on Page 74)

PLAY BALL!

With opening day three weeks away, ADVERTISING AGE contacted the Major League Baseball teams and asked them to unveil their marketing line-ups.

Stats were current in early February.

DETROIT TIGERS
1987 Record: 98-64
Theme: The baddest cats in town
Budget: not disclosed
Agency: Baker, Abbs, Cunningham & Klepinger
Media: print; minor TV, radio
Sponsors: still negotiating at press time
Stadium capacity: 52,806
Season tickets sold: 10,000

TORONTO BLUE JAYS
1987 Record: 96-66
Theme: Join the Jays
Budget: $1.1 million
Agency: J. Walter Thompson Co.
Media: TV, newspaper
Sponsors: American Home Products Corp. (Chef Boy-ar-dee), Binney & Smith (Crayola), Bittner's, Continental Baking Co. (Hostess), Canadian Imperial Bank of Commerce, Coca-Cola Co., John Labatt Breweries of Canada, Mr. Submarine, Panasonic, Quaker Oats Co., Super Dominion, *Toronto Sun*
Stadium capacity: 44,000
Season tickets sold: 15,000

ST. LOUIS CARDINALS
1987 Record: 95-67
Theme: Spirit of St. Louis
Budget: not disclosed
Agency: Koplar Creative
Media: TV, radio, outdoor, newspaper
Sponsors: Anheuser-Busch Cos., Hardee's Food Systems, Heartland Dairies, KMOX-AM, Lever Bros. Co. (Surf), Pasta House restaurants, Quaker Oats Co. (Gatorade), Six Flags Corp., *Sporting News*, *St. Louis Post-Dispatch*
Stadium capacity: 54,000
Season tickets sold: 18,000

NEW YORK METS
1987 Record: 92-70
Theme: Let's go for it again
Budget: $500,000
Agency: Della Femina, Travisano & Partners, NY
Media: transit, newspaper, radio
Sponsors: Anheuser-Busch Cos., Charles Chips, Manufacturers Hanover Trust, Metropolitan Life Insurance, *New York Daily News*, *Newsday*, Quaker Oats Co. (Gatorade), Royal Crown Cola Co. (RC Cola)
Stadium capacity: 52,000
Season tickets sold: 22,000

MILWAUKEE BREWERS
1987 Record: 91-70
Theme: Be a believer: Join the team in the stands
Budget: $200,000
Agency: in-house
Media: print, radio
Sponsors: Burger King Corp., G. Heileman Brewing Co. (Old Style), General Foods Corp. (Kool-Aid), Haircuts, Hardee's Food Systems, Henri's Food Products Co., Miller Brewing Co. (Lite), Pepsi-Cola Co., Stadia Athletic Shoes
Stadium capacity: 53,000
Season tickets sold: 4,100

MONTREAL EXPOS
1987 Record: 91-71
Theme: Come see the Expos, you're in for a good time
Budget: not disclosed
Agency: Publicite Martin
Media: TV, newspaper, magazine, radio
Sponsers: American Home Products Corp. (Chef Boy-ar-dee), Binney & Smith (Crayola), Coca-Cola Co., Continental Baking Co. (Hostess), CKAC-AM, Eastman Kodak Co., Kentucky Fried Chicken, Petro-Canada, Joseph E. Seagram & Sons (Seagram's Coolers)
Stadium capacity: 59,119
Season tickets sold: 8,000

SAN FRANCISCO GIANTS
1987 Record: 90-72
Theme: Hmmm, baby, let's do it again
Budget: $650,000
Agency: John Crawford Creative; Freeman Marketing; Barrington Media Services
Media: radio
Sponsors: American Airlines, Anheuser-Busch, Baskin-Robbins Ice Cream, Chevron, Goodyear Tire & Rubber, Miller Brewing, Northern California Pontiac Dealers, Procter & Gamble (Peptol-Bismol), Ralston Purina (Purina Dog Chow), Sunkist Growers, United Airlines, USAir Group
Stadium capacity: 58,000
Season tickets sold: 12,300

NEW YORK YANKEES
1987 Record: 89-73
Theme: The power and the pride. The 1988 Yankees
Budget: not disclosed
Agency: in-house
Media: TV, radio, outdoor
Sponsors: Citibank, Goodyear Tire & Rubber Co., Kinney Shoe Corp., Pepsi-Cola Co.
Stadium capacity: 55,000
Season tickets sold: not disclosed

MINNESOTA TWINS
1987 Record: 85-77
Theme: The rally continues
Budget: $750,000
Agency: Mona, Meyer & McGrath Public Relations; Campbell-Mithun
Media: TV, radio, transit; minor newspaper, magazine
Sponsors: American Dairy Association, Ashland Oil (SuperAmerica division), Coca-Cola Co., General Mills, G. Heileman Brewing Co., International Dairy Queen, Jostens, Lever Bros. Co. (Surf), McDonald's Corp., Miller Brewing Co., National Kidney Foundation, Schweigert Meats, Scott Paper Co.
Stadium capacity: 55,244
Season tickets sold: 8,000

CINCINNATI REDS
1987 Record: 84-78
Theme: Reaching for the top
Budget: not disclosed
Agency: in-house
Media: TV, radio, newspaper
Sponsors: Biggs Grocery Co., Borden Inc., Frisch's Restaurants (Big Boy), General Foods Corp. (Maxwell House), Haircuts Inc., Hudepohl/Schoenling Brewery, Kahn's Meats, Kroger Grocery Co., Lever Brothers Co. (Surf), Procter & Gamble Co. (Oxydol), Quaker Oats Co. (Gatorade), Snapper Power Equipment
Stadium capacity: 55,000
Season tickets sold: 15,000

KANSAS CITY ROYALS
1987 Record: 83-79
Theme: Royals baseball: A major league attraction
Budget: not disclosed
Agency: in-house
Media: TV, radio, print, outdoor
Sponsors: Coca-Cola Co., H.D. Lee Co., International Dairy Queen, Jones Store Co., Lever Bros. Co. (Surf), Miller Brewing Co., Quaker Oats Co. (Gatorade), U.S. Forest Service, WDAF-TV
Stadium capacity: 42,500
Season tickets sold: 14,000

OAKLAND ATHLETICS
1987 Record: 81-81
Theme: A's baseball land: A different kind of place
Budget: $600,000
Agency: in-house
Media: TV, print, outdoor, radio
Sponsors: Alameda Group of Newspapers, Anheuser-Busch, Baskin-Robbins, Binney & Smith (Crayola), California Egg Commission, Coca-Cola Co., Lever Bros. (Surf), Thomas J. Lipton, Lucky, Mothers Cookies, Quaker Oats (Gatorade), RJR Nabisco, Safeway, *San Jose Mercury News*, Sports Specialties, Unocal, U.S. Forest Service, Wells Fargo Bank
Stadium capacity: 48,219
Season tickets sold: 5,200

PHILADELPHIA PHILLIES
1987 Record: 80-82
Theme: Get the feeling
Budget: $400,000
Agency: in-house
Media: TV, radio, outdoor
Sponsors: Anheuser-Busch Cos., Bell of Pennsylvania (Yellow Pages), Blue Cross & Blue Shield Associations, Coca-Cola Co., Dodge Dealers Association, Donnelley Directory, Herr's Potato Chips, MAB Paints, Mellon Bank, Merit Oil Co., Mr. Goodbuys, Quaker Oats Co. (Gatorade), Showboat Casino, Tasty Baking Co. (Tastykake)
Stadium capacity: 64,500
Season tickets sold: 15,000

PITTSBURGH PIRATES
1987 Record: 80-82
Theme: Hardball '88: It's waiting for you
Budget: $300,000
Agency: Ketchum Communications
Media: TV, radio, outdoor
Sponsors: Burger King Corp., Campbell Soup Co., Coca-Cola Co., Giant Food, Hills Department Store, J.C. Penney Co., Long John Silver's, MAC, Wendy's International
Stadium capacity: 58,000
Season tickets sold: 9,000

BOSTON RED SOX
1987 Record: 78-84
Theme: The fun has just begun
Budget: not disclosed
Agency: Fenway Advertising
Media: TV, newspaper, radio, cable, magazine
Sponsors: Anderson Little, Beatrice Cos. (Tropicana), Coca-Cola Co., Gillette Co., Lever Bros. Co. (Surf), Miller Brewing Co., Philip Morris Cos. (Marlboro), Polaroid Corp., Sharp Electronics Corp., Thom McAn Shoe Co.
Stadium capacity: 33,565
Season tickets sold: 15,000

SEATTLE MARINERS
1987 Record: 78-84
Theme: Playing for keeps
Budget: $650,000
Agency: Ehrig & Associates
Media: radio, transit; minor TV, print
Sponsors: Campbell Soup, Coors, Crescent Foods, Holland America Lines, KIRO-AM, Lever Bros., Miller Brewing, Mother's Cookies, Nalley's Fine Foods, Northwest Bell, Ortho Products, Oscar Mayer, Pacific First Federal, Pacific Rainier Bank, Safeco Insurance, Seafirst Bank, *Seattle Post-Intelligencer*, *Seattle Times*, Tillamook Cheese, Thriftway, Unocal, U.S. Forest Service, Washington Natural Gas.
Stadium capacity: 59,438
Season tickets sold: 4,200

CHICAGO WHITE SOX
1987 Record: 77-85
Theme: Anything can happen
Budget: not disclosed
Agency: Weber, Cohn & Reilly; San Jose & Associates (Hispanic)
Media: TV, radio, newspaper, outdoor
Sponsors: Ask Mr. Foster, Burger King, Classic Sounds & Video, Coca-Cola Co., Drumstick Co., Eastman Kodak, G. Heileman Brewing, Henry Kay Jewelers, J.C. Penney, Lever Bros., MCI Communications, Miller Brewing, Polaroid, Quaker Oats Co., Snapper Power Equip., Speedway Gasoline, Sportsvision, *Sun-Times*, *Tribune*
Stadium capacity: 43,931
Season tickets sold: 6,300

CHICAGO CUBS
1987 Record: 76-85
Theme: Cubs baseball: Experience something special
Budget: not disclosed
Agency: J. Herman Sitrick Co. (media buyer)
Media: TV, radio, newspaper
Sponsors: AAA Chicago Motor Club, Beatrice, David Berg Hot Dogs, Burger King, Chernin's Shoes, Dairy Queen, Bob Evans Restaurants, Kodak, Fannie Mae Candy, G. Heileman Brewing, Kellogg Co., Marathon Oil, Miller, Pepsi-Cola Co., Polaroid, Quaker, Toyota, *Tribune*, True Value, Unocal, Venture Foods, Wyler Foods
Stadium capacity: 37,700
Season tickets sold: 13,200

HOUSTON ASTROS
1987 Record: 76-86
Theme: Let's make some noise
Budget: $1 million
Agency: in-house; Fogarty & Klein
Media: radio, newspaper; minor TV
Sponsors: Anheuser-Busch Cos., Coca-Cola Co., Kroger Co., M&M/Mars, Stop-N-Go Foods
Stadium capacity: 45,000
Season tickets sold: 8,190

CALIFORNIA ANGELS
1987 Record: 75-87
Theme: Good vibrations
Budget: not disclosed
Agency: Equils Advertising
Media: TV, radio, newspaper; minor magazine, direct mail
Sponsers: ARA Leisure Services, California Egg Commission, Carnation Co. (dairies), KNBC-AM, KTLA-TV, Merrill Lynch, Oscar Mayer Food Corp., Polaroid Corp., Quaker Oats Co. (Gatorade), Sheraton Corp., Sitmar Cruise Lines, Thrifty Drug Stores
Stadium capacity: 64,573
Season tickets sold: 18,500

TEXAS RANGERS
1987 Record: 75-67
Theme: No official theme
Budget: not disclosed
Agency: in-house
Media: Newspaper, radio, outdoor
Sponsors: Affiliated Food Stores, Anheuser-Busch Cos., Budget Rent-A-Car Corp., Coca-Cola Co., Decker Foods, Dr Pepper, GTE Corp., HSE, Miller Brewing Co. (Lite), Quaker Oats Co. (Gatorade), True Value Hardware Stores, Winn-Dixie Stores
Stadium capacity: 43,506
Season tickets sold: 8,000

LOS ANGELES DODGERS
1987 Record: 73-89
Theme: Dodger baseball: The best buy in town
Budget: $1 million
Agency: in-house
Media: TV, radio, newspaper
Sponsors: Anheuser-Busch Cos., Clougherty Packing Co. (Farmer John), Coca-Cola Co., Nissan Motor Corp., Unocal Corp.
Stadium capacity: 56,000
Season tickets sold: 27,000

ATLANTA BRAVES
1987 Record: 69-92
Theme: One crazy summer
Budget: $750,000
Agency: RET Advertising
Media: telemarketing
Sponsors: Amoco Oil Co., Anheuser-Busch Cos., C&S, Coca-Cola Co., Delta Air Lines, Goody's Headache Powders, Oscar Mayer Food Corp., Sherwin-Williams Co.
Stadium capacity: 54,001
Season tickets sold: 8,000

BALTIMORE ORIOLES
1987 Record: 67-95
Theme: Orioles '88: You gotta be there
Budget: $500,000
Agency: VanSant Dugdale
Media: TV, radio, direct mail
Sponsors: Anheuser-Busch Cos., *Baltimore Sun*, Burger King Corp., Care First, Coca-Cola Co., Esskey (hot dogs), French Bray, Frito-Lay (Lay's, Ruffles), Home Team Sports, Lever Brothers Co. (Surf), Quaker Oats Co. (Gatorade), Toyota Motor Sales Corp., WBAL-AM, WMAR-TV
Stadium capacity: 54,002
Season tickets sold: 12,000

SAN DIEGO PADRES
1987 Record: 65-97
Theme: A season of celebration
Budget: $650,000
Agency: Franklin & Associates
Media: TV, radio, newspaper, magazine
Sponsors: Anheuser-Busch Cos., Chevron Corp., Clougherty Packing Co. (Farmer John), Coca-Cola Co., Continental Baking Co. (Wonder Bread), Food Basket, Foodmaker Inc. (Jack In The Box), Great American Savings Bank, Home Federal Savings & Loan, Mitsubishi (TV), NEC Electronics Inc., Philip Morris Cos. (Marlboro), Swiss Dairies, Unocal Corp., Video Library
Stadium capacity: 58,500
Season tickets sold: 11,800

CLEVELAND INDIANS
1987 Record: 61-101
Theme: Indians baseball: It's better to be there
Budget: $600,000
Agency: in-house; Marcus Advertising
Media: radio; minor TV, print
Sponsors: Marathon Oil Co., Miller Brewing Co., Pizza Hut, Security Federal Savings & Loan Co.
Stadium capacity: 75,139
Season tickets sold: not disclosed

OTHER SEASON HIGHLIGHTS

■ Major League Baseball 1988 sponsors—not listed above—are Equitable Life Assurance Society of the U.S., Fuji Photo Film USA, General Motors Corp. Chevrolet division, IBM Corp., Leaf Inc., Rawlings Sporting Goods and *USA Today*. A deal with Walt Disney Productions was imminent at press time.

■ The Angels, A's, Astros, Cubs, Dodgers, Giants, Mets, White Sox and possibly the Yankees will feature Hispanic promotions and/or Spanish-language broadcasts. The Dodgers and A's are promoting in their local Asian communities. The Expos are broadcasting in French.

Why some ad partnerships last

(Continued from Page 3)

longest relationships go back to predecessor shops or agencies absorbed in mergers. Mattel's 33 years with O&M began with Los Angeles agency Carson/Roberts, which Ogilvy bought in 1968.)

"Almost without exception, the big agencies have built their businesses on the long-term core clients," explained Roy Bostock, president of D'Arcy Masius Benton & Bowles' domestic operations.

One long association ended this month, as Scott Paper Co. dropped JWT after 61 years because its marketing strategy no longer includes much media advertising. But ADVERTISING AGE estimates there are as many as 60 relationships between advertiser and agency in the U.S. that have lasted more than 30 years. What makes these unions different?

Common threads emerged from interviews with numerous executives from major advertisers and agencies.

Which marketers are faithful?

Predictably, such long-lasting relationships occur most often among large consumer-products companies, particularly those in the upper ranks of the 100 Leading National Advertisers. Those with the most stable agency rosters are marketers of package goods—such as food, household and personal-care products—and automobiles.

Companies in which marketing is a primary emphasis seem to enter into agency relationships with a stronger level of commitment than others. It's the difference between a couple getting married on a whim at a Las Vegas wedding chapel and a long-contemplated church wedding.

"We go into agency relationships with the expectation and hope it will be long term. As long as something doesn't happen to dislodge confidence, we expect it to last," said Kim Armstrong, director of consumer advertising at AT&T Communications. Ayer has managed to retain its business despite a tough agency review in the late 1960s, and recently it has had to grapple with the challenges of divestiture.

Perennial U.S. ad-spending leader Procter & Gamble Co. has several long-term agency relationships: 67 years with Saatchi & Saatchi DFS Compton and 47 years with DMB&B, to name two. "There has to be a willingness by both parties to make it work. It's like a marriage," said Edward Wax, president-ceo, Saatchi & Saatchi DFS Compton.

Analogies to marriage and family abound when discussing agency/client relationships. Said Steve Dammers, senior VP-management supervisor on the Fruit of the Loom account at Grey Advertising: "We have a sense of partnership. Like any good partnership or marriage, we have to be adaptable. We've had to change over time."

Fruit of the Loom and Grey have been together 37 years.

Executives sound like Leo Buscaglia on the sociology of love when queried on this subject. Conversations move to talk of trust, the dynamics of partnership and sustaining interest in each other throughout the years.

Levi Strauss & Co. has worked with FCB for 57 years, through periods of profit declines and dramatic shifts from private to public to private status.

"When you've been involved with each other that long, it goes beyond the big-client thing," said Steve Goldstein, director of consumer marketing at the San Francisco jeans marketer. "It almost becomes a family. When FCB goes out of its way for us, and vice versa, it's done out of a sense of loyalty and history."

Those comments have the ring of a press release, but Levi executives insist it's not just hype. "Pick a married couple and ask them why they've stayed together, and they're going to get into the syrup real quick. But that's the facts," Mr. Goldstein said.

Management stability is key

Such long-term relationships occur with greater frequency among companies and agencies with stable management. For example, still in San Francisco, McCann-Erickson Exec VP-General Manager Jack Tormey has worked continuously on Del Monte Corp.—a 70-year McCann client—since he arrived at the agency in 1964.

Before Mr. Tormey's involvement, Moore Achenbaum worked as an account director on Del Monte from 1917 to 1947, and Fred McCray was on the account for a 26-year stretch, from 1921 to 1947. Del Monte President Ewan Macdonald was a management supervisor on the company's business at McCann before moving over to the client as senior VP-marketing.

On the P&G business at DMB&B, there has been a direct line of succession to the top. Onetime chairman (of the former Benton & Bowles) Atherton Hobler started at the agency on P&G. He was followed by Bob Lusk and Victor Bloede, both of whom eventually held the title of chairman.

John S. Bowen, currently the agency's chairman-ceo, began his career at the agency as an account exec on P&G in 1959. Before starting in the agency business, he worked as a salesman at P&G.

At Leo Burnett Co., consistency is as pervasive as the "Reach for the stars" motto. Essentially conservative, the agency has chosen to grow by servicing a limited number of big-spending clients rather than constantly pursuing new business.

At least half its clients have been on the roster 20 years or more. Similarly, many of the ad concepts it created—Tony the Tiger and Snap, Crackle & Pop for Kellogg Co. and the Marlboro Man for Philip Morris Cos.—have lasted decades.

Talk of familylike relationships is sometimes more than just talk. Peter Husting, Burnett exec VP-director of human resources, international, spent 24 years on the P&G business, and his father, Charles O. Husting, served as an account supervisor on P&G until his death in 1957.

At Sunkist, which has had an 80-year term with FCB, it's a similar story. Sunkist was the first account that FCB Chairman-CEO Norman Brown worked on when he joined the agency. Not insignificant is that Russell Hanlin, now Sunkist president-ceo, was international advertising manager at the time. As both executives have moved up the ladder, they kept up close ties.

Longest-lasting marriages

Company	Agency	Years together
Unilever	J. Walter Thompson Co.	85
AT&T	N W Ayer	80
Sunkist Growers	Foote, Cone & Belding	80
Exxon Co.	McCann-Erickson	77
Hammermill Paper	BBDO Worldwide	75
Anheuser-Busch	D'Arcy Masius Benton & Bowles	72

Source: Advertising Age.

There are other long-term employees on both sides. Sunkist Marketing Services Director Ray Cole worked on the account at FCB in the 1960s and early 1970s before joining the produce-marketing cooperative. Lou Scott, a former chairman of the executive committee of FCB, early in his career had stints as both a copywriter and account exec on Sunkist.

During the time of his involvement on the business, Mr. Scott took the unusual step of actually becoming a citrus grower himself—and a member of the co-op. Now retired, Mr. Scott also sold the 155-acre farm in Lindsay, Calif. "It proved a good investment," he said.

Stability in Motown

Nowhere are long-term relationships more the norm than in Detroit. With few exceptions, all the major U.S. automakers have been with their agencies for decades: Chevrolet at Lintas:Campbell-Ewald for 67 years; Pontiac with DMB&B for 53 years; Oldsmobile with Burnett for 53 years; Cadillac with DMB&B for 52 years; Ford with J. Walter Thompson Co. for 44 years; and Buick with McCann for 30 years.

Executives who work at the agencies that serve these mammoth auto accounts insist they stay put because of the complexity of the business.

In addition to devising strategy and creating ads, an agency serving an auto account must develop programs for a vast network of dealers, involving collateral and catalogs, plus manage trade shows. "We make ourselves indispensable," said Ron Monchak, managing director at DMB&B in Bloomfield Hills, Mich.

Richard O'Connor, chairman of Lintas:Campbell-Ewald, said, "Agencies with automotive clients do a lot more than agencies in the package-goods business. There are so many [people] dedicated to the business we feel part of a family. It's hard to tell where the company and the agency leave off."

It was hard at one time to distinguish Campbell-Ewald from Chevy, because its offices were in the General Motors building. Now the agency is across the street.

Although agency executives in Detroit stress the value of long relationships, cynics say that reflects the "don't rock the boat" attitude that characterizes business in the Motor City. Inertia, they say, is a big factor.

"Auto companies are more change-resistant than other companies," admitted Jay Qualman, Buick's general director of advertising.

Almost without exception, advertisers that have kept long relationships with their agencies emphasize that they trust their agencies. This is no small matter in today's environment, in which ad agencies are increasingly looked upon as suppliers rather than business partners.

One way to build trust: The agency must keep its mouth shut.

"We put a high dividend on confidentiality," said Bruce Wilson, director of marketing communications and support services for U.S. and Canadian consumer products at Eastman Kodak Co. "Our guys [at JWT] don't talk. You don't hear about new products in the press before they're introduced."

Kodak has had a non-stop 56-year relationship with JWT.

Despite JWT's and Kodak's sizes, Mr. Wilson maintained the ad business is "still a very small business. . . . You don't have an assembly line of 10,000 doing the work. At best, there are a dozen key people at the agency and six to eight at the company."

Because of that, Mr. Wilson said, "You develop a sense of teamwork."

Some suggest that companies, particularly those that have made capricious account changes in the past, are starting to realize that switching agencies isn't always the right answer to their problems. Sometimes, it's better to stick it out and solve whatever problems exist.

"So many companies seem to jump around from one agency to another," said Ralph Nunn, a recently retired VP-marketing at Maytag Co. "We've never seen any reason to do that. It's very disruptive." Maytag has been with Burnett for 33 years.#

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See Pages 39-40

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Advertising Age®

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Breakaway! LGFE execs leave WPP

By JON LAFAYETTE
and GARY LEVIN

NEW YORK—Six top executives of Lord, Geller, Federico, Einstein resigned *en masse* from the WPP Group unit to start a new agency partially bankrolled by Young & Rubicam.

R. Lord

A. Einstein

The new agency, Lord, Einstein, O'Neill & Partners, opens its doors with no clients—although that's not expected to last long.

The defections are a blow to WPP, which had been trying to incorporate LGFE into a second worldwide agency network (AA, Dec. 21, *et seq.*). Unlike WPP's flagship agency, J. Walter Thompson Co., Lord Geller was considered to be better managed, with higher profit margins.

"It's clearly a big blemish on [WPP's] record," said Greg Ostroff, analyst at Goldman, Sachs & Co. "To date, the acquisition trail has been very successful. But this kind of says that 'friendly takeovers don't work.' "

The six executives leaving are Richard Lord, chairman-ceo; Arthur Einstein Jr., president; Kevin O'Neill, exec VP-creative director; Edward Yaconetti, vice chairman; C. Ray Freeman; exec VP-general manager; and Lewis Eichenholtz, senior VP-chief financial officer and director of agency operations.

Lord Geller, a $245 million agency, was picked up by WPP last June with the takeover of JWT Group. JWT Group bought the shop in 1974.

Mr. Einstein said he and his partners sent resignation letters to WPP Group Chairman Martin Sorrell early March 18.

"I don't think he was surprised," Mr. Einstein said. "It was clear to him for a time it was going to happen."

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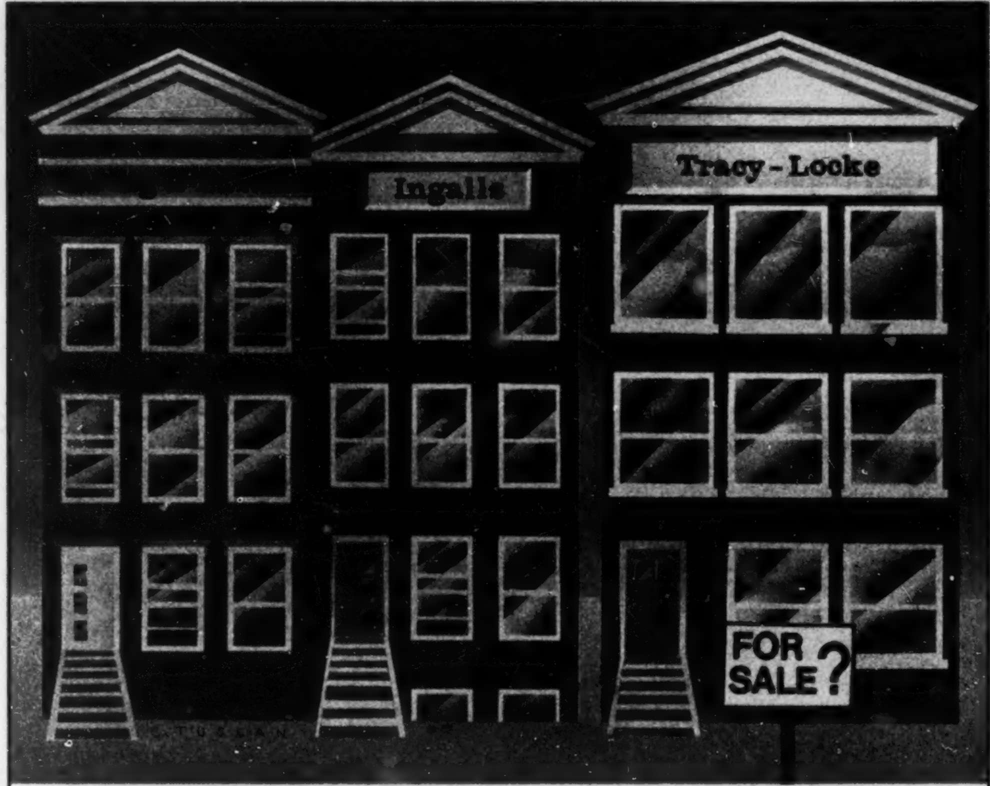

Omnicom probes new agency moves

By GARY LEVIN

NEW YORK—Omnicom Group may consider selling three of its smaller general agencies as part of a long-term strategy for its Diversified Agency Services unit.

Allen Rosenshine, president-ceo of the holding company for BBDO Worldwide, DDB Needham Worldwide and DAS, a grab bag of agencies making up Omnicom's third leg, said he had no immediate plans to sell the three but acknowledged that conflicts with BBDO and DDB Needham have stifled some of the smaller agencies' growth.

The three agencies are Ingalls, Quinn & Johnson, Boston; Tracy-Locke, Dallas; and Waring & LaRosa, New York. Together, they represent roughly $500 million in annual billings, or nearly a third of DAS' total volume of $1.7 billion.

The remainder comes from specialty agencies in direct marketing, healthcare, public relations and other areas.

"There are situations where DAS agencies are unable to accept and pitch business, and that must be considered in terms of their long-term future," Mr. Rosenshine said.

For example, DDB Needham's Anheuser-Busch business precludes any Omnicom shop from pitching for a rival beer account, while BBDO's Pepsi-Cola Co. account prevents a related shop from going after any soft drink.

The agencies "can be rationalized but not necessarily as a general-agency alternative," Mr. Ros-

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Last Minute News

BK gets new marketing chief

MIAMI—Burger King Exec VP-Marketing R.J. Trutz, who oversaw last year's selection of N W Ayer to succeed J. Walter Thompson USA as national agency, has stepped down "to pursue other opportunities in the BK system." Succeeding him is Anthony Lavely, 45, formerly president of Pillsbury's Quik Wok chain.

Seagram picks 3 new spokesmen

NEW YORK—Jos. E. Seagram & Sons has signed three new celebrities to replace "Moonlighting" actor Bruce Willis in a $30 million-plus ad campaign for Seagram coolers. Sources said Seagram signed Woody Harrelson, the bartender on the NBC comedy "Cheers"; actor-comedian Steve Guttenberg of "Police Academy" and "Three Men & a Baby"; and actress Anne Archer, who played the wife in "Fatal Attraction." Mr. Willis, said to have been paid $4 million during two years, is credited with helping build Sea-

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Getting to know J.D. Power. P. 24
Eleanor: Not just Mondale's kid. P. 72

D'Arcy gets GF plum

By VERNE GAY

General Foods Corp. has consolidated its entire $250 million network TV buying assignment at D'Arcy Masius Benton & Bowles in one of the largest media-buying shake-ups of recent years.

The big loser is Young & Rubicam, which for more than 25 years has handled GF's network TV buying of daytime programming.

Although GF's daytime budget has shrunk considerably in recent years, the switch adds another $35 million to $50 million in net spending at New York-based DMB&B.

However, one source said the budget wasn't even $30 million and that it had declined by more than $70 million within the past 10 years.

DMB&B already handles network prime time, fringe and syndication buying for GF.

The shift diminishes Y&R's claim as the pre-eminent buyer of daytime network TV. In past years, Y&R has purchased as much as 25% of all commercial time on the Big 3 nets' daytime schedules.

The agency's other huge daytime client is Johnson & Johnson.

The move also consolidates DMB&B's position as one of the biggest buyers of network TV. Leo

(Continued on Page 84)

BEST AVAILABLE COPY

Direct mailers wage postal-rate war

By JANET MEYERS

WASHINGTON—Direct marketers, outraged by hefty postal rate hikes expected next month, are waging a revolt against the national postal system.

The Third Class Mail Association is leading the way. Last week it petitioned Postmaster General Anthony Frank to allow private carriers to deliver advertising mail.

Legally, only the U.S. Postal Service is allowed to deliver addressed letter mail.

Also, the Direct Marketing Association decided at its spring conference here last week to create a special task force to investigate alternate delivery methods.

"Uppermost in our minds are the new postal rates," said Jonah Gitlitz, DMA president, in his opening remarks at the conference.

"I want to remind the postal service that, for a sanctioned monopoly, we expect it to operate efficiently and effectively," he said, "and if not, we must be given the opportunity to use alternative sources."

The DMA committee intends to test the limits of the USPS delivery monopoly, Mr. Gitlitz said.

Adding further pressure to the USPS was a report released late last week by a presidential commission on privatization.

The presidential commission proposed repealing the laws that make the USPS a monopoly.

Direct mailers are boiling because, starting next month, they will have to pay an average of 25% more for mail delivery (AA, March 14).

On March 22, the USPS board of governors is slated to review the rates proposed by the Postal Rate Commission and recommend an implementation date.

That date may be as early as April 3, rather than April 17, as mailers had originally anticipated.

The mailers have already complained vigorously against the earlier date.

Postmaster Frank backs the earlier date, sources said, because he feels the USPS needs the extra revenue.

Many mailers had campaigns planned for early April, believing they would be able to get in under the wire before new rates took effect.

Tim Mabee, VP-marketing for Neiman-Marcus Co., noted that sales of upscale catalogs declined in 1987 and said the higher postal rates will put more pressure on sales and profits.

Another third-class mailer, Lillian Vernon, will insert its catalog into the Sunday, March 27, edition of *The New York Times*, said David Hochberg, VP-public affairs for the catalog retailer. To increase profits, Lillian Vernon will also include higher-price merchandise in its catalog, he said.

In its letter to Mr. Frank, the TCMA noted: "There is every reason to expect that the increases we've been assigned are only the first of additional [perhaps even more severe] increases designed, in part, to achieve a social balance."

The TCMA intimated that the USPS is jacking up third-class rates because it's primarily advertising material and, because third-class volume has grown faster than other classes, the USPS is trying to avert an image of being an advertising deliverer.

A spokesman for the USPS said Mr. Frank will review the letter.#

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Mutual funds, still reeling from the aftereffects of the October 19 stock market dive, are tightening ad budgets in a reaction to slow sales.

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Last year, *Rolling Stone* made turning 20 fun and profitable. At 21, the party continues.

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Brown-Forman Co. plans to shake the sand from California Cooler's fun-in-the-sun ad campaign.

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Pasta sauce rivals stirring

By JUDANN DAGNOLI
and GARY LEVIN

Chesebrough-Pond's Ragu spaghetti sauce is returning a competitor's fire with new advertising and possibly line extensions.

The moves are in response to a direct attack from Campbell Soup Co.'s Prego, the No. 2 brand. Prego is for the first time naming Ragu as the "leading national competitor" in comparative ads (AA, March 14) via FCB/Leber Katz Partners, New York.

Ragu's new campaign will be ladled out next month, while speculation grows that Chesebrough may extend the Ragu name into other product categories.

Agency executives said last week that Chesebrough parent Unilever is lining up one of its core agencies to take on some major new assignment. That could include, they said, extensions of Ragu into new categories such as frozen entrees.

For now, sources contended, Unilever intends to leave the $20 million Ragu account at Waring & LaRosa, though it might move some smaller brands, such as Adolph's meat tenderizer or Pizza Quick instant pizza sauce.

Citing Unilever's intention to become a bigger force in food, they said the game plan is to assign a small brand to a core agency in preparation for bigger food assignments.

In addition to Ragu, Unilever is a factor in the food arena through the foods division of Lever Bros. and its Thomas J. Lipton Inc. subsidiary, which in turn owns Lawry's Foods.

Unilever's major agencies in the U.S. (sharing Chesebrough-Pond's and Lever Bros. business) are BBDO Worldwide, Lintas:New York, McCann-Erickson, Ogilvy & Mather and J. Walter Thompson USA. Lipton agencies are believed to be excluded from the search.

Chesebrough executives declined to comment about its parent's plans.

Ragu, whose long-running ad theme is "That's Italian," has held its own despite major inroads made by Prego since its 1980 introduction. Ragu's market share slipped to 53% from a high of 60%-plus, but Prego itself has dropped from almost 30% in 1986 to the low 20s last year.

"Two years ago we were very close [to toppling Ragu's leadership]," said Don Lowry, Prego marketing manager. But then Campbell made a marketing mistake.

"We shifted emphasis off the base brand to launch line extensions," Mr. Lowry said. "We took our eye off the ball." Campbell has since slimmed down the line, axing extensions such as Prego Al Fresco.#

Mattel hopes for help from Barbie's friends

JUDITH GRAHAM

On the eve of her 30th birthday, Barbie, the world's most popular doll, has more than her share of grown-up responsibilities.

Mattel is counting on Barbie and her black and hispanic counterparts to help nurse the company back to financial health.

To boost sales to ethnic groups, Mattel is giving black Barbie dolls their own identities with names like Becky, Belinda, Christie and Steven. Teresa, the first hispanic doll with her own name, is entering the scene. There also will be Miko, a Eurasian doll.

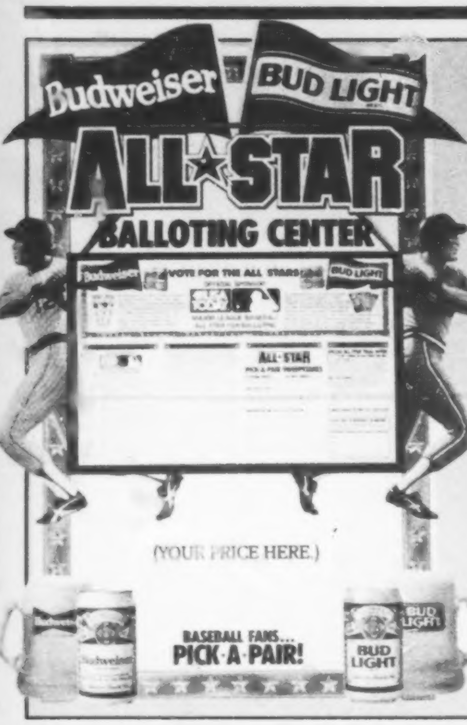
Also, the dolls' expressions will change. The pouts on the black dolls are being replaced with wide grins, and smiles for hispanic dolls will follow soon.

Barbie has had ethnic friends for two decades. In the mid-1960s, after her first black friend, Christie, was introduced, several black dolls had their own names. But in the early 1970s, Mattel changed its strategy and decided to call all dolls Barbie. That name has stuck since, even though the ethnic dolls have darker skins and distinct ethnic features.

The changes in ethnic Barbies result from a study of consumer buying patterns. Mattel found black mothers choose white doll friends for their black Barbies, while white mothers rarely choose black or hispanic doll friends for their white Barbies.

The reason this happened, the study showed, was that the black and hispanic dolls didn't have their

(Continued on Page 84)



Bud on All-Star team

Brewer ties in with 'USA Today'

By IRA TEINOWITZ

It may only be spring training for Major League Baseball, but for Anheuser-Busch it's the All-Star break.

In an unusual "sublicensing" agreement, the nation's leading brewer will tie in with *USA Today* for its annual promotion centered around Major League Baseball's All-Star team.

A-B will distribute ballots in grocery and liquor stores under an arrangement with Gannett Co.'s national newspaper, which last year bought exclusive U.S. balloting rights.

The new agreement breaks recent baseball tradition, which says that only the game's corporate sponsors are involved in the balloting. A-B won't be an official corporate sponsor of Major League Baseball, but it will pay an undisclosed fee to both *USA Today* and MLB for its involvement.

MLB thus gains added exposure for its All-Star ballots through A-B's heavy in-store presence without actually reversing Commissioner Peter Ueberroth's past reluctance to enlist brewers as official sponsors.

A-B, the nation's largest brewer, says ad spending for the multimillion-dollar promotion will be "unprecedented." The seven-week media blitz, kicking off May 9, includes local and network TV, radio and a print mix of *Playboy, Rolling Stone, Sports Illustrated, TV Guide* and *USA Today*. All ads mention *USA Today*.

An expanded version of A-B's traditional spring "Pick-A-Pair" promotion for its Budweiser and Bud Light brands will include a sweepstakes tied to the All-Star balloting.

D'Arcy Masius Benton & Bowles, St. Louis, which handles the $100 million Budweiser account, is agency for the "Pick-A-Pair" promotion. DDB Needham Worldwide, Chicago, handles Bud Light's $64 million account.

USA Today stands to gain subscriptions and increased visibility from the A-B deal.

Fans who fill out the ballots to pick players for the July 12 All-Star game in Cincinnati will be offered discounts on *USA Today*. They also can answer trivia questions leading to prizes; the answers will be in *USA Today* during the balloting.

A year ago, *USA Today* paid $3 million to become one of a half-dozen corporate sponsors of MLB and for three-year rights to

(Continued on Page 83)

Anheuser-Busch is telling retailers its "Pick-A-Pair" All-Star effort will be its biggest-ever spring promotion.

World News Roundup

SYDNEY—J. Walter Thompson Australia was offered $13 million for its office building here through a local property developer as part of WPP Group's plan to sell off real estate. Sources say WPP also is negotiating the sale of its Tokyo office building for $125 million.

SANTIAGO—PepsiCo will return to Chile after an absence of two years. Embotelladora Chile will be the bottler. J. Walter Thompson Chilena will handle the $3 million relaunch, set for later this year.

ZWIJNDRECHT, NETHERLANDS—Chiquita Brands, subsidiary of United Brands Co., moved its $6.2 million European account to GGK from Young & Rubicam.

MADRID—Comercial Saimaza, General Foods' Spanish subsidiary, moved its $3.5 million Saimaza roast coffee and Tang powdered drink account to Young & Rubicam Espana from Danis, Benton & Bowles.

LONDON—Mars Inc. picked Grey Ltd. to handle the $2.5 million launch in April of Balisto, a chocolate-covered wheatmeal cookie.

RIO DE JANEIRO—Embratur, Brazil's tourism board, plans a U.S. campaign to improve the image of this city, recently hard hit by flood-

(Continued on Page 55)

Pricey European cars skid in strong market

By RAYMOND SERAFIN

These are low times for high-price European cars.

Despite robust gains by the rest of the automobile industry, sales of upscale European cars have plummeted in 1988, continuing a trend that started Oct. 19, the day the stock market plunged.

Stock market turbulence, foreign currency fluctuations and several other factors have put the brakes on the decadelong expansion of BMW, Mercedes-Benz, Volvo and other expensive European car marketers.

Shifts in currency exchange rates have caused sticker shock, with prices for some European models climbing more than 30% since fall of 1985.

New tax regulations also have discouraged sales of high-price cars because depreciation allowances and write-offs for sales taxes and interest have been changed or eliminated.

Competition from Japanese importers and U.S.-based companies is another factor cutting into the Europeans' previously uncontested domain.

Mike Jackling, exec VP at BMW of North America, estimates the tax law changes increased costs of luxury European cars 5% to 10%.

Another, temporary, factor is taxpayers' uncertainty about how they'll fare under the new tax laws, said Thomas O'Grady, president of Integrated Automotive Resources. "They're at least waiting until after they prepare their tax returns," he said.

The slump is forcing the European importers to try new strategies such as cut-rate financing and resale value guarantees. It also has raised doubts about the viability of some of the weaker franchises, and has spurred speculation that some agencies could be in danger of losing their accounts.

"Oct. 19 was a bizarre economic

(Continued on Page 86)

Nielsen OKs people-meter probe by nets

By VERNE GAY

NEW YORK—A.C. Nielsen Co. has agreed to go along with the Big 3 TV networks in an extensive investigation of its people-meter ratings system.

Nielsen said it will provide a wide range of data necessary for the networks to carry out their planned review of meter techniques.

The review, funded by the networks, is expected to study sample turnover, editing procedures, sample composition, panel behavior, technical concerns and many other aspects that have been hotly debated since the people meter made its debut last fall.

It remains unclear whether the investigation will lead to any substantive changes in Nielsen's procedures. The ratings company has steadfastly stood by its ratings techniques.

It's also unclear what role Dun & Bradstreet Corp., Nielsen's parent, will play. Publicity-shy D&B has remained conspicuously silent during the people-meter controversy. Some sources speculate D&B, by far the largest producer of business information in the world, doesn't want its reputation impugned by the people-meter controversy.

If the investigation determines that Nielsen has somehow been derelict in its procedures, D&B may force its unit to change its methods.

The networks also will focus on the people-meter methods of Nielsen rival AGB Television

(Continued on Page 83)

Downy's spokesbaby will vie with the Snuggle teddy bear for the hearts of fabric softener users. And soon they'll have to fight off Dial.

Softener battle to stiffen

By LAURIE FREEMAN and WAYNE WALLEY

Dial Corp. is one step closer to marketing a new fabric softener it says includes a technological advance that supersedes the products marketed by Procter & Gamble Co. and Lever Bros.

But P&G and Lever aren't about to yield their hard-won market shares in the $757 million category.

P&G this week breaks its first ad campaign for Downy Dryer Sheets (AA, Feb. 1), the first extension of the leading liquid softener, while Lever is backing the current national launch of a new "cuddle-fresh" scented Snuggle with a print and TV campaign featuring the Snuggle teddy bear.

"Neither P&G nor Lever will take kindly to a third major competitor," said Joseph Kozloff, VP at Drexel Burnham Lambert. "Procter and Lever have been fighting a long, hard battle with each other in fabric softeners, and they're not about to give up easily. Dial's going to have a major fight on its hands."

Dial last week picked Tracy-Locke to handle advertising for the as-yet-unnamed fabric softener. Observers believe part of Dial's assignment for the Dallas agency is to determine how difficult it will be for Dial to show it has something new and different.

A key issue is whether the new product should be positioned as a replacement for one of Dial's existing products or should stand on its own, with a new name, identity and packaging.

The company already markets Sta Puf fabric softener and Toss 'N

(Continued on Page 82)

Designer furniture sellers sitting pretty

By Janice Steinberg

A few years ago, the director of a San Diego modern art museum complained that he had to make a trip to Italy to find the high-styled furniture he wanted for his office. Today, he could probably stay home.

In more than a dozen cities, pioneering retailers are bringing to the public high-design furniture—items that were either unavailable in the U.S. or limited to designer showrooms. They say that the public is happy to spend the money to get good design.

"People really tend to gravitate to good design when they can see it," says Richard Gorman, president of Manifesto in Chicago. "If you have two different pieces sitting there, it's interesting that there is a natural tendency toward the one that's better designed."

Manifesto, which opened in July 1986, did better than $600,000 in sales during its first year and reports an average 200% sales increase, on a month-to-month basis, over the same period a year earlier. The store specializes in high-ticket reproductions of classic designs, such as a $1,500 Frank Lloyd Wright chair.

"Sales have increased 10% to 20% every year for the last five years," says Barry Bursak, president of City, a Chicago store in which virtually all of the products—furniture, lighting, home accessories and clothing—are black or gray, reflecting Mr. Bursak's devotion to a minimalist Bauhaus style. City started in a 13,000-square-foot space five years ago, and in October 1987, moved to a new location approximately double that size.

Revenues have grown 100% annually since Arkitektura Showrooms opened in Birmingham, Mich., two years ago, says Andrew Fisher, president-ceo.

"We've gone from having nine people a week in the showroom to about 140 a week," he says.

Co-owned by Mr. Fisher and Ron ~~Swanson, the~~ grandson of noted designer Eliel Saarinen, Arkitektura carries reproductions of classic furniture designed by Eliel and Eero Saarinen, Mies van der Rohe, C.R. Mackintosh, Le Corbusier, Eileen Gray and other 20th century masters.

The Saarinen furniture is manufactured at Arkitektura Inc., a separate entity.

The high-design furniture stores essentially occupy two categories. There are those such as Arkitektura, which sell reproductions of classic designs, and those such as Luminaire and City, which specialize in current European imports, primarily Italian products from Zanotta, Cassina, Driade, Fontana Arte, Cappellini and other furniture companies.

The prices represent major savings over buying through designer showrooms, says Janet Sawyer, owner of Metropolis in Minneapolis.

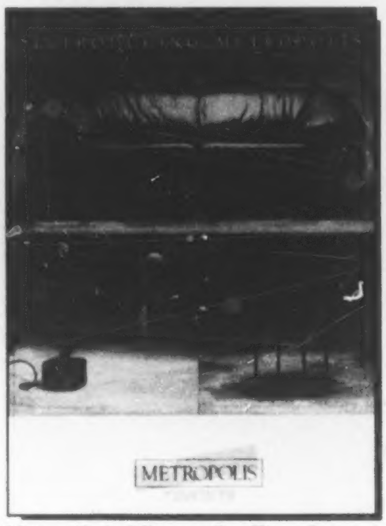
For example, she sells $5,000 sofas that she says are of equal quality and design integrity to sofas costing $15,000 through New York showrooms.

Still, designer furniture stores are no bargain hunter's haven. Typical wares at San Diego's Inside include an $11,400 Paolo Degenello sofa, a $3,500 Zanotta sofa, a $2,950 beola-stone Zanotta table, and a variety of lighting fixtures with a general price range of $100 to $400.

"It's very expensive stuff," says Inside owner Michael Dunsford. "For people who live by budgets, it's hard to say, 'Why don't I buy this $450 desk lamp as opposed to this $69 ginger jar lamp?' " He says most of his customers are upper-income professionals who live in the posh San Diego County communities of La Jolla and Del Mar.

Nasir Kassamali, who opened Luminaire—generally recognized as the first of the retail design stores—in Miami in 1974, surveys and maintains a database on his clients. He says Luminaire customers tend to be 29-52 years old, have two children and own homes with a median price of $160,000. Seventy-eight percent drive imported cars and 42% have traveled abroad.

Although Mr. Kassamali declined to give sales figures, business was good enough that within two years he went from his initial 384-square-foot space to a 4,000-square-foot store.



Metropolis in Minneapolis offers what was once only available through designer showrooms or in Italy.

Luminaire is now a two-store, 20,000-square-foot business with a 16,000-customer mailing list.

Several high-design furniture retailers say their range of customers has surprised them.

"Our clientele is outrageous to me," says Ms. Sawyer. "I had thought before we started [in late 1985] that our clientele would be 30-45, yuppie, straight couples, gay couples, dual-income families. . .

"But our client is also an architecture student who is convinced that he needs a designer lamp or chair. We sold our most outrageous lighting system to a retired farm couple from southern Minnesota."

"We have a lot of males, which surprises me," says Manifesto's Mr. Gorman. "I thought women would be more of the purchasers of furniture, but it's at least 50% men."

Eighty percent of Manifesto's sales are to people 50 and above, says Mr. Gorman.

"But we do have many people come in who just want to own a piece of Wright or touch some of the architects. They'll spend the money, but I know it's more difficult for some than others," he says.

High-design furniture retailers use a variety of marketing strategies to reach their heterogenous public.

Total affluent household expenditures in past year*
(in $ billions)

Home furnishings	$43.7
Women's apparel	18.0
Home improvement materials	15.5
Men's apparel	13.1
Entertainment appliances	12.6
Jewelry	10.3
Household appliances	7.8
Artwork and collectibles	7.0
Children's apparel	3.7
Personal computers	3.7
Cosmetics and fragrances	3.0
Watches	2.7
Athletic equipment	2.5
Photographic equipment	2.3
Books	2.3

*Household incomes of $50,000 or more

Source: Mendelsohn Media Research, 1987

Arkitektura, Manifesto, Metropolis and Inside advertise in local magazines. Arkitektura and Manifesto spend $20,000 to $25,000 on advertising yearly, say Messrs. Fisher and Gorman, respectively.

Mr. Bursak advertises nationally and internationally—in *Interview* and *Manipulator* magazines—rather than locally.

"We never positioned ourselves as a local Chicago business," he says. "From the start we positioned City as an international-style store and we do a substantial amount of our business with people who are traveling through Chicago."

Luminaire's Mr. Kassamali does no traditional advertising, relying instead on mailings to his 16,000-customer list once or twice a year—"educational pieces that inform the public of new happenings on the European scene or the Japanese scene or even the American scene," he says.

Direct mail is used by a number of high-design retailers.

"Direct mail is by far our best source," says Ms. Sawyer, although she says it's difficult to expand her list beyond walk-in traffic.

"You can get an American Express list broken down by almost every darn thing in the world but not by an interest in design. It's one person out of 100 all over the place, so how do you narrow it down?" she says.

Arkitektura spends $10,000 to $15,000 on direct mail annually, Mr. Fisher says. Direct mail also is used by Manifesto and Inside.

Where to advertise isn't even an issue for many high-design furniture stores, however. Four of the nine retailers interviewed do very little or no advertising at all.

"Free publicity has been our best advertising," says Norman Matos, manager of Giles & Lewis in New York. "Every two weeks another magazine has called. Giles & Lewis has been mentioned in several design books and in *Architectural Digest*, *House & Garden*, *Metropolitan Home* and *Town & County*."

Opened in December 1986, Giles & Lewis did $1.8 million of business in its first year with minimal advertising, he says.

"We've been growing at an annual rate of 20% to 30% [for five years] and have not had to advertise," says Chuck Pischke, outside sales manager at Current in Seattle.

Like Giles & Lewis, Current is regularly written up in national magazines. Mr. Pischke says that another advantage is Current's Seattle location. Because there is no competition for miles, Current can carry a comprehensive collection of imported lines and has customers nationwide.

"We call it alternative advertising," Dan Friedlander, owner of Limn in San Francisco, says about his store's combination of educational and art projects.

Limn has sponsored four shows at the San Francisco Museum of Modern Art, brought lecturers to the store and developed an in-store exhibition program that includes paintings, drawings, photography, sculpture and new products.

Since 1987, Limn has also held an annual International Workspace Design Competition in which entrants present a solution to a particular design question for a $5,000 prize. Last year's competition dealt with designing a workspace for young adults. It was mentioned in more than 30 international magazines and generated 3,000 requests for entry forms and 80 entries. This year's challenge is to design a more joyous workspace.

"I'm not sure these things have helped us short-term, but they've probably helped position us long-term in certain people's eyes around the world," says Mr. Friedlander.

In spite of the success of the handful of retailers selling high-design furniture, don't expect to see an Arkitektura springing up tomorrow in every upscale shopping mall. Two retailers say they have already turned down proposals to expand.

"I was approached by a major American retail chain about a year and a half ago to come up with something that looked like City, that they could plug into 200 mall locations," says Mr. Bursak.

"They didn't want City, they wanted a watered-down version of City. They wanted something that gave people the impression of style and value, but that sold cheap junk," he says.

Giles & Lewis was approached about opening in three malls, in Stamford, Conn., Short Hills, N.J., and San Francisco, says owner Giles Forman. But he lacked the necessary time and money because the store was moving into a much larger space at the time.

Mr. Forman does see a future in which there might be a chain of Giles & Lewis stores, but they would have to be almost autonomous, he says. "There might be a very wide selection of materials and products carried in the various stores. They should not be identical."

Many of the high-design retailers feel as strongly—if not more so—about their role in promoting good design as they do about making a profit.

"I'm not in this business for the sake of selling stuff," says Mr. Kassamali. "It's a lifelong dream come true."

"My main interest is educational," says Mr. Dunsford, who previously worked in the education program at the La Jolla Museum of Contemporary Art.

"The education part is just getting people to look at stuff—to look at a sofa like this [Paolo Degenello] and think that it might be possible to live with it."

Janice Steinberg, a San Diego-based free-lance writer, is a frequent contributor to Special Report.

$2,300 scotch sets tone for Glenfiddich

By Lori Kesler

If you are defined by what you own, then keeping a Stag's Head decanter of 25-year-old Glenfiddich single-malt Scotch whisky around the house should propel you into the stratosphere of chic.

Glenfiddich's finest, said to be the world's most expensive bottle of scotch, comes in a handcut Edinburgh crystal decanter topped by a solid sterling silver stag's-head stopper. It's packed in an inlaid walnut chest with green velvet lining. A certificate of authenticity accompanying each bottle bears the signature of the great-grandson of William Grant, founder of the century-old distillery in Dufftown, Scotland.

The Stag's Head decanter of scotch costs $2,300—about the same price as 175 bottles of ordinary scotch.

Of course you can buy a bottle of 10-year-old Glenfiddich single-malt Scotch whisky at your neighborhood liquor store for just over $20. It's probably almost the same, except that the Stag's Head limited-edition product has aged for a quarter of a century in a wooden cask stashed in a secret cave somewhere in the Scottish Highlands. Even without the fancy decanter, the 25-year-old stuff would cost well over $1,000.

Edison, N.J.-based William Grant & Sons, which imports Glenfiddich for U.S. distribution, sells about 40 Stag's Head decanters each year. Officials admit there's not a particularly big market for a distilled spirit that costs more than a Caribbean cruise. And that's just as well, because there's also not a very big supply. The distillery makes only a small quantity available for sale each year.

But Michael Luftglass, William Grant & Sons' marketing VP, says the 25-year-old Stag's Head product is important to Glenfiddich's broader marketing strategy because it casts a "halo effect" over the brand as a whole. "It helps position the Glenfiddich brand as a very high-quality product," he says.

In fact, the Stag's Head ads, which appear before Christmas and Father's Day in upscale publications, can cut through a lot of advertising clutter because the "outlandish price and the unusual packaging" attract reader interest, he says.

"Obviously, Glenfiddich never sells enough Stag's Head decanters to warrant the advertising for them," says Steve Friedman, VP-management supervisor at Chiat/Day, New York, the brand's agency. But after seeing those ads, "people will associate the $21 bottle with status and prestige."

Advertising the $2,300 bottle—for a limited market—helps position the $21 bottle as a status product.

Glenfiddich, the best-selling single-malt scotch worldwide, is No. 2 in the U.S., where House of Seagram's Glenlivit leads the category by a wide margin.

Glenfiddich, which boosted ad spending 50% during the past few years, currently advertises in men's fashion magazines, select business publications, the Sunday magazines of the *Los Angeles Times* and *The New York Times*, and local magazines in key markets.

At the moment, Glenfiddich is trying to stay ahead of newcomers to the category while closing the gap on Glenlivit. It appears to be succeeding.

Frank Walters, director-research of New York-based M. Shanken Communications, says Glenfiddich sold an estimated 58,000 cases in 1987, up 29% from 1986. Meanwhile, Glenlivit sold an estimated 120,000 cases in 1987 for a 9% gain on the previous year.

Mr. Walters says both of the leading single-malt scotches are priced as "super-superpremiums," about 40% higher than superpremium blended scotches such as House of Seagram's Chivas Regal and Distillers Somerset Group's Johnny Walker Black. He says single-malts comprise a small but growing category whose leaders are clearly aiming for the upscale market.

Indeed, Mr. Luftglass says one reason Glenfiddich is beating the odds in the generally depressed liquor industry is because the company understands Americans' "aspirational" buying behavior.

"People want to buy what they think is best," he says, "and until recently, they perceived that the best scotches were the deluxe blends such as Chivas Regal and Johnny Walker Black." Now he says single-malt scotches are gaining favor because of their distinctive character and smooth taste.

"Our strategy is to create a new gold standard for scotch," says Mr. Friedman. "We're targeting people who drink scotch and use premium products. We think, frankly, we can get the Dewar's customer to move up to Glenfiddich when he aspires to the best. Our goal is to make him jump right over Chivas."

Mr. Luftglass says the typical Glenfiddich customer is a male, 35 or older, who lives in a major urban center on the East or West Coast. He's inclined to drive a foreign car, drink imported bottled water, wear fine ties and fashionable wristwatches and purchase premium products in all categories.

The $2,300 decanter is purchased by "that very rare individual who really has everything in life," says Mr. Luftglass. He describes the Stag's Head customer as "an outspoken person who likes to send strong signals about his or her position in the world." He says the company counts many of the rich and famous among its clients.

Mr. Luftglass says the future of the distilled spirits industry belongs to high-end brands, and Glenfiddich is well-positioned to take advantage of that trend. "People today are drinking less," says Mr. Friedman, "but when they do drink, they want the best."

Lori Kesler, an ADVERTISING AGE *correspondent based in St. Louis, is a frequent contributor to Special Report.*

Countries affluent consumers associate with luxury products*

Country	Percent
France	52.9
USA	49.5
Italy	43.4
Germany	31.5
Great Britain	22.0
Japan	16.3
Sweden	14.8
Belgium	11.3
Spain	9.3
Denmark	9.1
Norway	3.8

*Respondents with a household income of $75,000 or more

Source: Starch INRA Hooper, 1987.

Parker rebuilds a quality image

By Lori Kesler

If George Parker were alive today, he'd probably approve of his company's newest fountain pen. It is, after all, a re-creation of the original 1921 Parker Duofold.

But the Parker Duofold Centennial costs a little more this time around. The 18-carat gold-nib fountain pen, which mates traditional '20s styling with modern engineering design, retails for $275; the matching ball pen costs $125. In 1921, the fountain pen retailed for $7.

Parker Pen USA Ltd., Janesville, Wis., reintroduced the Duofold classic to celebrate the company's 100th anniversary. But bringing back this pen symbolizes something even more significant. It marks the company's return to its roots as a purveyor of quality writing instruments.

Mr. Parker never tried to produce the cheapest pens on the market. In fact, the company's founder liked the idea of giving customers a good reason to spend a little more money. "Make something better," he said, "and people will buy it."

For the next 90-odd years, his philosophy guided the company's expansion in Europe and the Far East, and Parker pens became the best-selling brand worldwide. But in the U.S., "we lost our way a bit," says Robert Walker, the company's director of marketing.

While Parker never abandoned its high-end position in foreign markets, it started concentrating on low-price mass-distribution products in the U.S.—and got itself into big trouble.

"Parker was making $1.98 pens and suffering from the diffusion of its image," says Eugene Rohlman, marketing communications manager. Meanwhile, U.S. competitors jumped in to fill the vacuum created when Parker vacated the $10-and-up market.

Ads that broke late last year compared the Duofold's craftsmanship to that of an antique automobile.

In 1985, the company made money in Europe and Asia, but domestic operations lost $22 million. A group of British investors bought the pen company for about $100 million in February 1986, and the U.S. division was given a year to fix its operation or close.

"They fixed it," says Jacques Margry, ceo of Parker Pen Ltd., Newhaven, East Sussex, England.

The company decided to rebuild the brand in the U.S. by re-establishing its high-end reputation. U.S. dollar sales increased 28% during the last two years, far outpacing the total industry's 5% annual growth rate, and Parker's luxury pen sales in the U.S. rose 40% while fountain pen unit sales more than doubled.

Sales worldwide grew from $165 million at the time of the buyout to $226 million for the fiscal year ended Feb. 29, 1988.

"To support our strong move upmarket, Parker invested $3.7 million in U.S. advertising of prestige products in upscale magazines in the past two years," says Peter Bentley, VP, North American Operations.

He says the thrust of that advertising was "to communicate to the consumer that every Parker writing instrument is the product of skilled craftsmanship, exquisite design and a relentless pursuit of quality."

Parker USA will spend $2.6 million on advertising during 1988 to support its upscale image. It will promote the Duofold Centennial throughout the year with ads in *Fortune*, *Gentlemen's Quarterly*, *Gourmet*, *House & Garden*, *Life*, *Newsweek*, *People*, *Sports Illustrated* and regional publications in several urban markets.

Although Parker still makes plenty of pens that sell for $4 to $10, its current advertising always features pens priced above $50. That's not to say Parker is abandoning its lower-price pens. Instead, officials say promoting the top-of-the-line products establishes a reputation for quality that "trickles down" to all price levels.

"Even with the Duofold as the flagship of our advertising," says Bill Tucker, president of New York-based Lowe Tucker Metcalf, Parker's agency, "we expect to sell as many low-end pens as before. We're simply communicating that Parker is a well-made product and a good value in any price range."

However, Mr. Walker believes most of the industry's future growth will come at the higher price points, with a resurgence of interest in fountain pens fueling much of that growth.

Not everyone will plunk down $275 for a fountain pen, but Mr. Walker says the Duofold definitely appeals to the well-heeled business professional who tends to buy things "with solid intrinsic values" rather than the momentary appeal of the latest fad.

Mr. Tucker expects the upscale pen category to heat up during the next few years. He says a major competitor recently hired its first outside agency, and some other companies seem to be taking a more aggressive marketing stance as well.

"Parker may have awakened some sleeping giants," he says. "Things could get interesting in this category."

Liquor's hangover continues

Industry sales fall; liqueurs up

By JOHN C. MAXWELL Jr.

The liquor industry witnessed another sales decline in 1987. However, as in 1986, there were degrees of growth and declines within different liquor segments.

The outlook for 1988 is another year of slight volume decline in spirits, with the exception of vodka and brandy imports.

The sale of specialty liqueurs and imported vodkas continued to grow. Tequila had impressive growth again in 1987, largely because of Heublein's Jose Cuervo, which was up 14.9% in unit volume. This increase is probably related to the popularity of Mexican food and drinks (witness the amazing success of Corona and Sol in the imported beer market).

Imported vodka continues to outperform nearly all other segments, particularly Absolut, up 27.3%.

Whiskey sales decreased again as bonds, blends, Canadians, scotch and straights all showed declines.

Of the top 10 liquor brands, only three showed volume declines, compared with the previous year when nine had declines. Bacardi remained No. 1 and had a 3.2% volume increase.

Reordering of the top 10 was minimal, with Jim Beam moving to the No. 5 spot with a 0.3% volume increase. Canadian Mist was bumped to the No. 6 spot with a 7.3% volume increase. Twelve of the leading 33 brands that sold more than 1 million cases last year showed volume gains.

Last year's newcomer, Paddington Corp.'s Absolut vodka, moved from No. 35 to No. 21. Another share increase was seen by Jose Cuervo, which rose to 19th from 25th. This year there were no newcomers to the top-brands list.

Of particular notice is the continuing story of James B. Beam Distilling Co.'s (American Brands) Dekuyper Peachtree schnapps. It was introduced in 1984 and within a year sold 1.5 million cases, making Dekuyper the 24th best-selling liquor product in the U.S. Last year the number almost doubled. This year it's believed that the peach schnapps' sales will account for about 2.4 million cases, which is roughly two-thirds of Dekuyper's sales. (Since Beam doesn't break out Dekuyper's sales by flavors, the line isn't included in the accompanying list of top-selling brands.)

The outlook for 1988 is another year of slight volume decline in spirits, with the exception of vodka and brandy imports.

Though Dekuyper showed about an 8% drop, due mainly to fluctuating sales of various flavors, the line kept its position for the third consecutive year as No. 1 in cordials.

The extraordinary past growth in this area seems to illustrate a new drink trend that shows great potential. With more than 60 varieties available, peach being the most popular, schnapps drinkers have a tremendous selection from which to choose. Furthermore, the low alcohol content appeals to those who are health-conscious, young and female.

This type of drink not only has more of the aspects that attracted consumers to wine coolers but can appeal to an even greater audience on the basis of its tremendous variety and versatility.

The cordial/liqueur segment is expected to stay relatively stable due in part to consumers' changing tastes and interests.

The continued growth of imported vodka was shown by Absolut's 27.3% increase as well as Stolichnaya, up 10.3%, and Finlandia, up 7.1%. Recognizing this increasing market, Glenmore Distilleries Co. recently began marketing Elduris Icelandic vodka at the superpremium price of $12 to $14, which will pit it against Absolut and Stolichnaya.

It appears that drinking vodka on the rocks is becoming more of a status symbol, explaining the demand for higher quality imports. This growth doesn't seem to have reached its potential and appears to be occurring at the expense of the domestic vodkas and possibly scotch.

In the marketing area, Glenmore changed its Mr. Boston line to just plain Boston to try to liven up the old-fashioned line of liqueurs and other distilled spirits and increase consumer awareness.

The liquor industry in 1987, as it did in 1986, experienced an implosion of buyouts. In April, Beam (American Brands) agreed to buy National Distillers for $545 million. Guinness PLC bought Schenley Industries for $480 million, giving Guinness greater control over the marketing of its brands in the U.S., most notably Dewar's White Label. Furthermore, Paddington became part of the IDV Grand Metropolitan family. Paddington joins Heublein, which was bought by Grand Metropolitan earlier this year. Just recently, Kobrand Corp. lost the U.S. rights to market Beefeater gin. James Burrough PLC, Beefeater's new parent, moved importing and marketing rights of all of its brands from Kobrand to Buckingham Wile Co. For Kobrand the loss of Beefeater represents about 75% of its annual revenues.

More mergers and acquisitions are likely in 1988. As well-known brands continue taking market share away from the competition, they will continue to evaluate further industry purchases. The ongoing currency fluctuations will continue to play an important role as more and more companies pursue a global strategy.#

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

Top-selling liquor brands

Brands selling more than 1 million cases. ***Source:*** **John C. Maxwell Jr., Richmond, Va.**

Rank				Nine-liter cases (000)		
'87	'86	Brand	Company	1987	1986	Chg
1	1	Bacardi	Bacardi Corp.	8,179	7,927	3.2%
2	2	Smirnoff	Heublein (GM)	7,690	7,662	0.4%
3	3	7 Crown	Seagram Co.	4,485	4,600	(2.5%)
4	4	Popov	Heublein (GM)	4,050	4,183	3.2%
5	6	Jim Beam	James Beam (AB)	3,740	3,730	0.3%
6	5	Canadian Mist	Brown-Forman	3,700	3,990	(7.3%)
7	7	V.O.	Seagram Co.	3,455	3,455	0.0%
8	9	Jack Daniels	Brown-Forman	3,197	3,197	0.0%
9	10	Canadian Club	Walker (HWR)	3,100	3,050	1.6%
10	11	Seagram's gin	Seagram Co. Ltd	3,065	3,065	0.0%
11	13	Gordon's gin	Schenley (G)	2,455	2,455	0.0%
12	14	Dewar's	Schenley (G)	2,370	2,370	0.0%
13	8	Windsor Supreme	James Beam (AB)	2,210	2,210	0.0%
14	19	Gordon's vodka	Schenley (G)	2,170	2,020	7.4%
15	18	Black Velvet	Heublein (GM)	2,075	2,082	(3.0%)
16	17	J&B Rare	Paddington (GM)	1,995	2,100	(5.0%)
17	15	Kamchatka	James Beam (AB)	1,840	1,795	2.5%
18	21	Kahlua	Walker (HWR)	1,750	1,750	0.0%
19	25	Jose Cuervo	Heublein (GM)	1,590	1,384	14.9%
20	23	Ancient Age	Ancient Age	1,475	1,600	(7.8%)
21	35	Absolut	Paddington (GM)	1,400	1,100	27.3%
22	24	Early Times	Brown-Forman	1,393	1,551	(10.2%)
23	27	Tanqueray	Somerset Group	1,375	1,310	5.0%
24	16	Gilbey's gin	James Beam (AB)	1,365	1,319	3.5%
25	26	Johnnie Walker Red	Somerset Group	1,320	1,375	(4.0%)
26	20	Gilbey's vodka	James Beam (AB)	1,282	1,282	0.0%
27	29	Southern Comfort	Brown-Forman	1,250	1,250	0.0%
28	28	Crown Royal	Seagram Co.	1,185	1,280	(7.4%)
29	31	Beefeater	Kobrand	1,143	1,110	3.0%
30	32	Kessler	Seagram Co.	1,075	1,100	(2.3%)
31	32	Lord Calvert	Seagram Co.	1,050	1,100	(4.5%)
32	35	Ten High	Walker (HWR)	1,025	1,000	2.5%
33	30	Cutty Sark	Buckingham (WB)	1,015	1,140	(11.0%)

Key to parent corporations: (AB) American Brands, (G) Glenmore, (GM) Grand Metropolitan, (HWR) Hiram Walker Resources and (WB) Whitbread.

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DBS lures media heavyweights

(Continued from Page 57)

much of Western Europe. But the service is being developed for the U.K. market to target British advertisers, as well as avoid language problems and the need to negotiate multicountry performing rights payments. It also wants to ensure local availability of satellite dishes.

Mr. Bell said BSB has $180 million to spend on the first year's programming, which will fill four program services on three of its four channels.

Advertising will be accepted on three channels: Galaxy, a general-entertainment channel; Now, a news and live-events channel; and a children's and family-oriented channel. Screen, the fourth channel, will offer pay-per-view movies, so there will be no programming costs or advertising.

BSB's business plan calls for 400,000 subscribers the first year, 6 million after five years and 10 million in a decade.

One of BSB's rivals is Television Broadcasting Co., owned by Saatchi & Saatchi, the Dixon appliance chain and three U.K. TV companies. The group now is looking for a channel on another direct broadcast satellite.

TBC lost out partly because the British government didn't approve of an ad agency being included, sources say, and because TBC insisted on an entirely advertising-financed service without a pay TV channel.

Rod Allen, controller of corporate development at TBC member London Weekend Television, said TBC is negotiating an English-language channel on Astra, a Luxembourg-based satellite project now scheduled to launch in October.

Unlike other DBS ventures, Astra will launch a medium-power satellite that requires a dish of up to 24 inches but can accommodate 16 channels and cover most of Europe. Astra's strategy is to sign up both U.K.-oriented channels like TBC and would-be pan-European satellite channels frustrated by the limits of cable TV.

Rupert Murdoch plans to take up to three of Astra's 16 channels and is considering launching a pan-European satellite news channel and forming a European sports channel called Eurosport. He would also move Sky Channel, a general-entertainment channel, to Astra.

Astra already is lobbying manufacturers to start producing $500 satellite dishes and started an information campaign last month for retailers with the theme "Entertainment from the skies. Coming soon."

Manufacturers interested in producing Astra dishes include NEC, N.V. Philips, Sony and Thomson, said Astra Marketing Director Carlo Rock.#

ANY GOOD JUDGE OF ADVERTISING
WILL TEAR THIS AD APART.

It's the easiest way to reserve seats to see comedian **Jay Leno** host the ***Advertising Age Awards Dinner*** Tuesday, April 26, 1988 at the Chicago Hilton and Towers. Benefitting the Museum of Broadcast Communications. Reception 5:30. Dinner 6:30. Show 8:00-10:00. Black-tie optional. For information: (312) 649-5205.

☐ My guests and I wish to attend the special VIP reception with Jay Leno, dinner and the awards show. Please reserve

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Rodale, Lipton join forces

EMMAUS, PA.—Rodale Press has signed a contract with Thomas J. Lipton Inc. to produce a magazine series.

The magazine will be aimed at working parents of "latchkey" children, who are alone at home after school.

The magazine will be called *Kidsmarts*. It will be distributed through direct-response coupons on Lipton ads in major magazines.#

By Bob Garfield

Ad Review

Wrigley spot is like way off base, man

(Rating: ★ ½)

Imagine this: The kids are down in the basement listening to records, dancing and whatever. It's a cellar full of 15-year-olds and down the steps comes Dad. He's wearing a Spuds MacKenzie T-shirt, untied Air Jordans and jams.

The stereo is blaring with the latest from The Cure. Dad starts snapping his fingers to it, beatnik style. Then he screams to his daughter, "Dig it, Jennifer. This is like totally rad!"

Little Jennifer just wants to die, right there next to the pingpong table, and can you blame her? Is there anything quite as horrifying as an adult straining to communicate with teenagers on their level?

There is not. Dad may be sweetly trying to relate to Jennifer, but he's only shaming her—and maybe worse.

Maybe her humiliation turns to loathing, of her father, of herself and of her miserable adolescent lot in life. Maybe Jennifer decides at that very minute to Just Say Yes.

Let's hope not. Instead, let's think about chewing gum. Not long ago, in Chicago, some advertising and marketing executives sat plotting how to pitch their brand of chewing gum to kids.

The client was Wm. Wrigley Jr. Co., the ad agency was BBDO and the product was Wrigley Spearmint gum. Now, I wasn't at this meeting, but I have a notion as to what went on. The executives, to paraphrase Holden Caulfield, started relating like mad.

"We have to talk to the kids."

"Right, we have to speak to them. On their level."

"In terms they can understand. What do the young kids think about these days?"

"Sex. [laughter] Ha, ha, ha. But we can't do a commercial about young people teasing one another with sex."

"No that would be out of the question. Doublemint does that."

"Well, my youngster's into computers. Isn't that how they put it—'into'?"

"10-4, good buddy. Hackers are in the groove, like in that movie 'War Games.' Maybe we could do a commercial involving computers."

Like many a U.S. teen-ager, this young man likes his personal computer. He also likes his Wrigley's Spearmint gum—but what does one have to do with the other?

And a concept was born—to the chagrin, no doubt, of every fine young person in America. The new Wrigley's Spearmint campaign does for chewing gum what Dad did for Jennifer, and the results are just as embarrassing.

A commercial apparently designed to appeal to a youthful audience is so laughably, clumsily, grown-uply unhip that it's likely to send teen-agers scrambling wildly for Bubblicious.

The spot shows a good-looking, beach-boy type kid in a nice button-down shirt, seated at his home computer. As the commercial begins, he has decided to have a stick of gum.

"Time to relax," he says. "Definitely time for some Wrigley's Spearmint gum!"

As you know, chewing-gum advertising is a separate reality. It occurs in a parallel universe where people publicly disclose their intention to chew, display gum packs impossibly between thumb and forefinger and insert the gum so deliberately that it never even touches their lips.

Then they raise their eyebrows and cock their head funny, as if they'd never before encountered the chewing-gum experience.

So convention has prepared us to accept a teen-ager talking to himself about gum consumption. It does not, however, prepare us for what follows. See, the computer talks back.

"Wrigley's Spearmint?" its says, while simultaneously transcribing the words on the monitor. "What is 'Wrigley's Spearmint'?"

And thus the commercial proceeds, a boy and his computer talking about chewing gum. A foolish premise, poorly executed.

There is, of course, nothing wrong with seizing upon a *bona fide* cultural trend for use in advertising. And the computer revolution is certainly a *bona fide* trend. Indeed, Northwestern Mutual Life Insurance Co. (via J. Walter Thompson USA, Chicago) has seized on it quite smartly, by simply using an on-screen personal computer to list the routine product-superiority claims real-life agents have been boring you with for years. Forget garbage in/-garbage out; the computer lends authority to the claims.

The Wrigley's computer, on the other hand, is just a stupid cliche. It trades not on the growing ubiquity of home computers but on a quickly fading gee-whiz quality—and even that isn't capitalized on, because the technical aspects of the spot are so dated.

For instance, the on-screen display is done in a typeface you see on checks and deposit slips. Yes, that typeface is nominally computer-related, but it has nothing to do with screen displays.

What we have here is a visual malapropism. What we have here is a Spuds MacKenzie T-shirt on a 47-year-old man.#

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

European cars

(Continued from Page 3)

event that affected the one segment that has been isolated from any downturns for more than a decade," said Raymond Ketchledge, president of Austin Rover Cars of North America, which markets the British-built Sterling.

"The market crash probably made buyers more sensitive to the price increases," said Anthony Kirton, director-marketing for Volkswagen of America's Audi of America subsidiary.

The auto industry as a whole has defied predictions that the market dive would cripple it. Overall sales for cars and light-duty trucks were up more than 17% to 2.38 million for the first two months of 1988 compared with a year earlier, according to *Automotive News* figures.

During the same two months, almost every upscale European nameplate suffered decreased sales.

Volvo dropped 26.9% to 15,830 cars sold; Mercedes-Benz fell 17.5% to 11,699; BMW declined 10.5% to 10,359; Saab sagged 16.6% to 5,795; Audi was off 15.1% to 3,431; Porsche plunged 26.4% to 2,554; Alfa Romeo was down 30.5% to 763; and Peugeot plummeted 56.1% to 684.

The gainers were scarce. Jaguar improved 1.8% to 2,568 and low-volume marketer Maserati was up 16% to 145. Sterling sales were up 103% to 2,117, but that brand wasn't introduced until February 1987.

BMW's Mr. Jackling said luxury performance cars hit their peak with sales of 1.38 million in 1986, fell 13% in 1987 and are expected to drop 8.3% to about 1.1 million this year.

He expects a recovery in the 1990s. "The demographics are shifting unerringly in favor of the luxury market," he said, referring to baby-boomers reaching peak earning years.

But by then, there will be more competition than ever. American Honda Motor Co.'s Acura Legend line is building momentum, showing a 118% sales increase in the first two months of the year. Toyota Motor Sales USA and Nissan Motor Corp. USA will join the fray with their new upscale divisions in late 1989.

Ford Motor Co.'s Lincoln Continental and Chrysler Corp.'s Eagle Premier are bidding to compete with the lower-price upscale Europeans. Both were introduced in December.

Also, Ford has its imported-from-Germany Merkur line, and Chrysler is getting ready to launch a two-seater coupe made by Maserati.

The heated competition is producing new strategies, such as Volvo Cars of North America offering 10-year car loans through Chase Manhattan Bank (AA, Feb. 1).

The Volvo plan is aimed not only at attracting new buyers but also at encouraging buyers to move up to the more expensive models in the lineup.

Most of the upscale Europeans are offering incentives to their dealers and occasionally are offering direct consumer incentives on a strategic basis.

Soaring European car prices

	% price increase
Mercedes-Benz 560 SEC coupe 1986 model year beginning price: $58,700 Current price: $77,065 (effective April 18)	31.3%
BMW 325 two-door sedan 1986 model year beginning price: $19,560 Current price: $24,350	24.5%
Volvo 740 turbo sedan 1986 model year beginning price: $20,220 Current price: $24,525	21.3%
Porsche 944 turbo 1986 model year beginning price: $29,500 Current price: $39,765	34.8%

Sources: Automotive News and auto marketers.

Peugeot Motors of America is offering $3,000 bonus trade-in allowances toward a new 505 sedan or station wagon to shore up lackluster sales until the French importer launches its new 405 models this summer.

BMW is offering 6.9% financing on its 5-series cars to clear inventory before introducing a replacement later this year. The company also is introducing more $50,000-plus models, with the richer mix making up for declining volume.

Audi is guaranteeing the resale value of all its 1988 models. A new ad campaign, breaking in April, will "address more directly the issues of quality and safety," Mr. Kirton said.

The carmaker's sales slump began in November 1986 when CBS-TV's "60 Minutes" aired a segment on alleged problems of sudden acceleration in model 5000 sedans with automatic transmissions.

Mr. Kirton said Audi had no plans to drop DDB Needham Worldwide, Chicago and Troy, Mich., which also handles Volkswagen brand advertising in the U.S.

But that hasn't deterred industry speculation that Audi's new chief, Volkswagen VP Richard Mugg, might cast the agency as scapegoat to give disgruntled dealers the impression he's shaking up things.

Maserati Automobiles changed agencies last week, naming the Martin Agency, Richmond, Va., to replace Mullen Advertising, South Hamilton, Mass., on its $2 million-plus account. Martin's first Maserati work will break in June magazines.

Mr. Jackling of BMW said technological distinctions between cars are being blurred. "Quality-of-ownership" factors, such as post-purchase service, will become increasingly important in determining winners and losers, he said.

"If the segment goes down, it will not go down equally for everybody," Mr. Jackling predicted.#

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NEWSPAPER

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Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Sorrell-Lord battle may push IBM out

By JON LAFAYETTE

NEW YORK—In this fight, there are no winners.

As Martin Sorrell and Richard Lord prepare to do battle in court today, the smart money is betting that the prize $125 million IBM Corp. account probably won't end up in either camp.

The reason is a scorched-earth policy being followed by both WPP Group's group chief executive and the former chairman of Lord, Geller, Federico, Einstein that threatens to destroy the environment to such an extent that conservative IBM ends up walking away from any agency associated with them.

Knowledgeable sources here believe IBM eventually will leave LGFE and also spurn the newly formed breakaway shop, Lord, Einstein, O'Neill & Partners, backed by Young & Rubicam.

This speculation is rampant despite the fact that IBM, comprising as much as 60% of LGFE's total billings, said late last week that its account isn't up for review. But, an IBM spokesman said, the company won't speculate on the future.

Where could IBM go if these forecasts become a reality? It could turn to Saatchi & Saatchi Advertising or DDB Needham Worldwide, each already handling pieces of the computer marketer's business in various parts of the world.

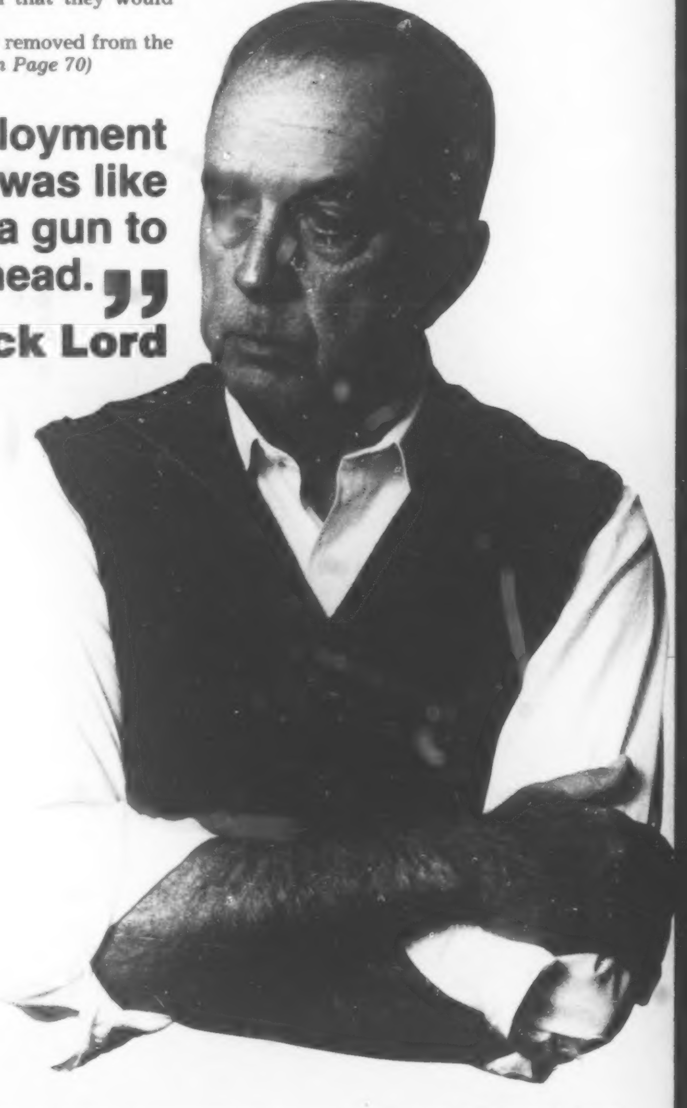
Executives at both agencies expressed hope that IBM would review its business and that they would be included.

DDB Needham was removed from the

(Continued on Page 70)

“(The employment contract) was like he put a gun to our head.”

Dick Lord



“I hate failure and I don't want to fail now.”

Martin Sorrell

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Last Minute News

Coleco consolidates account

WEST HARTFORD, CONN.—Coleco has consolidated its $45 million account at Scott Lancaster Mills Atha, Los Angeles, dropping Bozell, Jacobs, Kenyon & Eckhardt, New York. BJK&E had handled about 60% of the business, including the Selchow & Righter division and Cabbage Patch Kids.

O&M takes Kelly honor

NEW YORK—Ogilvy & Mather last week won the Magazine Publishers of America's 1987 Stephen E. Kelly print advertising award. O&M

(Continued on Page 8)

AGENCY BREAKAWAY

Admen blame Sorrell's style

By SCOTT HUME
and JON LAFAYETTE

Chief executives at major agencies nationwide say they've seen nothing like it before.

By that they mean not only the continuing drama that has followed WPP Group's unfriendly takeover of JWT Group, which escalated into the recent defections from Lord, Geller, Federico, Einstein, but also the apparent lack of management skills exhibited by WPP Group Chief Executive Martin Sorrell in dealing with the acquired people and businesses.

An ADVERTISING AGE spot check of agency executives shows that, from their experiences in acquiring ad agencies, they believe Mr. Sorrell has gone about the task all wrong and that he has consistently shot himself in both feet.

The sensitivity to the nature of the people who build ad agencies appears to have been missing. The vital communication between parties seems to have broken down, if it ever was established from the start.

For those and other reasons, these executives evidenced little fear that their own organizations might now be prey to similar mass defections from subsidiary agencies.

"I think people who are experienced in acquisitions understand that you can buy a business, but you can't buy employees' loyalty," said Abbott Jones, president of Foote, Cone & Belding Communications, Chicago.

Gaining that loyalty from the principals and employees of acquired companies, and "doing so on a person-to-person basis," has to follow an acquisition, he said.

> "You can't buy employees' loyalty."

That doesn't appear to have happened with Mr. Sorrell and the top executives at LGFE.

"We've been through enough [agency acquisitions] to know when they're right and when they're not," Mr. Jones said. "The Saatchis have done some good and successful deals with a willingness to talk through potential problems. The key, and I think WCRS has shown in its acquisitions that it understands it, is to understand what a strong desire for autonomy agency people have.

"If you take managers for granted, you're going to be disappointed, and you're going to end up paying again sooner or later."

Like other top agency executives, Phil Geier, chairman-ceo of Interpublic Group of Cos., New York, said he isn't worried that the seeds of revolt similar to the Lord Geller example exist in the Interpublic empire.

"We believe we have incentives in place, a way for my people to make reasonably good money if they perform," Mr. Geier said.'

Despite his recent admission that conflicts with BBDO Worldwide and DDB Needham Worldwide may have stifled the growth of some of the smaller agencies within Omnicom Group (AA, March 21), President-CEO Allen Rosenshine said "the problem Martin Sorrell is having with Lord Geller is the kind of problem I hope I do not have," and he sees no likelihood of it becoming his problem.

"I'm personally not alarmed. We maintain open and frank discussions when Omnicom companies have problems of this nature," Mr.

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Lessons from Duane Jones

By FRED DANZIG

"We've got an office, a telephone *and no clients*."

A variation on this theme, usually composed by attorneys to protect clients from litigation after they've opened a breakaway agency, turned up the other day when Dick Lord, Arthur Einstein, Kevin O'Neill and other associates left Lord, Geller, Federico, Einstein to start a new agency, Lord, Einstein, O'Neill & Partners.

Yankelovich battle rages—P. 69

The phrase became part of "Agencyspeak" in 1952, after Duane Jones won his "account piracy" case against former executives. Until then, agency spinoffs were part of the landscape. Back in 1940, Ted Bates could leave Benton & Bowles with two B&B accounts, Colgate-Palmolive Co. and Continental Baking Co., and suffer no legal repercussions.

But agency owner Duane Jones behaved differently. An alcoholic, he might have been considered easy pickings. Yet when a cadre of his executives left Duane Jones Co. with his accounts and opened a new agency—Scheideler, Beck & Werner—he fought back, saying, "You can't take a drunk out, get him inebriated and then pick his pocket."

He filed a conspiracy-to-ruin suit against his former employees and, in so doing, changed the way breakaways were choreographed. The case didn't *stop* them, just changed the rules.

Following a jury trial, Mr. Jones won. Although he sued for $4.5 million and was awarded $300,000, he felt vindicated.

His landmark case taught people that they had to be extremely careful about how they planned their breakaways. No paper trail. Never talk about it in the office during working hours. Don't use the com-

(Continued on Page 73)

Important impact expected

Top law firms join struggle

By IRA TEINOWITZ

WPP Group's legal wrangling with the Lord, Geller, Federico, Einstein defectors will pit one of the nation's toughest takeover law firms against one of New York's leading advertising law firms.

At the center are two key issues: the status of employment restrictions and whether the six executives who left breached their responsibilities and hindered Lord Geller before leaving.

Lawyers familiar with the issues say it will have important ramifications. A 1953 decision by a New York state appellate court against nine agency officials who left the old Duane Jones Co. agency is still cited even in non-advertising cases when management people leave a company.

"It is going to be fun to watch," said Steven Brill, editor of *American Lawyer* and *Manhattan Lawyer*.

Lord Geller and the Owl Group (the corporation WPP set up in the U.S. last year to acquire JWT Group) are being represented by Davis & Gilbert. The small firm often represents ad agencies, but more often on contract and copyright issues, according to some lawyers familiar with the firm.

Excerpts of WPP lawsuit and reprint of alleged memo—P. 72

Representing breakaway agency Lord, Einstein, O'Neill & Partners is Skadden, Arps, Slate, Meagher & Flom, New York's largest law firm and one widely known for its work

(Continued on Page 69)

Olympics win in ad recall

Political advertising also draws attention

By SCOTT HUME

Apple, Coors, E&J Gallo, K mart and Toyota had something in common last month.

They were among the many advertisers whose messages got lower unaided recall than did political advertising, which ranked 10th in last month's adWatch survey of advertising awareness.

Not surprisingly, political advertising got its best recall in south central states, which were deluged with images of smiling politicians before the Super Tuesday primaries March 8.

It's also not surprising that some of the other best-recalled advertisers in February were among the sponsors of ABC-TV's coverage of the Winter Olympics.

Coca-Cola Co., the sole soft-drink sponsor during the broadcasts, was last month's best-recalled advertiser. Olympics-themed advertising from McCann-Erickson and Lintas:New York put the company on top of the pile for the first time since June.

Also during the Games, DDB Needham Worldwide, Chicago, had people wondering, "How'd they do that?" when it put Spuds MacKenzie on skis in one of its Olympics spots for Bud Light.

Anheuser-Busch's Budweiser/Bud Light tandem kept its No. 4 spot among the best-recalled ads.

Miller Brewing Co., the official sponsor not of the Games but of the U.S. Olympic Training Center, saw its unaided recall drop a bit, falling from seventh in January to ninth in February.

While Olympics sponsors Ford Motor Co. and Chrysler Corp.—which together spent about $50 million during the Games (AA, Jan. 18)—both made last month's top 10, non-sponsor Chevrolet's "Heartbeat of America" campaign still placed ahead of both.

And Pepsi-Cola Co. didn't advertise on the Olympics but still managed to climb a notch to No. 5.

The California Raisin Advisory Board's dancing raisins held onto the No. 2 spot in unaided recall without the expense of Olympic sponsorship.

McDonald's Corp. was an Olympic sponsor, yet it suffered the largest decline among advertisers represented in the top 10 in January and February, dropping from No. 1 to No. 6.

Was it the result of "ambush marketing" by Wendy's International, which was a broadcast sponsor but not an official sponsor of the Games?

Wendy's didn't crack the top 10 in recall, but it came close, tying for 12th.

Recall of Wendy's advertising also perked up a bit when respondents were asked to recall the first **fast-food** advertising that came to mind. McDonald's, of course, was No. 1 with 43.5% of first mentions (vs. 44.3% in January); Burger King Corp. got 13.3% (vs. 12.8%); and Wendy's was third with 9% (up from 6.3% the previous month).

In the **wine** category, responses showed there's life left in Gallo's Frank Bartles and Ed Jaymes—and Hal Riney & Partners' creative. The addition of new flavors and advertising nearly doubled Bartles & Jaymes Premium Wine Cooler's share of first mentions in the category. The two gents came to mind first for 10.5% of the sample, vs. 5.4% in January.

That was almost good enough to surpass E&J Gallo Winery's wines, which placed No. 1 with 11.1% of first mentions. Banfi Vintners' Riunite was third with 5.8%.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

In February, 1,000 adults were polled by telephone.#

For more information or data, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in February

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 2/88	1/88	Advertiser	Agency
1	7*	Coca-Cola	McCann-Erickson
2	2	California raisins	Foote, Cone & Belding
3	5*	Chevrolet	Lintas:Campbell-Ewald
4	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
5	5*	Pepsi-Cola	BBDO Worldwide
6	1	McDonald's	Leo Burnett USA
7	10	Chrysler	Bozell, Jacobs, Kenyon & Eckhardt
8	3	Ford	J. Walter Thompson USA
9	7*	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates
10	—	Political ads	Various

* indicates a tie

New ventures could use other names

Sears may go incognito

By KATE FITZGERALD

As part of its continuing effort to woo more upscale customers, Sears, Roebuck & Co. may drop its name from several new ventures.

Sears is considering downplaying or omitting its name in some soft-goods areas, say sources close to the company, and may do the same thing in developing standalone stores that sell specialty apparel or other merchandise.

While the Sears name remains a strong force in selling hard goods, the company has learned its name is a turnoff on apparel catalogs aimed at higher-income customers. As a result, these sources say, Sears is looking at going incognito in some new catalogs.

Sears would be following a trend other retailers have pursued successfully. So far, Sears has been slow to adopt this strategy. It has already launched two new catalogs targeting specific audiences; both include the Sears name. "Changes" is a sportswear catalog for women, and "American Tradition" is aimed at young men.

A Sears spokesman declined to elaborate on plans for targeted catalogs or to say whether the Sears name will be included on them.

But more breaks with tradition lurk ahead, observers say, as Sears follows through with its vow to overhaul its underperforming merchandise group (AA, March 14).

Last week, Sears finalized its merger with Western Auto Supply Co. to beef up its earnings in one of its healthiest hard-goods categories—auto service centers.

With the combination of Sears' 800 automotive centers, Western Auto's 278 company-owned parts stores and its 1,570 franchised outlets, Sears ranks second in the rapidly consolidating auto parts industry, said John Wirebach, news editor at *Automotive Marketing*.

Western Auto will continue to operate under its own name, as have two other Sears acquisitions: Pinstripes Petites and Eye Care Centers of America.

Sears' new merchandising strategy will be implemented by Matthew Howard, 47, who was named exec VP-merchandising, succeeding Joseph H. Batogowski, 48, who abruptly resigned March 18. He had been VP-home appliances and home entertainment.

Sears also appointed Jane Johnson Thompson, formerly a partner with McKinsey & Co., Chicago, VP-strategic planning in the specialty merchandising division, a newly created post.

Sears spokesmen said the company's joint marketing plans with Walt Disney Co. and McDonald's Corp. will continue as scheduled; Mr. Batogowski is credited with bringing about those deals.

However, some of the developments Mr. Batogowski earlier had discussed, including a Disney merchandise catalog and Disney boutiques within Sears stores, have been shelved for now, said Jim Podany, director of marketing communications.#

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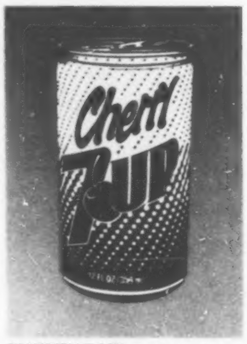

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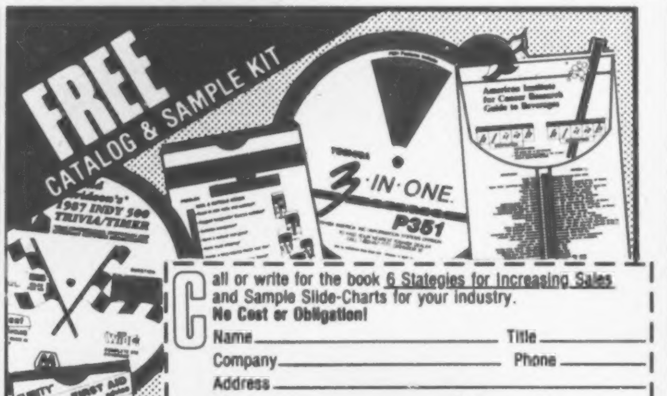

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Advertising Age
U.S. ADVERTISING AGENCY PROFILES
1988 Edition

Keep your eyes open for Ad Age's Agency Income Report March 30.

Strong spending

Foreign ad budgets again beat U.S.

An Advertising Age roundup

Despite reverberations from last fall's global stock market dive, foreign ad spending growth will continue to outpace U.S. growth in 1988, say industry analysts and ad executives.

The plunge seems to have left ad budgets in Canada and Western Europe unscathed, though spending in Australia is stagnating. High inflation and domestic problems in Israel, Latin America and South Africa will prevent 1988 from being a banner year, according to ADVERTISING AGE's latest twice-yearly survey.

"I don't think Europe or Asia was as devastated by the stock market plunge as we were," said John Eger, president, Worldwide Media Group, a New York-based consultancy.

Because the crash created "psychological uncertainty," U.S. ad budgets will be sluggish, said Robert Coen, senior VP-director of forecasting, McCann-Erickson. Domestically, positive factors will be the upcoming elections and the Olympics, he said.

In 1988, Mr. Coen expects foreign spending to hit $103.7 billion, a 12% increase over 1987. Domestically, he predicts a 9% increase to $119.7 billion. Ad spending worldwide will be at $223.4 billion, a 10% increase, he said.

However, Mr. Coen bases his figures in dollars and includes inflation, while AA's survey is based in local currency and filters out inflation; therefore, percentage increases or decreases rather than revenue figures are used.

"Internationally, we're looking at a very good year," said Murray Smith, president-international, Bozell, Jacobs, Kenyon & Eckhardt. "I don't see any signs of slippage anywhere except maybe in Mexico."

Western Europe

Most executives cite the growing privatization of TV as a major factor in Western European growth.

"There will be increased experimentation with private TV channels, and nations are opening up state-run channels," Mr. Eger said.

Mr. Smith agreed: "Markets where we'll see tremendous growth are Italy because of commercial TV and Spain and Portugal due to privatization."

Ad spending in Italy jumped 17% last year, and advertisers project a similar increase for 1988. Ugo Castellano, chairman, Young & Rubicam Italia, Milan, attributes last year's increase to continued developments in commercial TV and the comeback of the press with the launch of more than 70 magazines in the past two years.

In reaction to the recent stock market crisis, ad industry sources in Italy predict a 40%-to-50% increase in financial advertising for 1988. "The financial sector must counteract the effects of the negative trend, reassure the investor turned cautious," Mr. Castellano said.

Last year will go down as a record year in the history of Spanish advertising, which saw spectacular growth of 24.9%, though slightly less than the 32% increase predicted. Antonio Jordan, president of the Spanish Associatio Advertising Agencies, Madrid, expects a 15%-to-20% increase in ad spending this year, while Tiempo/BBDO CEO Xavier Oliver predicts a more conservative 12% growth rate.

Banks and insurance companies were very active in Spain last year, advertising many new financial products even after "Black Monday," Oct. 19.

Advertising investment in France last year showed a 10% real increase. Forecasters expect another 10% increase in 1988. With elections coming in April, candidates are expected to spend as much as $85 million.

While expenditures are expected to rise in the U.K. this year, agencies and advertisers expect a slower rate of growth than in 1987. Forecasters say total ad spending will rise 5%, compared with an 8% increase in 1987.

"We are entering a period of steady decline, with the 1989 rise in spending likely to be even lower than this year's," said Mike Waterson, research director of the Advertising Association, London.

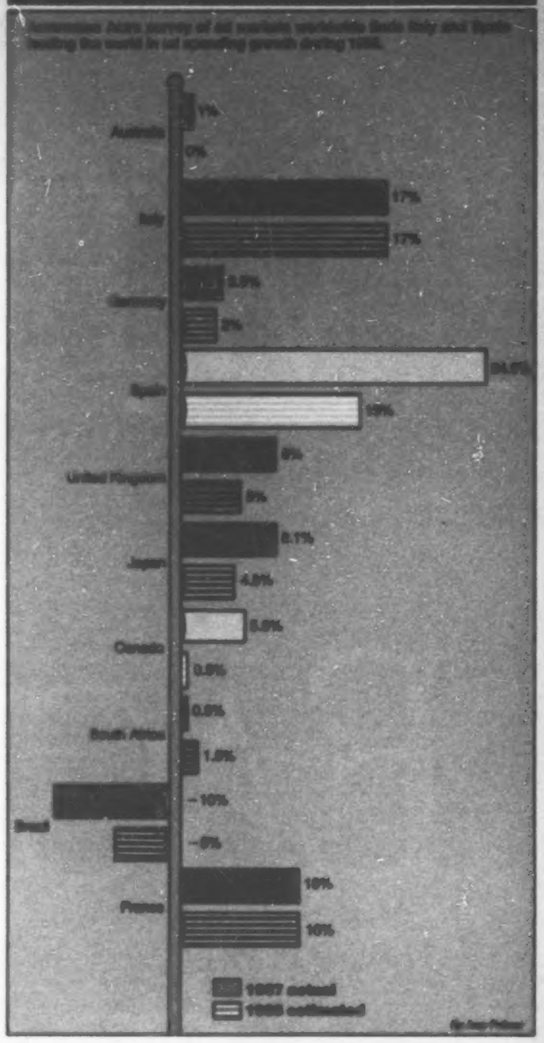
In West Germany, ad agencies look back at a relatively good year. Volker Nickel, ZAW-German Advertising Association, Bonn, said the 1987 increase is believed to be 3.5% in real terms, while the increase for this year is projected to be 3%.

Latin and South America

A question mark hangs over the market in Mexico this year as the government struggles to rein in inflation, which hit 159% last year and could rage at 150% this year. With wage and price controls in place, most advertising executives see a decline in real terms although no one is willing to put a num-

(Continued on Page 57)

Worldwide ad spending growth



Bic fires up pocket perfume market

By ANIKA MICHALOWSKI

PARIS—Bic Corp. is entering a whole new field by adding perfume to its line of convenient pocket items.

The company that sells disposable cigarette lighters, pens and razors is launching Parfum Bic No. 1, a low-price fragrance packaged like a cigarette lighter, in Europe and possibly the U.S.

Bic is entering the mass perfume market because "it's a completely virgin sector and has not been pre-empted by any major companies," a spokeswoman said. She noted that Bic can offer "top quality at competitive prices."

The company believes the portable perfume can take advantage of Bic's expertise in portability and disposability of products available at mass-market outlets.

Advertising for the perfume will break in France and Italy next month. The product will be introduced in other European markets and the U.S. if the first two launches succeed, Bic executives said.

Parfum Bic No. 1 is not only a first for Bic but for France. It's also the country's first perfume for the mass market, which is dominated by *eau de toilette* brands such as L'Oreal's Eau Jeune and Unilever subsidiary Francaise Soins et Parfums' Darling. It's not known whether either of these major marketers will jump into this new segment.

Priced at $3.50 for 7.5 milliliters, Bic perfume is aimed at young, active people who will find it easy to buy and conveniently small to carry. Taking advantage of Bic's well-developed distribution system, the perfume will be sold in convenience stores, drugstores and supermarkets.

The perfume comes in four fragrances: Parfum Bic Jour No. 1, a fruity and flowery fragrance, and Parfum Bic Nuit No. 1, a stronger, more Oriental scent, both for women; Parfum Bic Homme No. 1, made of wood essences, musk and fern, for men; and Parfum Bic Sport No. 1 for both men and women in a sporty, woody fragrance.

Bic wouldn't disclose spending levels, but its commitment to the category is indicated by the investment Bic has made in purchasing factories in France to make the perfume and the dispensers. Bic also went to Firmenich, the fragrance supplier, to create the perfume.

Young & Rubicam here created an animated TV spot emphasizing low price. The spot will break on all six French channels April 1. Bic will tailor marketing to each country.

Jean-Claude Passerin D'Entreves, chairman-ceo of Bic Italy, Milan, said, "In our campaign here we insist on the convenience and the practicability of the Parfum Bic. We don't mention the price too much as the French campaign does."

The new product sells at about 10% the price of other perfumes.

The $2.4 million Italian campaign, via MVC, breaks April 17. The Italian Parfum Bic No. 1 will be aimed at a broader age span than the 13-to-20-year-old consumer targeted in France.#

World News Roundup

(Continued from Page 3)

photography into its major Australian and U.K. newspapers after the purchase last month of a $580 million 39 Newsman offset printing press.

MADRID—The Spanish Ministry of Agriculture awarded its $3.1 million campaign to promote Spanish-made food products to Contrapunto for the third consecutive year.

GOUDA, NETHERLANDS—Austin Rover moved its $3 million car account to Dorland Advertising, Amsterdam, from Ara/BBDO, Rotterdam, as part of its European agency realignment.

MONTREAL—Hitachi Canada moved its $1.6 million account to Prism Communications from Backer Spielvogel Bates.

LONDON—Wella Great Britain introduced Shock Waves Headstrong shampoo, formulated to work on hard-to-remove hair styling gels, with a $1.3 million campaign by Butterfield Day Devito Hockney.

SINGAPORE—The Far Eastern Economic Review received government permission to distribute 1,000 advertising-free copies here. The government cut the weekly's distribution to 500 from nearly 10,000 for what it termed meddling in internal affairs (AA, Feb. 15).

Bozell rises in East

By MAGGIE FOX

HONG KONG—In half a year, Brian Tucker and Michael Holt have doubled Bozell, Jacobs, Kenyon & Eckhardt's staff to 45 and doubled its business to $15 million here.

The two former Foote, Cone & Belding executives—Mr. Tucker was managing director and Mr. Holt was creative director of that agency's office—left to take equity in BJK&E. Competitors predicted staffers and accounts would follow, and they were right.

Now holding the same titles at BJK&E, Messrs. Tucker and Holt, who replaced Joe Wang and Richard Lamb, deny they have raided FCB. The duo and their former employer are careful to speak kindly of each other.

But since their move in August, BJK&E has picked up Hong Kong Electric, Overseas Trust Bank and Sunkist, worth a combined $6 million in billings, from FCB.

Further, the two hired FCB Vice Chairman Karen Loh for the same position at BJK&E, a new post. BJK&E Executive Creative Director Paul Wong and Director of Account Services Gary Tse had been FCB's creative director and senior account director, respectively.

Other agencies have suffered at the hands of the new agency team, too. The $1.5 million Toyota account, as well as the *Far Eastern Economic Review* and KPS video accounts, moved to BJK&E from Leo Burnett Ltd. and Texas Instruments from McCann-Erickson. Amway, Crown Motors, Eastern Zone Industrial Co., New World International Hotels and two local realty companies also have moved over from various shops.

The new accounts should move BJK&E from No. 15 to about No. 9. Only three accounts, worth $640,000, have left during the same time, Mr. Tucker said.

"We were able to respond to a lot of advertisers who wanted to review their agencies," Mr. Tucker said. "[We] did things backwards and hired a lot of staff upfront."

What attracted the talent, Messrs. Tucker and Holt said, was money and their management style.

"We are a perfect fit," Mr. Holt said. There's what the two call a "seamlessness" at the agency, where all staffers work together on projects. When agencies become departmentalized, staff members lose touch, they said.#

Special Report

Toiletries & Beauty Aids

Fighting for survival in scents game

By Donna R. Italiano

Speaking at a recent Fashion Group meeting in New York, Leonard Lauder, president and ceo of Estee Lauder Inc., recalled the days when the $17 billion cosmetics business was a cottage industry. He told the attendant fashion and beauty industry executives, "We used to meet in the Oak Room at the Plaza for our weekly luncheon and discuss restraint of trade, price, fixturing . . . The FDA was something one thought about in their alphabet soup. It was a very simple industry."

Not anymore. Mergers and acquisitions continue, and successful product launches are no longer made of pie-in-the sky dreams. Mr. Lauder said slow population growth was a factor in the industry's stagnant unit growth. "That means if I want to increase my business, the only way I can do it is for me to take it away from you . . . this leads to the great new pie-cutting contest . . ."

Top fragrance brands in 1987

(U.S. wholesale figures, $ million)

Giorgio (women)	$55
Obsession	40
White Linen	40-42
Opium	38
Oscar de la Renta	34
Youth Dew	34
Passion	30

Source: Prudential-Bache Securities

Yet, purveyors of hope in a jar continue to introduce more new products.

Consider the fragrance category: Last Christmas it enjoyed double-digit sales increases. Heavy fourth quarter spending by the big guns in fragrance marketing, coupled with aggressive in-store activity, helped retailers realize these gains.

Then there's the rest of the year: The fragrance industry is plagued by shrinking margins, sluggish growth and costly battles for market share.

Industry statistics bear this out. According to figures released by Kline & Co., a Fairfield, N.J.-based research company, estimated annual unit growth of total U.S. women's fragrance sales rose slightly more than 1% last

(Continued on Page S-2)

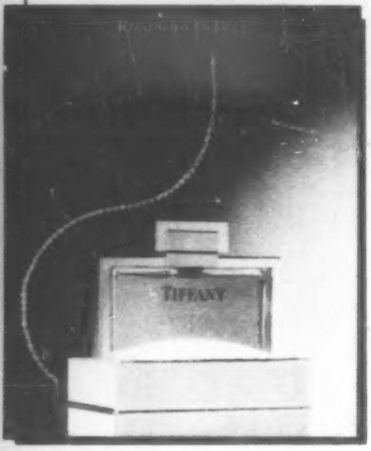
Donna R. Italiano is a New York-based free lance writer and marketing consultant to the beauty industry.

Survival in scents game

(Continued from Page S-1)

year. At best, the category had an estimated 4% to 5% dollar increase in 1987, reaching $2 billion in manufacturer dollars, according to Natalie Salek, a senior consultant at Kline.

Retail figures for 1986 fragrance sales published in *Beauty Age* magazine's Summer '87 Consumer Expenditure study don't paint a much brighter picture. According to the study, women's fragrance sales reached $3 billion, a mere 0.7% increase from the previous year. Factor in inflation and it was a no-growth year.



Tiffany's elegance and simplicity are evident, as is the omnipresent Blue Box used in the company's other advertising.

According to Annette Green, executive director of the New York-based Fragrance Foundation, at least 20 new scents are expected this year to join the nearly 425 fragrances now in U.S. distribution.

Statistics released by Marketing Intelligence Service, a new-product tracking company in Naples, N.Y., show that 90 new fragrances, including line extensions available through all trade classes, were introduced in 1987, a 20% increase from 1986.

As for 1988, Arie Kopelman, vice chairman and chief operating officer of New York-based Chanel, says, "Competition will intensify. New brands are coming into the market and it is becoming a giant share game." To compete "you have to win early and keep the momentum going," says Mr. Kopelman, whose company is enjoying a resurgence in sales of classic favorites and Coco, which bowed in 1985.

Robin Burns, president of Calvin Klein Cosmetics, marketer of the successful Obsession fragrance, is frank about the odds of survival: "The industry continues to launch new fragrances and approximately 80% of them fail."

Heavy ad spending by major players like Estee Lauder, Cosmair, Revlon, Avon, Calvin Klein, Elizabeth Arden and others, has set a precedent hard to break for those wanting to launch a scent. (The first four control 65% of department-store beauty business.)

"It has become the era of the super launch," says Mr. Lauder. "We all heard that Calvin Klein spent $17 million launching Obsession. We have seen Giorgio do $100 million [in sales] in two to three years . . . There is no time anymore to see if something is going to get consumer acceptance and then build it up and fine-tune it. You either make it or you don't."

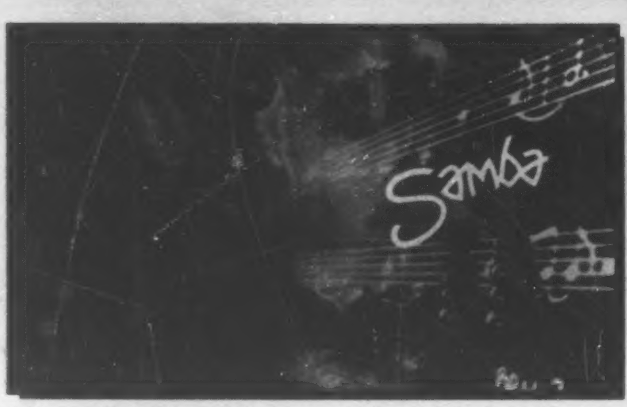
"The stakes are high and will remain high," agrees Ray Baliatico, president of Prince Matchabelli, a division of Greenwich, Conn.-based Chesebrough-Pond's, which launched a $10 million ad/promotion campaign for Elizabeth Taylor's Passion last year. "We will continue to spend to grow the brand," he says. Sales of the fragrance rocketed to $35 million just three months following the launch.

Mr. Baliatico says Passion for Men will debut in spring 1989.

While some industry executives believe the industry will begin to see more balanced spending toward the end of 1988, others think the major players will go all out to match expenditures of previous years. In 1986 alone, $116 million was spent to advertise women's fragrances, according to Leading National Advertisers, New York.

Calvin Klein Cosmetics has scheduled the launch of Eternity to ship to retailers this summer. Ms. Burns won't divulge figures, but sources close to the industry expect spending on Eternity to be close to the $17 million spent launcing Obsession.

"The biggest division in the fragrance category is not the major marketers but the all-other fragrances," says Alexander Koswick, a senior industry consultant. Collectively, he says, this category of brands—smaller individually but a strong market presence as a group—"is proving to be a pretty powerful force in the business." Based on many of the launches slated for 1988—including Carolina Herrara's signature scent, Claude Montana, Gem, Baryshnikov—and last quarter 1987 entries including Animale, Ombre Bleue, Bijan and Samba—the newness in marketing approaches continues to come from this segment of the business.



Perfumers Workshop extends the musical flavor of Samba print ads by also using radio spots.

Gem's print ad uses Lara Naszinski breaking into a museum case for the fragrance.

Ms. Burns maintains that five or six years ago the industry began to see more entrepreneurs re-entering the fragrance industry. "They broke the rules and they broke the jaded sameness," she says.

Some of these new players now entering the market have to map out a survival strategy. "Today, there's no question that stores are demanding more because of the grand spendarama of the big companies and, as a result, many of the smaller marketers cannot effectively compete," says Mr. Koswick.

"But big spending does not guarantee a success. The spendarama is going to get the fragrance marketer in the department store but not going to get him to move goods across the counter."

He strongly advises small companies to forgo the national route in favor of a regional approach. "It takes longer, it takes more patience. But it's the most effective way to be heard through the advertising clutter and stretch your ad dollars."

Many more smaller fragrance companies are opting for a more limited rollout, coupling it with innovative ad campaigns and aggressive in-store activity.

For example, Van Cleef & Arpels' Gem debuted in New York's Bergdorf Goodman in early March. "A selective rollout to six or seven accounts to maximize the build is slated in 1989," says Barbara Gyde, senior VP-marketing of Sanofi Products, the U.S. distributor of Van Cleef & Arpels fragrances.

"Advertising will be equal to 25% of the first year's sales goal," she says. A print ad featuring European ingenue Lara Naszinski breaking into a museum case to seize a bottle of Gem ran in March issues of leading fashion publications and will be featured in future issues of *Connoisseur, Harper's Bazaar, House & Garden, Town & Country, Vogue* and city and regional publications including *New York* magazine. Nearly eight million samplers will be distributed during the launch and a direct-response program will complement advertising and sampling.

Donald Bachner, president of Perfumers Workshop, New York, is betting that "extra effective key elements" will make the difference for Samba, introduced in fourth quarter 1987.

Radio advertising, which Mr. Bachner feels the industry underuses, has played a role in Samba's introduction. For the initial rollout in 117 stores, including the Los Angeles, El Paso and New York markets, a catchy in-store video picturing exotic Brazilian samba dancers reinforced the radio message. Samba dancing troupes and sampling by fashion models complete the mood. Print ads will break in July, coinciding with the scent's expansion to 250 more stores this summer.

New York retailer Tiffany & Co. is banking on the return to traditional values, strong name recognition and resurgence in classical tastes to provide impetus for its new Tiffany scent.

Niche marketing is what Tiffany's launch is all about. The company expanded its distribution in eight Tiffany boutiques to six upscale retailers—Nordstrom's, Saks Fifth Avenue, I. Magnin, Neiman-Marcus, M.M.

(Continued on Page S-4)

Price no barrier in fighting age

Well-off older folks (WOOFs) are growing as a major segment of the U.S. population as the graying of America goes on. And those growing numbers are having some impact on the beauty industry: "We are seeing more attractive aging," says Leonard Lauder, president and ceo of Estee Lauder Inc., New York.

According to Natalie Salek, senior consultant at Fairfield, N.J.-based Kline & Co., treatment is one category that exhibits great growth potential in the next five years. "Moisturizers [including single items] showed the most dramatic growth in the $2 billion-plus category."

Figures published in *Beauty Age* magazine's Summer 1987 Consumer Expenditure Study show skincare sales reached $2.7 billion; the category showed no real growth overall, but the $543 million face lotion/moisturizer segment shot up 5.6%. Ms. Salek predicts the industry can expect close to double-digit growth this year "despite FDA's scrutiny of anti-aging products."

Barbara Landry, an analyst at Morgan Stanley, New York, attributes the growth potential to increasingly better products backed by improved research and development. "The positive side to all this consolidation in the industry is that the big guys offer technological advancements made possible from someone gobbling someone else."

Closer scrutiny of treatment products by the Food & Drug Administration has prompted it to issue stern letters to marketers. Concern has escalated over the thin line that now separates medical from cosmetics claims. In defending their new entries, beauty marketers maintain they are closely adhering to product safety and efficacy standards with greater emphasis on scientific research and product development.

Industry executives would like to see the FDA revise the current regulations. "They were written when the industry knew a lot less about products and ingredients," says James Preston, president and ceo, Beauty Group division of Avon Products, New York.

Last year marked the dramatic shift by many marketers from regimens-only to scientifically advanced single-items supported by heavy national advertising, in-store collateral and attractive packaging. Well-positioned products that can stand alone at retail are gaining favor. When Estee Lauder shipped Eyzone Repair Gel to retailers last year, buyers reported they couldn't keep the single stockkeeping unit in stock.

Christian Dior's Capture, launched last spring, carries a hefty price tag of $65 for its Complexe Liposomes/Anti-Aging Complex. Despite the price, buyers report little resistance at retail.

As always, what is new and exciting in the industry is what the consumer demands. Revlon's Ultima II division began selling its Photoaging Shield last December at Bloomingdale's and expanded to 2,000 doors earlier this year.

Tabor W. Butler, VP-marketing/Ultima II, says this product "deals with prevention whereas other treatment items are focusing on repair and correction." Revlon's new product "helps prevent the most deplorable signs of aging—deep wrinkles, leathery skin and age spots." Support for the new entry includes "compelling print advertising in women's service magazines," Mr. Butler says.

The next step in anti-aging products apparently are color cosmetics that promote the benefits of anti-aging. Whatever shape these products take, industry executives agree women will pay the price to retain their youth.

—Donna R. Italiano

Avon answers calling to higher scent lines

By Roberta Reynes

Avon Products crossed a marketing Rubicon last year, adventuring beyond staid Main Street USA and onto flashy Fifth Avenue.

Almost overnight, Avon became a major factor in the $2 billion retail market for upscale fragrances, industry sources say. Avon is best known for scents and cosmetics marketed door to door.

It signaled its expansion last spring with the retail launch of the Catherine Deneuve fragrance and the acquisition of Giorgio Inc. A few months later, it acquired Parfums Stern, marketer of Perry Ellis for men and Oscar de la Renta, Ruffles and Valentino fragrances for women.

The logic of Avon's move to designer fragrances marketed through department stores isn't hard to follow. Fewer and fewer women are home to answer the Avon lady's ring, and working women have more disposable income than ever. As James Preston, president and ceo of Avon's Beauty Group, points out, "Where else can you find

(Continued on Page S-6)

Roberta Reynes is a New York-based free lance writer.

Scents game

(Continued from Page S-2)

Cohn's and Swanson's—which will showcase the scent exclusively. The fragrance retails for $200 an ounce.

Distribution of scented white bows, sampling, Tiffany's Rhapsody in Blue advertising bearing the company's distinctive blue box with big white ribbon, and exclusive society breakfasts will help Tiffany maintain its exclusive image, says Sue Phillips, VP-director of fragrance.

Can more selective, esoteric fragrances expect to stay in the running as the battle of fragrance market share rages? "Anybody competing with the big guys can expect to get trampled into the ground," says William Shnipper, president of Classic Fragrances, which markets Mila Schon and Jacques Couturier lines. "But if you set your own goals, you can expect to see steady growth each year," he says. "Specialty stores and perfumeries looking for more eclectic offerings opt for lesser-distributed brands." However, he says, marketers have to be prepared to work with these retailers.

"Many of these outlets are not fragrance outlets. They don't have time to create a business." Mr. Shnipper relies on an enormous amount of sampling and high value gift-with-purchase offerings to make the difference.

Dorothy Foster, senior buyer-cosmetics for J.C. Penney Co., New York, is pulling out all stops to reach "the whole cadre of customers who are buying fragrance as a fashion statement" with aggressive activity at point-of-sale.

She believes there is a whole other range of products on the market that may be ready to ignite this year. "There's a real market for environmental fragrances. Lines like Claire Burke and Ben Rickert, make a total statement and have a real message. Christmas Memories, Once Upon a Christmas, Peaches and Dreams, Summer Morning—many of these scents touch a chord in people. They evoke a warm, loving feeling," she says.

Ms. Green agrees. "People are going to stay home more. I think now environmental fragrances are really going to take off. It is happening."

No doubt, as the large fragrance companies grow via the merger and acquisition game in the beauty business, the small entrepreneurs who lost control back in the 1960s have the opportunity to make a showing again if their ideas are fresh, new and exciting and if they are willing to take risks. It is the medium-size companies that will feel the pinch as the industry goes through yet another set of growing pains.

Executives such as Ms. Foster are confident the industry will witness an increase in entrepreneurs with a point of difference. "In six months to a year down the road," she says, "we will see a rise in smaller entrepreneurs with a special niche or reason for being."

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Avon answers calling

(Continued from Page S-4)

pretax margins in the 13%-to-16% range and return on equity in the high 20s?"

But the challenges are formidable. First, Avon's new competitors are firmly entrenched. The Giorgio and Oscar de la Renta fragrances shared the top rankings list with Estee Lauder and Calvin Klein brands. In contrast to Avon, both are old hands at this fad-driven, trendy business.

Second, with the exception of an occasional hot number like Elizabeth Taylor's Passion, designer fragrances have had flat sales in recent years. Avon's brands are putting in a mixed showing, say analysts. Giorgio's rise was meteoric in the 1984-85 period. But sales have stalled now. Perry Ellis for men is doing very well, but Ellis for women is flat, analysts say.

Third, the style of promotion and advertising in upscale designer brands is very different from Avon's usual efforts. Mystery and fantasy are at a high pitch, and so is the spending.

Not that Avon is starting over. It already spends about $25 million a year to promote its traditional lines, up from a mere $3 million to $5 million early in the decade. And Deneuve, which was introduced through direct response marketing before going retail, won the Fragrance Foundation's "Most Successful Launch" award last year.

Still, the foray into "designer" advertising for Deneuve didn't get high marks from all. Lynne Hyman, a VP and analyst with Prudential-Bache Securities in New York, says, "The intent is apparently to show Catherine Deneuve as a human being rather than a sex goddess. But she did better as a sex goddess."

The ads in question show the regal French beauty with lipstick on the end of her nose and wearing a drawn-on mustache.

Finally, Avon faces the task of assimilating Giorgio and Stern without stifling the brands' flexibility and creativity. The acquisitions have combined yearly sales in the $300 million range. In contrast, Avon had sales of $2.88 billion in 1986.

"It's going to be a balancing act," observes Allan G. Mottus, a cosmetics consultant in New York who puts out a health and beauty aids newsletter, *The Informationist*. "Avon will be dealing with some of the biggest egos in the business. And these are two family-run companies without sophistication in financial matters or planning cycles. In contrast, Avon is run in the General Electric-style strategic planning mode. The say they don't want to 'Avon-ize' the acquisitions. But it's a challenge to leave them on the outside but still bring about changes."

Avon is undaunted. Mr. Preston says, "Sales, marketing and retail business know-how are centered in Michael Stern [chairman of Parfums Stern] and Michael Gould [president of Giorgio] and their organizations. We don't propose to tell them how to run their businesses."

What Avon *will* do is provide big-company support services. "A small company can't afford a research and development organization," Mr. Preston says. "In contrast, we have one of the finest R&D eforts, and an incredible track record in product development. Our R&D people can develop new products to the specifications of their marketing management.

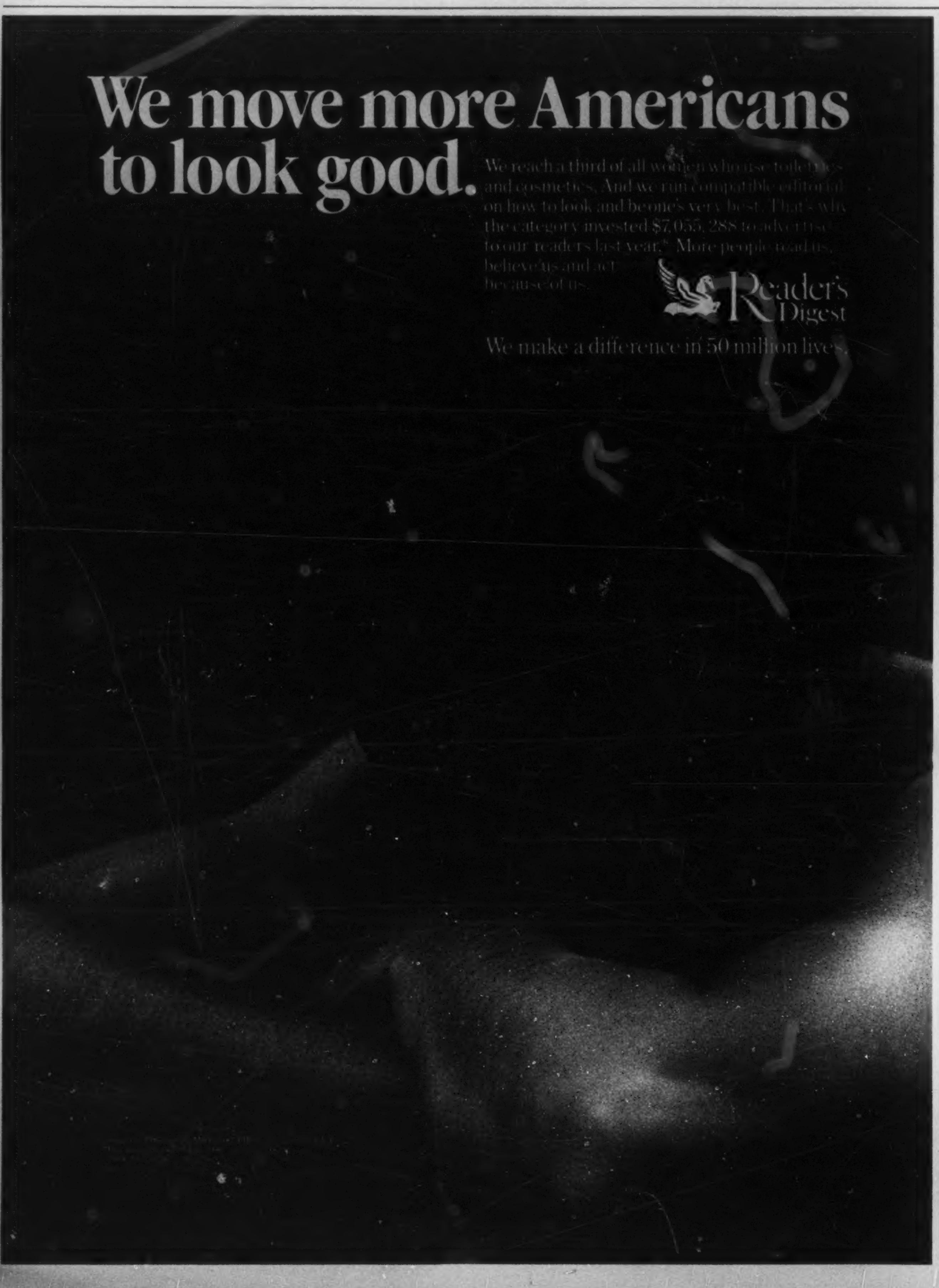
"Similarly, we can make our market research capabilities available to Giorgio and Stern. Neither has internal market research.

"Thirdly," Mr. Preston continues, "we believe strongly in strategic planning: How are you going to allocate resources, and why? We can impart the strategic planning skill to them. But they will be the ones using it, not Avon."

Whatever Avon does, it can't stand still. "Giorgio is undermarketed," says Mr. Mottus. "It needs to be taken from a fragrance to a lifestyle brand." Andrew Shore, a Shearson Lehman Hutton analyst, agrees. "Giorgio has been losing counter space." He feels it is imperative that Avon create line extensions with the Giorgio name "as quickly as possible . . . either a cosmetic line or a suncare line."

Although Avon has been reluctant to unveil its blueprints, a Giorgio of Beverly Hills suncare line is due in April.

Despite the significance of Avon's marketing challenges, many feel it has gotten off on the right foot. Mr. Mottus says, "I'd rather have the two brands they bought than Arden's problems, or some of the other problems Revlon bought. There is much greater viability in the size and strength of these brands than in an Arden, Lagerfeld or Chloe."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Caesars out to conquer the high-price category

By Ruth Stroud

Can a top casino-resort operator become a high roller in the fragrance business?

Caesars World is gambling that its new line of fragrances for men and women will join the ranks of high-priced leaders like Oscar, Obsession and Giorgio. Caesars Woman and Caesars Man were introduced last December at a celebrity party at the Los Angeles-based company's showy Roman-style Caesars Palace in Las Vegas.

> *The Caesars link offers instant recognition, but "I don't think anyone wants to wear a hotel."*
> **Consultant David Horner**

The first casino hotel fragrance was developed under the auspices of the company's licensing subsidiary, Caesars World Merchandising.

Ruth Stroud is a correspondent in Advertising Age's *Los Angeles bureau.*

The original intent was to sell the eight-item line, at least for the first nine months, through Caesars Exclusively, retail stores in Caesars World's seven resorts and through direct mail. But strong demand has accelerated the rollout.

Caesars World this month introduces the scents in all 43 of Carter Hawley Hale's Southern California-based Broadway stores and about 20 of Federated's Lazarus stores in the Midwest. Both chains will be exclusive carriers of the line within their trading area for about a year to 18 months.

Similar agreements with retailers in New York, New England, the Southeast and most other key markets around the country are planned, according to Philip Sobel, president of Caesars World Merchandising.

The company intends to introduce the Caesars line in most major markets in August or September. A total of 500 outlets are expected to carry the scent by yearend. Advertising is handled by Grey Advertising, Los Angeles, the agency for Caesars resorts.

■ *The team behind Giorgio hopes to translate the glory of Rome into modern-day dollars*

The marketers and retailers behind the Caesars fragrance launch are already talking about pushing this still unknown scent into the top three or four in its category within two to three years. If they achieve this, it wouldn't be the first time for Jim Roth and David Horner, Caesars' chief consultants on the project.

The two engineered the development, promotion and marketing of Giorgio, Beverly Hills, although most of the credit for the $150-an-ounce fragrance's success (it rang up sales of more than $100 million and became the No. 1 scent in its channel of distribution within four years) went to Fred and Gale Hayman, founders of the Giorgio boutique in Beverly Hills and majority owners of Giorgio Inc., which has been sold to Avon Products.

Messrs. Roth and Horner, principals of Beverly Hills consultancy Roth/Horner & Associates, have as their exclusive project the Caesars fragrance launch. They say Caesars' marketing strategy is different in many ways from Giorgio's, particularly in its ambitious goals for expansion.

"We're going to go broader much quicker with this," says Mr. Roth.

Giorgio sold $1 million in fewer than 20 stores during its first year and even when sales surpassed $100 million, was available in about 300 outlets. Caesars, on the other hand, may be sold in as many as 1,000 department stores and specialty retailers within three years, Mr. Horner says. International distribution also will begin much sooner for Caesars than it did for Giorgio.

The Caesars fragrance packaging, scent and especially image also are different from Giorgio. The association with Caesars World will give the line instant name recognition, but the aim isn't to sell a fragrance of chance or "lady luck."

"I don't think anyone wants to wear a hotel," Mr. Horner observes wryly.

The goal, says Mr. Sobel, is to market the "opulence, beauty and extravagant sensuousness" of ancient Rome, not Caesars Palace, Las Vegas.

The connection with Caesars properties is a positive, Mr. Sobel says. One of the greatest battles in the fragrance business is establishing identity. Caesars is already known worldwide, not only for its hotels and casinos, but for broadcasts of sports events.

CAESARS
WOMAN
CAESARS
MAN

Even the tagline in initial point-of-purchase advertising and direct mail pieces is the same used for the resorts: "Relive the legend." Additional slogans, "Abandon the ordinary" for the woman's fragrance and "To wear it is to conquer" for the men's, headline pictures of toga-clad or half-nude young male and female models.

Co-op print ads will break in local papers in the next few months introducing the fragrance in Southern California and in certain Indiana, Kentucky, Ohio and West Virginia markets. A promotional blitz is scheduled in May to tout Caesars as the official fragrance of the Kentucky Derby. Spot TV and national print breaks this fall in major markets.

Despite the extensive ad plans, Caesars plans to be "downright stingy" when it comes to big media expenditures, Mr. Horner says. The company doesn't need to spend $10 million to $12 million in national media to achieve its goals, he believes.

"We did not one second of TV advertising and virtually no co-op advertising [for Giorgio] and we had the largest selling fragrance [in its segment] in the U.S.," boasts Mr. Roth. This success was achieved through what may have been the fragrance industry's most extensive sampling program. "We put 100 million pieces of scented material into magazines, department stores catalogs and other vehicles," Mr. Roth explains. The effort cost about $4 million, with another $1.3 million spent on media.

In-store promotion and sampling will continue to be a major part of the program for the Caesars line as well. With lower media expenditures, the intention is to be profitable from the first year, a feat which few fragrances have achieved.

Elaborate in-store promotions, complete with chariots, Roman warriors and Caesar/Cleopatra look-alikes, will herald the store launch of the fragrance. The idea is to "go one-on-one" with the consumer rather than aiming for everyone, Mr. Roth says.

Caesars' plan to conquer American cosmetic counters is credible, say industry watchers.

"In this day and age, it's possible to become a top-selling fragrance in two or three years . . . if you have a great product," says Steve Ginsberg, Los Angeles bureau chief of *Women's Wear Daily*.

The Caesars name raises some doubts in at least one analyst's mind, however. "Giorgio had an upscale Beverly Hills image," notes Diana Temple, VP-stock research at Salomon Brothers, New York. "I wonder if [Caesars] image is strong enough to justify the price."

The floral, spicy Caesars Woman, created by Giorgio developer Florasynth, sells for $160 per ounce, $42.50 for a 3.3-ounce cologne spray. A four-ounce spray bottle of the men's cologne sells for $32.50.

Competition from well-financed fragrance marketers promises to be very hot this year, Ms. Temple adds. Both Calvin Klein and Estee Lauder are introducing new fragrances, she says.

That doesn't dampen the hopes of H. Michael Hecht, chairman-ceo of The Broadway in Los Angeles. He fully expects the Caesars line to be among the chain's top three fragrances by 1989. The "aura and mystique" of Caesars resorts, well-known to Southern Californians, will convince customers to "take a chance," Mr. Hecht believes.

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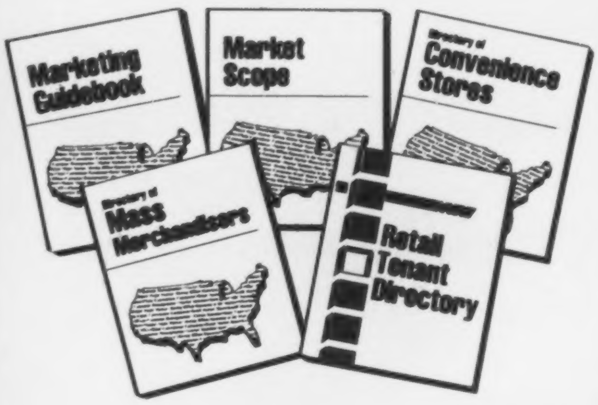
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Once industry darling, Clarion gets makeover

■ *End of '88 to answer questions as legal woes and higher expectations haunt Noxell line*

By Pat Sloan

Its detractors say consumers have not heard the call to Clarion too clearly; fans say otherwise, pointing to a respectable $46 million in sales. By yearend it should be obvious who's right.

This fall, an ad campaign from Clarion's new agency, Leo Burnett USA, Chicago, should be well in place along with a complementary skincare line, a souped-up program for the Clarion in-store color-analysis computer and refinements in Clarion's color selection.

By then the line also will be 2 years old. Whether it's going to catch on should be easier to judge as should the possible outcome of a significant legal dispute with Clarins USA (AA, Feb. 29 *et seq*).

Opinion wasn't always so divided about the cosmetics brand the Noxell Corp. introduced in fall 1986. Within three months of launch, Clarion had chalked up $25 million in sales. Wall Street gleefully predicted sales of as much as $70 million for 1987.

Instead, Clarion sales slowed to $9 million during fourth quarter 1987, down from an estimated quarterly average of $12 million, according to Shearson Lehman Hutton's Andrew Shore, who now estimates Clarion will hit $55 million in sales this year.

Clarion's problems aren't only fiscal. Beyond the balance sheet, it faces possible legal action from Clarins USA, which has filed a complaint with the Trademark Trial & Appeal Board in Washington charging trademark confusion.

So far no lawsuit has been filed by Clarins in federal court. But that could change when Clarion goes into skincare, Clarins' specialty. Clarins USA President Joseph Horowitz says, "We are opposing their trademark registration. There is clear confusion. Customers are coming into department stores asking our saleswomen for Clarion lipstick. We don't even make lipstick."

Added Clarins attorney Susan Douglass, "We have proceedings going on all over the world. We've stopped them in other countries where they've tried to register their trademark. They've made a mistake and because of all the money they've spent they don't want to admit it." A Noxell spokesman acknowledges discussion between the two companies but would not comment further.

The company has been just as quiet about other matters. Despite the shortfall in sales—widely believed to have sparked the January creative review that led to Burnett's succeeding 41-year Noxell agency Lintas:Worldwide on Clarion—Noxell has never acknowledged any problems with the brand. In fact, sources say, Noxell considers the shortfall Wall Street's problem, not Clarion's. One source close to the company says Noxell feels "that some analysts, in hindsight, had really unrealistic expectations for the brand."

Noxell steadfastly has denied the agency review stemmed from any difficulties, explaining the search for new creative instead was to "explore Clarion's full growth potential" (AA, Jan. 11).

While Noxell will not elaborate, one source explains, "The company's feeling is the brand is doing very well. It has a 6.9% dollar share in liquid makeup in chain drugstores and a 4.5% overall share. Lintas could have kept the business but Noxell thinks Burnett found something that will take the brands to bigger heights."

A hit with retailers, the Clarion Color System computer can add programs, such as speaking Spanish to Hispanic consumers.

Still, Noxell observers have a hard time viewing such assessments without skepticism, reasoning if something needs fixing it must be broken. "Clarion needs to be more clearly positioned in the marketplace," says Brenda Lee Landry of Morgan Stanley, New York. "Management must work on solving Clarion's image problem and evening out its retail distribution. We continue to think that the company's advertising should be more pointedly hypoallergenic, i.e., a more precise message like Lauder's medicinally oriented campaign for Clinique."

Sources at Burnett say a new campaign has not been executed yet. But other agency executives have indicated that Noxell is calling for a more focused brand image.

A diluted product message straddling both a hypoallergenic and fashion positioning is generally believed by market observers to have contributed to Clarion's shortfall in sales. "The question now is can Clarion figure out what it wants to be: hypoallergenic for sensitive skin or a fashion line?" says industry consultant Allan Mottus. He suggests a different solution than Ms. Landry. "Right now, the hypoallergenic market is getting cluttered," he notes. "There's Lournay from Colgate in skincare. Then in cosmetics there's Aziza, Almay, Physicians Formula and ancillary brands such as Revlon's New Complexion, Maybelline's Ultra Pure and even Noxell's own extension of its flagship brand Cover Girl with the Extremely Gentle spinoff.

"Clarion has a lot of opportunity on the color side. Cover Girl does not have a fashion image. That is not its reason for being, [which is] an all-American clean, clear look. That leaves Clarion room to be a fashion line," he says.

It's even possible that Noxell's flanking of Cover Girl with Extremely Gentle may have contributed to Clarion's shortfall. During 1987, Extremely Gentle pulled in $7 million in sales. Notes Tom Virtue, president of Roure Bertrand Du-Pont, a fragrance and flavor supplier, "It's a merry-go-round on the same dollar. Color each day is chewed up a little more by Maybelline and Cover Girl."

Noxell may have already begun to find Clarion a fashion niche. Noxell is broadening Clarion's color range, a possible indication it has decided to shoot for a fashion position after all. Slow-selling dark color shades have been phased out and four eyeshadows are being added as were new nail enamels last year.

"Things have smoothed out," says Gary Crawford, director of cosmetics and H&BA operations for Houston-based retailer Randall's. "Shade breaks will change now and will be ongoing with the seasons and fashion.

"At first, their reps weren't experienced at handling a fashion line. They were out of stocks in some stores; in others they were oversold," Mr. Crawford notes. "But I applaud their efforts."

This retailer is particularly enthused about the Clarion computer. While the computer created by New York-based Intermark originally acted as a basic guide to introduce consumers to the line, it has the capability of adding on more advanced programs. For instance, in areas with a high number of Spanish-speaking consumers, the computer will be bilingual in the manner of many bank automatic teller machines. In Canada, the Clarion computer will speak French in addition to English.

Its program also will be expanded to incorporate the skincare introduction and may eventually have other uses, too. Sources say the computer could easily be adapted to distribute coupons, or even show consumers how to apply makeup.

Michael Wahl, chairman-ceo of the Howard Marlboro Group, Intermark's parent company,

(Continued on Page S-14)

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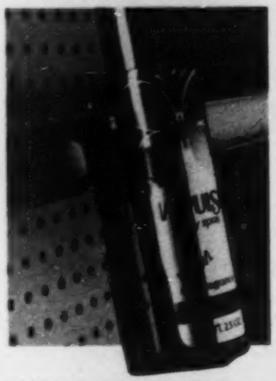

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Upscale tactics honed for mass market

By Faye Brookman

To put a jolt in lackluster sales, mass-market cosmetics companies continue to use coupons and sweepstakes promotions. But they also are emulating strategies more common to tony department stores.

That doesn't mean elegantly dressed women will be spritzing K mart shoppers with the latest scent, but it does suggest a new sophistication has come to marketing cosmetics and fragrances in food, drug and discount stores.

The industry can use the added excitement, observes Michael Wahl, chairman-ceo of Howard Marlboro Group, a New York-based sales-promotion company.

"What has happened in mass outlets is the fun has been taken out of shopping," he says. "It's fun to shop Bloomies and get all those samples . . . but [today] women are caught in a time crunch and have to shop for cosmetics on food store or drugstore visits. The trick is to bring the department store to the mass outlet."

During the past 10 years women have been shopping more and more in convenient food, drug and discount stores. Department stores still control 43% of the estimated $7.5 billion spent on all cosmetics and fragrances in 1987, but that share has dwindled; drugstores now snare 37%; food stores, 7%; and discounters, 13%, according to industry sources.

Breaking out the mass sales volume alone, A.C. Nielsen Co. figures reveal food stores are growing the fastest. Food stores' share jumped from 13% in 1986 to 18.7% last year; drugstores climbed slightly to 60.1%; discounters' share dipped from 24.4% to 21.2%.

As shoppers have become accustomed to buying blush with bagels, they also have become more discerning, says Carol Brennan, director of marketing/women's fragrances at Jovan, a division of Beecham Cosmetics, Chicago.

Fort Lee, N.J.-based Point of Purchase Institute research reveals more than 80% of shopping decisions are made in the store. Thus, in-store promotions are becoming a bigger factor in cosmetics purchasing.

Steven F. Costa, VP-marketing for Revlon Beauty Group, New York, says Revlon is becoming more aggressive with its promotions. "We are spending more because we feel it is important and it keeps Revlon exciting." Revlon Group's upcoming promotional tie-in with the Academy Awards includes a chance to win a trip to Hollywood and selection as one of Revlon's unforgettable faces.

The Academy Awards promotion also involves gift-with-purchase deals. The advent of the G-W-P in the mass market is important because mass retailers long have tried to find a method to give shoppers free gifts without adding sales help. They also perceive shrink-wrapping as having a poor image. Revlon's solution was to design a clip that attached the gift to the product.

■ *Drug, other stores put fun into cosmetics shopping via in-pack samples, gifts*

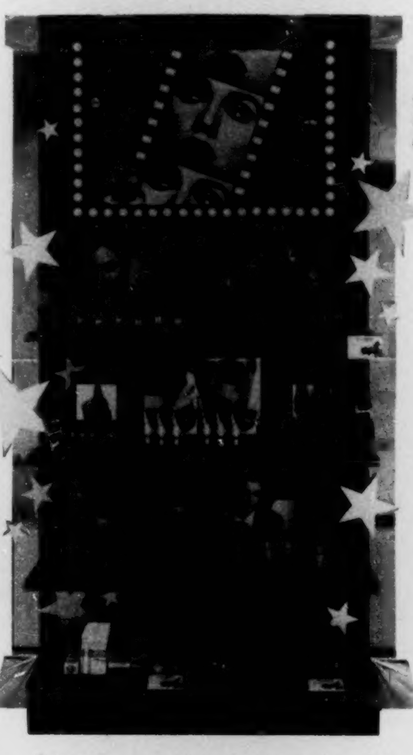
L'Oreal, the mass-market division of Cosmair Inc., New York, also has plans for G-W-P promotions. L'Oreal's Lash Out Mascara features a free in-pack sample of Adieu Refreshing Eye Makeup Remover. Jovan is including free soap and bubble bath with its new Florals scents in a gift set presentation. Jovan also is planning a back-to-school calendar consumers can receive free by mailing in a proof-of-purchase.

Ironically, G-W-Ps are catching on in drug, food and discount stores just as the strategy is fading in department stores. "It is old hat in the department store—people can only use so many unbrellas," says consultant Allan Mottus. "Offering product is a smart way to go since it promotes future sales."

Says Mr. Costa, "Consumers want value and [G-W-Ps are] a good deal for them. We also hope it will encourage them to buy the product the next time."

Another tactic borrowed from department stores is the use of scent and color samplers. Revlon is including color strips in its Celebrity Weekend booklet available in stores during the Academy Awards promotion. The strips—bulk cosmetics pressed onto paper for sampling colors—will be used to promote Revlon lipsticks, blush and eye shadow.

Jovan is taking the ubiquitous fragrance strip to a new level with its new cou-paks, two-piece promotions for Florals featuring a scented towelette on one side and a $1-off coupon on the other.



P.O.P. materials tie in Revlon Group cosmetics with next month's 60th Academy Awards.

Another important tool in the mass market is fixturing, an early success being the Beauty Boutique created by Marlboro Group for Noxell Corp. in the early 1980s. It has become an important tool in the mass market.

"The Noxell fixture got more stockkeeping units out in front of the customer, it alleviated the cluttered look in the stores and it allocated space properly to sales," explains Mr. Wahl. Noxell and Marlboro Group teamed up again last year to fill the service void in the mass market. The result was a computer that helped shoppers in their product selections. The computer was a key in the $15 million launch of Clarion, a fragrance-free, sensitivity-tested line quickly dubbed the mass-market Clinique, which also uses a computer at its department store counters.

The Clarion computer marks the first, but not last appearance of computers in chain stores. Retailers say Clairol is testing a computer for hair colors and that it will be logical for a skincare marketer to educate consumers about its products via a computer. "Skincare will work in drugstores once the manufacturers educate the consumers," says industry consultant Jeanette Solomon, a former buyer for K&B Drugs in New Orleans.

Mass retailers also are adding gloss to their image by upgrading cosmetics departments with carpeting, service and better quality merchandise, plus accepting credit cards. The efforts are paying off. In Houston, for example, a color cosmetics market leader is not a department store, but Randall's supermarket chain. Cosmetics sales are up at New Orleans-based Schwegman's supermarket chain, now that credit cards are accepted.

"The retailing sectors continue to blur," concludes Peter Scott, corporate VP-marketing/men's fragrance, Beecham Cosmetics. "The mass channels are looking more like department stores. It is all changing." ■

Faye Brookman, a New York-based free lance writer, specializes in toiletries and beauty aids topics.

Clarion gets makeover

(Continued from Page S-12)

says, "We even have retailers calling who want to buy the computer themselves. Computers can create multiple purchases far and above what the normal purchase might be."

Noxell no doubt is in the market with Clarion to maximize corporate sales as much as possible, whether that be with a computer or other support such as advertising. Says Ms. Landry, "Cover Girl seems to be losing momentum."

At the same time, Cover Girl's archrival Maybelline has been steadily gaining ground with 25% of its sales generated by products introduced in the last two years, according to Salomon Brothers analyst Diana Temple.

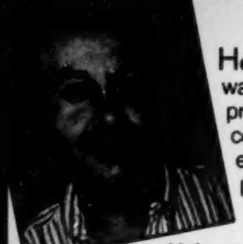
With Cover Girl accounting for well more than half of Noxell's cosmetics sales, it is important that Noxell build other strong brand franchises to lessen its dependence on a single brand.

Clarion is one option; indeed, when it was launched it was hailed by Wall Street as a logical way for Noxell to make up for any slowdown in Cover Girl sales as that brand matured.

But Noxell is expected to examine other options, including a fragrance launch under the Cooler name, skincare under the Cover Girl and Noxzema names and a major acquisition in toiletries or other personal care products.

Even a 20% sales gain this year won't put Clarion much over $55 million in sales. And 20% is what most of those recently chastened Wall Streeters are predicting now. ■

Jim Mehern Wants Fulfillment



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3,000 years in test, line arrives in U.S.

By Laurie Werner

Readers of the Jan. 10 issue of the *New York Times Magazine* found a lush, 6-page ad featuring dreamy beauties resembling ancient Roman pin-up girls. It demanded attention.

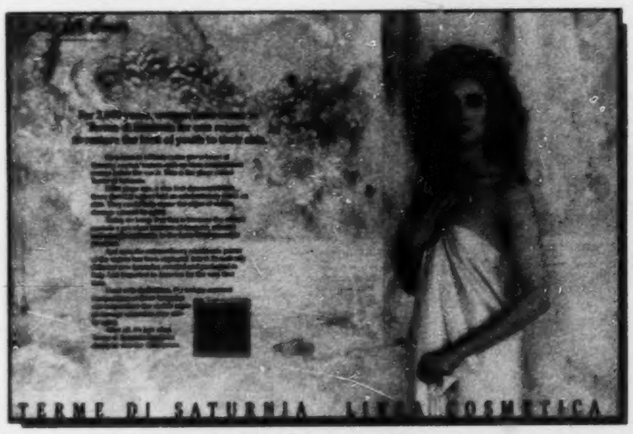
Terme di Saturnia, the Italian skincare/treatment line featured in the ad, was being introduced in eight Saks Fifth Avenue department stores the next day. Making a splashy impression was definitely the intention. "We wanted a fast build in recognition, authority and credibility," says Audrey Butvay, president of Terme di Saturnia, the New York-based company that distributes the line. "We couldn't see coming in with little b&w column ads."

Her target market is not exactly optimum for another upscale treatment product line.

"With the exception of the quick-fix, problem-solving products—[Lauder's] Eyzone, [Lancome's] Niosome—the upscale skincare category growth is pretty flat," says New York-based industry consultant Alan Mottus. "The upscale price-point structure is saturated. The audience with the income to buy $75 to $100 products is pretty limited and there are quite a few brands already promising a lot of different things." (The Federal Drug Administration is also carefully watching those promises.)

Ms. Butvay, however, feels the line's pricing—just below La Prairie and just above all of the rest—and formulation are the right combination.

■ *Anti-aging concoctions from Italy mix the 'best of nature and the best of science'*


TERME DI SATURNIA LINEA COSMETICA

The Terme di Saturnia ad explains the history of the upscale Italian skincare/treatment line.

"This is the first premiere skincare line created in, and imported from Italy," she says. (Says Mr. Mottus skeptically, "Italy has been known for its fashion, its design, but never for skincare.") The 25 products in the line, from the Thermal-Fango therapeutic mud ($25 for 1.7 ounces), to the Thermal-Plankton Rejuvenation Mask ($70 for 4.2 ounces) have been developed from the thermal waters of Tuscany's Saturnia spa, waters that have been bubbling up healing minerals for 3,000 years. Says Ms. Butvay, "This line is based on a natural phenomenon that's been going on all those years."

Adding to the mix is state-of-the-art scientific technology, according to Ms. Butvay, as practiced by the Institute of Aesthetic Medicine at Saturnia, which develops the products and came up with the line's skin analysis concept—the Critical-Age Skin Factor—to determines the skin's oil-moisture balance. The balance is measured by a diagnostic scanner, the Critical-Age Skin Sensor, and then adjusted with basal cell serums.

The institute also developed three "unique" ingredients, according to Ms. Butvay: Bioglea, an extract of the spa's thermal plankton; NMF 2, a hydrating ingredient intended to mimic the skin's natural system of hydration; and Incellate, an intracellular serum complex.

The products are "a blend of the best of nature and the best of science," Ms. Butvay says. "We deliver what we promise—we don't say we'll do away with wrinkles, but we can reduce the depth of some lines. We have the tests to prove it. We're comfortable with our claims. We're not worried about the FDA."

She's not worried about a competitive treatment line also using the principles and thermal waters of a spa—Princess Marcella Borghese's Terme di Montecatini. "Montecatini licenses the name. The products are made in [parent company] Revlon's factory in Arizona," Ms. Butvay says.

Borghese isn't worried about the competition, either. Vickie Kent, VP-marketing for Borghese says the products are made in the Phoenix factory, but they are based on the natural ingredients imported from the Montecatini spa also in Tuscany, which has been bubbling minerals for 2,400 years. "We're able to create natural, beneficial products with the most sophisticated, highest quality control methodology," she says.

Ms. Kent says Montecatini's positioning and concept are different. "The Saturnia line is higher-priced and more complicated. They're measuring the oil-moisture balance, which changes all the time. You have to return to the counter frequently to have it re-analyzed. Ours is a simple cleanse-tone-moisturize procedure."

The Saturnia line was introduced last summer at the Doral Saturnia International Spa Resort in Miami, a sister spa of

(Continued on Page S-18)

Laurie Werner is a New York-based free lance writer.

Guys slow to get into the act

By Laurie Freeman

The men's cosmetics and skincare businesses in the U.S. have yet to live up to the billion-dollar potential touted by marketers more than four years ago.

Although women spend more than $1 billion annually on skin-treatment products, retail sales of men's skincare products last year totaled only $47 million. (This figure doesn't include men's shaving products.)

Most of the men's market purchases are still by women. One cosmetics industry analyst estimates that up to 80% of all men's toiletries are bought by wives and girlfriends.

LAUDER FOR MEN

Ads for Lauder for Men's anti-wrinkle agent claims the best offense is a good defense.

■ *Men's skincare sales only $47 million, but marketers expect foreign influences to make U.S. take notice*

"Men don't think of running to Saks Fifth Avenue on their lunch hour to buy skin and face cream," says Andrew Shore, an analyst with Shearson Lehman Hutton. "Men still are more apt to buy their skincare needs at the mass-merchandise and drugstore level, and that's mostly shaving products.'"

While conceding that the category has grown more slowly than expected, men's toiletries' marketers are by no means discouraged. Executives point out that European men already are big users of men-only products, and young Japanese men not only use skincare treatments, but also are experimenting with cosmetics. The most popular line in Japan is Shiseido's Gear for Men, which includes bronzers and lip pomades. Eventually, industry executives say, those grooming habits will make their way to the U.S.

Other factors the industry expects will help expand the men's market is the baby boomer's growing preoccupation with aging; changing attitudes toward fitness and exercise; and a continuing influx of women into the nation's workforce. Working women, it seems, exert more influence on their office mates' grooming habits than previously thought.

Mr. Shore contends companies haven't done anything to make the department-store environment more accessible to men.

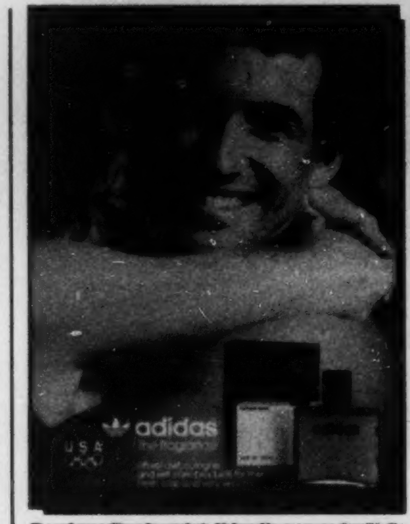
"In many ways, it's like buying a condom for the first time," he says. "Because it's behind the counter, you have to ask for it . . . and that's hard to do. But if they [men's toiletries companies] want the category to grow faster than 10% in sales annually, they're going to have to come up with persuasive advertising to make men want to buy those products."

Because women still comprise the major segment of department-store shoppers, at least one company sees nothing wrong with reaching the men they want to use their products by selling them to women. For example, the Lauder for Men line, from New York-based Estee Lauder Inc., has won about 75% of the department-store market for men's skin-treatment products by putting the men's line on the same counter as the women's line.

"Once we've gotten men hooked on the treatment line, they're customers for life, much more so than women," says Bud Taylor, VP-marketing, Lauder for Men.

Mr. Taylor says that two years ago women made 75% of the Lauder for Men purchases. Now, it's a 60/40 ratio. "I don't think it will get better than 50/50, but that's OK," he says.

The company's current print campaign features actor Bruce Boxleitner in ads promoting Anti-Wrinkle Defense Formula and Skin Comfort lotion. AC&R, New York, handles Lauder for Men advertising. Mr. Boxleitner also makes in-store appearances, primarily to sign autographs and hand out samples of products.



Beecham Products' Adidas line touts its U.S. Olympic Team connection.

Advertising men's products to women buyers is limiting the potential of the market, says Suzanne Grayson, a Santa Barbara, Calif.-based cosmetics-industry consultant. "Men are not as self-involved nor as youth-driven as women. Even in fragrance, the men's business is not developed as much.

"It's truly a Catch-22," she adds. "One company can't create a category, and if a category is not successful, other companies don't come into it."

Peter Scott, corporate VP-marketing/men's fragrance, Beecham Cosmetics, Chicago, believes the category still is undergoing "an educational process" to get men to use more than just an after-shave lotion.

"Certain brands have done it after years of trying, like Old Spice and Brut.

(Continued on Page S-18)

Data bank — Toiletries & Beauty Aids

New beauty product introductions

Category	1987	1986
Color cosmetics	221	158
Skincare	181	154
Fragrance	90	72
Bath products	52	68

Source: *Beauty Age*

Cosmetics & beauty aids sales (1986)

(Dollars are in thousands)

Category		Percent Change
Cosmetics	$4,900,000	+ 4.6%
Women's fragrances	$3,000,000	+ 0.7%
Women's hair products	$3,200,000	+ 4.6%
Men's toiletries	$1,300,000	+12.0%
Skincare	$2,600,000	− 1.6%
Personal hygiene	$2,400,000	+ 4.4%

Source: *Beauty Age*
Consumer Spending Index

Five-year projected growth of retail skin care sales

(Face, hand, body lotions and creams)

(Dollars are in thousands)

Year	Total
1988	$1,693,000
1989	1,774,000
1990	1,868,000
1991	1,979,000
1992	2,113,000

Source: *Packaged Facts*

Women's fragrance sales (1986)

(Dollars are in thousands)

Category		Percent change
Toilet water/ cologne	$2,100,000	+1.0
Gift sets	$ 324,300	−2.1
Scented bath prods.	$ 246,500	+1.8
Perfume	$ 217,000	+4.6
Bubble bath	$ 82,100	−8.8
Total market	**$3,000,000**	**+0.7**

Source: *Beauty Age*
Consumer Spending Index

Skincare sales (1986)

(Dollars are in thousands)

Category		Percent change
Face creams/cleansers	$ 555,200	− 4.1
Face lotion/ moisturizers	522,000	+ 1.6
Other (including private label)	435,200	+ 2.8
Body lotions/ emollients	397,600	− 3.5
Acne preparations	157,700	− 2.8
Suntan products	137,400	−12.7
Sunscreen blocks	112,700	+24.3
Cleansing pads	78,400	+ 9.1
Hand creams	65,800	+ 7.1
Cortisone products	45,000	− 8.8
Lip protectors	43,800	+ 4.0
Depilatories	37,200	+ 2.4
Whiteners/masks	29,700	−45.1
Wrinkle removers/ astringents	14,200	−16.9
Hair bleaches	7,100	− 6.0
Lip treatments	3,700	−46.7
Total market	**$2,600,000**	**− 1.6**

Source: *Beauty Age*
Consumer Spending Index

Line arrives in U.S.

(Continued from Page S-16)

the Tuscany original.

For wider distribution, Ms. Butvay and the Doral owners, Carroll Management Group, formed the Terme di Saturnia company.

"I wanted to introduce this at Saks," Ms. Butvay says, "because to me it is a tremendously important specialty store with great prestige positioning and a loyal and identifiable customer base" of 29-to-45-year-old upscale, working women who will spend a little more to look their best.

Saks was immediately open to the idea. "I thought it was an interesting, clean line," says Terry Heagerty, VP-divisional merchandise manager for cosmetics for Saks in New York.

"I always think, 'Who needs another upscale treatment line?' but there was something about the look, the concept of this one—it was different and fresh, not terribly complicated, it didn't promise miracles, but it did have ingredients that would deliver results. And the way of testing the skin was a hook," she says.

Both Ms. Heagerty and Ms. Butvay thought the proper way to launch was to roll out and build slowly. On Jan. 11 the line was introduced in three New York area stores, three Florida stores, and stores in Bala-Cynwyd, Pa., and Boston. The launch was supported with a mix of national and regional print advertising.

"Because we would be primarily on the East Coast, true national advertising would not have been cost efficient," explains Ms. Butvay. "But as our agency, New York-based Stevens-Buchsbaum, decided the *New York Times Magazine* was perfect because it was local but created, at the same time, a national presence.

"We also ran an ROP ad, a co-op ad with Saks, in the *New York Times* front news section the same day, and four-color spreads in *New York* magazine, *Avenue* magazine, and an eastern regional insert in *Harper's Bazaar*," she says.

"In the other markets, we ran spreads in local magazines" including *Boston*, *Boca Raton* and newspaper co-op ads with Saks in the *Boston Globe*, *Miami Herald* and *Philadelphia Inquirer*. In New York, ROP ads ran in the *New York Times* "to give specific product messages," Ms. Butvay says. The company's ad budget for the launch was $500,000, half of it for the *New York Times Magazine* ad.

The *New York Times Magazine* ad also ran an 800 number that readers could call to order a $75 introductory kit. Terme di Saturnia will not reveal the number of callers but will say that 40% of the kits that Saks ordered to satisfy the demand sold out within four weeks.

Ms. Butvay will not give out numbers, but will say that within six weeks of launch, Saks has placed its third reorder, and that first-time customers tend to buy three to four products; an average purchase is $170.

Ms. Heagerty declines to reveal numbers, but says she was sufficiently impressed with the line's success to move up her additional rollout date. "We plan to move it into eight to ten other [not yet selected] stores in May."

Again, ads in regional magazines and ROP ads in local newspapers will support that launch.

By fall, Ms. Butvay also expects to be in other stores and to have expanded through the Midwest and Texas to the West Coast. National print ads will coincide with that phase. TV also is being considered.

"We'll expand selectively. At the most, we'll be in 150 to 200 doors," says Ms. Butvay. "But within three years, we plan to be a significant, upscale, prestige brand."

Guys slow to get in the act

(Continued from Page S-16)

It's OK to say 'I splash on Jovan Musk,' those brands have been around," he says. "But with designer names that men don't feel comfortable pronouncing, it's going to take longer."

Mr. Taylor believes marketing men's products has been a "combination educational process" for both the industry and its target audience.

"We're all trying to make men aware of skincare . . . and the aging of America has helped," he says.

Beecham's year-old Adidas line, which includes shampoo, fragrance and cologne, aftershave and a muscle lotion, hopes to further the educational process by advertising heavily during the Summer Olympics in Seoul, South Korea. Both the line's namesake, the Adidas footwear and apparel line, and the fragrance/skincare line are official sponsors of the U.S. Olympic Team, giving Beecham's Adidas a natural association with the athletes.

Beecham already is running print ads with an Olympics logo and plans to launch an in-store promotion this summer. New TV spots will be on air by August, timed for the back-to-school season and the Olympics. HBM/Creamer, Boston, handles the Adidas line.

Ads in health clubs also are planned "since there we can reach men in a natural environment, where they're already using shampoo, soap and muscle relaxants," says Mr. Scott.

"We're sampling the muscle lotion at ski resorts, and the response so far has been phenomenal," he says.

Beecham's Adidas may have a slight edge over department-store skincare lines because approximately 80% of all men's skincare product purchases are made in drug stores or mass-merchandise outlets, says Mr. Shore.

"There's still room in the market to persuade blue-collar workers to use skincare products, you don't see many auto workers using the upscale men's products," he says. "Most of the men's skincare business still is in the major cities like Boston, New York and Washington. It's not happening in Albuquerque."

Tony Michaels, VP-advertising and marketing at Lancome, New York, believes men will use treatment products and some cosmetics "if no one can see it." The cosmetics company introduced this month a Fluide Auto-Bronzant quick tanning lotion, which it says is the first lotion of its kind to be marketed to men in the U.S. under the Programme Homme label. In June, the company will launch an eye balm, also under the Programme Homme name.

"We're progressing from taking care of hair with gels, mousse, thickeners, to taking care of the skin. Ten years down the road, this [industry] will explode. The 1990s will bring tremendous changes, as Americans move into taking better care of themselves," Mr. Michaels says.

He says print advertising has been "fairly effective" in helping introduce the Programme Homme men's line, which includes a gel cleanser and exfoliant and an anti-wrinkle creme. Publicis, New York, is the agency.

However, Lancome relies heavily on sampling at the counter and during sporting events to introduce men to the skincare regimen. "We've found that if we can get the product into a man's hand, he'll try it and come back to buy it," Mr. Michaels says.

One strategy to induce men to buy skincare products is to change the advertising approach. Industry analysts criticize current advertising as being too functional. It avoids the industry's main selling proposition: "Hope in a jar."

Mr. Shore believes the category in the next few years will undergo a great shift, once advertisers begin using more persuasive advertising. "Men are going to realize that there is nothing wrong in buying beauty products and taking care of themselves," he says.

Managing editor Cecelia Reed coordinated this report on Toiletries & Beauty Aids Marketing.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Sales Promotion.** AD AGE will publish an extra issue on March 30, its annual **Agency Income** report.

Kit marketer hopes for bumper crop

By LENORE SKENAZY

The day after the Rev. Jimmy Swaggart confessed to all sorts of things, John David Peggs' bumper sticker read "Jimmy Swaggart, God's favorite sinner."

"People at lights would honk and ask me where I got it," said Mr. Peggs, 32, Tampa, Fla. He told them he made it with a nifty do-it-yourself Bumper Talk kit.

He generally didn't have enough time to add that he and his buddy Michael Maguire invented those nifty kits and expect them to retail for $2.79.

The idea was born last year when Mr. Peggs, a practical joker, created an original bumper sticker and affixed it to Mr. Maguire's car.

Unaware, Mr. Maguire drove to north Florida, wondering why a pickup truck seemed to be trailing him. He wondered even more when it followed him off the highway. And he had no idea what was going on when two guys got out, ambled over and asked, not real friendly-like, "Well, did you get any honks?" They pointed to the back of Mr. Maguire's car: "Honk if you hate rednecks."

Mr. Maguire didn't get mad. He didn't even get even. He simply called up Mr. Peggs and said, "Let's make a million dollars."

Mr. Peggs acquiesced, liquidated his real estate holdings and the two of them founded Stik-R-Kits, Fort Lauderdale, makers of Bumper Talk.

The kits come with one plain white bumper sticker, plenty of press-on letters and two red hearts.

"Use it to advertise your business or to support your local team," Mr. Peggs suggested. "Or just express yourself."

The buddies introduced Bumper Talk at the Tampa auto show in February and are traveling the trade show circuit in search of buyers and reps.

They've also developed Window Talk kits that look just like those yellow "Baby on board" signs, except you create your own message with stick-on letters.

Letters that allow for, say, practical joking. Which is to say that if you ever see a sign in Mr. Peggs' window reading "Honk if you kidnap babies"—don't be alarmed. It's probably just Mr. Maguire getting even.#

Foreign

(Continued from Page 33)

ber on the amount.

Ad spending in Brazil last year fell about 10%, and another 5% decline is anticipated this year in a country that continues to face skyrocketing inflation.

South Africa and Israel

The South African advertising industry had a better than expected 1987, with the first real growth—although slight at 0.5%—in four to five years, said Peter de Klerk, exec VP, Association of Advertising Agencies, Johannesburg. Even more growth—1.5%—is expected this year, industry sources said.

Israel's ad industry had a great year in 1987 with ad revenue growing 26.5%. However, a major reason for the increase was the 30% rise in the cost of ad space, said Branislau Tau, executive director, Advertisers Association of Israel, Tel Aviv. This year, spending is likely to decline 9%.

Asia/Pacific, Canada

In Japan, 1987 spending was higher than originally forecast due to unexpected growth in consumer spending in the second half. Ad expenditures increased 8.1%. Spending is projected to rise about 4.5% in 1988.

Australia barely managed 1% growth last year—only half of what was predicted, and expectations for 1988 are at best for no growth at all.

Even a big bicentennial sponsorship and ad spending spree won't compensate for the effects of the stock market plunge, which has made advertisers much more cautious.

In Canada, 1988 ad spending is expected to be stagnant. Spending will grow by 0.5% to 1% at best, most executives say.

Some say they think the market will be flat, while others such as Ron Burns, president, J. Walter Thompson Co., Toronto, remain bullish, predicting a 2%-to-3% rate of growth.#

Contributing to this report were Stephen Downer, Seymour Gottlieb, Julie Skur Hill, Des Kilalea, David Kilburn, Chris Kucway, Geoffrey Lee Martin, Michelle McCarter, Julia Michaels, Sean Milmo, Dagmar Mussey, Marina Specht, Lena Vanier and Claire Wilson.

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Crain's International Newspaper of Marketing

U.S. ADVERTISING AGENCY PROFILES

1988 Edition

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Crain's International Newspaper of Marketing

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U.S. ad income dips 4.6%

Returns from foreign agencies compensate for domestic declines to push worldwide gross income for the Ad Age 500 to $9.6 billion, up 10%. Non-U.S. billings for the 500 grew to 35% of worldwide billings in 1987, up from 25%. Young & Rubicam, No. 1 in worldwide income for the seventh straight year, reported that overseas' income contributed 47.5% of its worldwide income, up from 43% in the prior year.

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By R. CRAIG ENDICOTT

Young & Rubicam for the seventh consecutive year led all U.S. agencies in worldwide gross income with $735.5 million in 1987. But nipping closely at its heels was Saatchi & Saatchi Advertising Worldwide, according to ADVERTISING AGE's 44th annual Agency Income Report.

Saatchi & Saatchi, reporting $693.6 million, narrowed the $137.9 million gap between Y&R and its No. 2 ranking in 1986 by more than two-thirds—a direct result of the merger of Saatchi & Saatchi Compton Worldwide and DFS Dorland Worldwide, both units of the world's largest agency mega group, Saatchi & Saatchi PLC. Prior-year figures in this report were restated to reflect current-year agency properties.

The dogfight was typical of battles that raged within the AD AGE 500, from the whole to its parts. The 500 charted the continued erosion in advertising in the U.S. Domestic billings dropped for the second consecutive year, although worldwide billings grew—a transformation made possible by overseas growth. Within the Ad Age 500, there was considerable belt-tightening by U.S. agencies as they cut back employment—also a factor of agency consolidation at the top. Traditional media, particularly network TV, continued to lose dollars to below-the-line spending. And the 500's regional competition for ad dollars heated up.

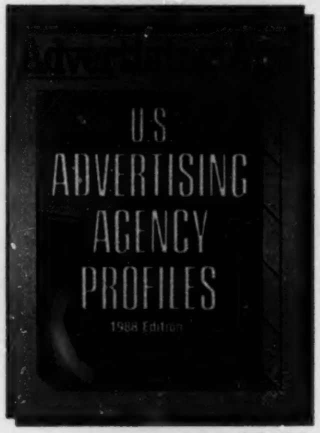
The AA 500, comprising the nation's leading advertising agencies, grew 10% in worldwide gross income to $9.6 billion while U.S. gross income dropped a precarious 4.6% to $6.2 billion. Worldwide billings grew 9.7% to $65.7 billion, and U.S. billings declined 4.1% to $43 billion. *(See chart on Page 64.)*

These totals compare the AD AGE 500 with a different set of agencies that comprised the 500 last year. However, comparing the component agencies in this year's 500 with their prior-year figures offers more encouraging results. Worldwide gross income and billings were each about 13.6% higher than the same group of agencies reported for 1986. Still, within the totals are found U.S. gross income of $6.2 billion on billings of $43 billion for percentage gains of 6% and 7.2%, respectively. Expansion abroad and exchange rate mechanics produced $3.4 billion in foreign gross income, up 31.8%, on billings of $22.7 billion, up 28%. Foreign billings as a result grew as a percentage of total billings from 30% to 34.6% for agencies in this year's AA 500.

Results from the two sets of figures—on one hand, the comparison of the new 500 to last year's 500 (a different set of agencies), and on the other, this year's 500 as a comparison with its own growth from last year—seem contradictory.

But it should be noted that 21 agencies ranked between 100 and 200 in last year's report did not report this year. Agencies new to the list this year made up only part of those lost billings, indicating that inclusion of those agencies would have softened the year-to-year decline of the 500. However, agencies provide various reasons for not reporting, and often it's because of depressed numbers.

The results are even more chilling for the ad community when comparing this year's top 25 with results of the 1986 top 25—a difference of four agencies, all at the bottom of the 25. The top 25 has recorded declines in U.S. billings and income for two consecutive years, while its worldwide totals have gathered strength. Part of the explanation for the U.S. decline is that merged agencies are seldom as big as the sum of their parts, and this group has led the merger movement.



Jeffrey Toth

During 1987, the top 25 accounted for 55% of the 500's U.S. billings and 99% of the foreign. This averaged out to 70% of the 500's worldwide billings. Clearly, foreign billings were the catalyst for growth, recording $22.4 billion, up 37.9% from prior-year totals for the top 25. This compares with the top 25's domestic billings of $23.5 billion, down 6.1% from prior-year totals.

The decline of the dollar against major currencies was the biggest influence on foreign growth. Prior-year foreign returns were not restated to reflect current exchange rates.

Sweet 16

Among the leaders in this year's report emerged the ad community's answer to the NCAA's "Sweet 16" in 1987. Membership in the agency world's exclusive "Sweet 16 Club" is enjoyed by agencies with at least $1 billion in worldwide billings—ranging from Y&R with $4.9 billion, to N W Ayer, whose acquisition of C&W Group last year helped boost its billings to $1.2 billion. Most of the 40 agency acquisitions of U.S. agencies recorded among the top 100 were among these $1 billion heavy-hitters.

This elite corps rewrote the book on mergers, starting with No. 2 Saatchi & Saatchi Advertising Worldwide and followed by its sister agency under the Saatchi & Saatchi PLC parent umbrella—Backer Spielvogel Bates Worldwide, No. 3. BSB is the product of last year's No. 3 Ted Bates Worldwide and No. 24 Backer & Spielvogel. Rankings are by worldwide gross income.

BBDO Worldwide, fresh from its merger into the Omnicom Group in 1986, climbed to No. 4 from No. 6 in 1986. Its overseas network carried the growth. Foreign billings at BBDO rose 23.1%, as U.S. billings rose only 6.5%.

Ogilvy & Mather Worldwide collected strong returns abroad to buttress a 4.8%

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Ad Age's billion dollar club

Sweet 16 form elite corps in worldwide billings

By worldwide gross income

Rank	Agency	Worldwide gross income
1	Young & Rubicam	735.49
2	Saatchi & Saatchi Advertising	693.59
3	Backer Spielvogel Bates *	600.70
4	BBDO Worldwide	537.04
5	Ogilvy & Mather Worldwide	528.60
6	McCann-Erickson Worldwide	512.52
7	J. Walter Thompson Co.	483.03
8	Lintas:Worldwide	417.87
9	D'Arcy Masius Benton & Bowles	371.27
10	Leo Burnett Co.	369.24
11	Grey Advertising	369.20
12	DDB Needham Worldwide	358.50
13	Foote, Cone & Belding	344.60
14	HDM (33% Y&R)	203.97
15	Bozell, Jacobs, Kenyon & Eckhardt	185.15
16	N W Ayer	166.07

By U.S. gross income

Rank	Agency	U.S. gross income
1	Young & Rubicam	385.76
2	Saatchi & Saatchi Advertising	328.05
3	BBDO Worldwide	311.38
4	Ogilvy & Mather Worldwide	261.65
5	Backer Spielvogel Bates *	261.60
6	Foote, Cone & Belding	244.16
7	J. Walter Thompson Co.	243.00
8	Leo Burnett Co.	232.47
9	Grey Advertising	218.20
10	DDB Needham Worldwide	218.01
11	D'Arcy Masius Benton & Bowles	196.75
12	Lintas:Worldwide	166.11
13	McCann-Erickson Worldwide	161.62
14	Bozell, Jacobs, Kenyon & Eckhardt	158.90
15	N W Ayer	116.16
16	Wells, Rich, Greene	114.00

By worldwide billings

Rank	Agency	Worldwide billings
1	Young & Rubicam	4,905.71
2	Saatchi & Saatchi Advertising	4,609.44
3	Backer Spielvogel Bates *	4,068.70
4	BBDO Worldwide	3,664.50
5	Ogilvy & Mather Worldwide	3,663.80
6	McCann-Erickson Worldwide	3,418.50
7	J. Walter Thompson Co.	3,221.80
8	Lintas:Worldwide	2,787.20
9	DDB Needham Worldwide	2,581.55
10	D'Arcy Masius Benton & Bowles	2,494.28
11	Grey Advertising	2,462.60
12	Leo Burnett Co.	2,461.79
13	Foote, Cone & Belding	2,298.45
14	HDM (33% Y&R)	1,383.61
15	Bozell, Jacobs, Kenyon & Eckhardt	1,325.00
16	N W Ayer	1,217.78

By non-U.S. billings

Rank	Agency	Non-U.S. billings
1	Saatchi & Saatchi Advertising	2,422.43
2	McCann-Erickson Worldwide	2,340.46
3	Young & Rubicam	2,332.71
4	Backer Spielvogel Bates	2,260.70
5	Ogilvy & Mather Worldwide	1,918.61
6	Lintas:Worldwide	1,679.27
7	J. Walter Thompson Co.	1,601.02
8	BBDO Worldwide	1,419.76
9	HDM (33% Y&R)	1,177.64
10	D'Arcy Masius Benton & Bowles	1,161.96
11	Grey Advertising	1,007.20
12	DDB Needham Worldwide	965.52
13	Leo Burnett Co.	911.83
14	Foote, Cone & Belding	669.90
15	TBWA Advertising	419.12
16	N W Ayer	339.73

NOTES: Dollars are in millions. Ranking includes 1987 year-end figures for U.S.-based agencies only. See Page 4 for more footnotes to charts. * Backer Spielvogel Bates is restated from published reports (AA, March 14) because it failed to include its subsidiaries, Campbell-Mithun and AC&R/DHB&Bess, in earlier reports to AA. Source: Advertising Age survey. Copyright © 1988 Crain Communications Inc.

AA chart: Kevin Brown

U.S. ad income dips 4.6%

Among the media kingpins, Leo Burnett funneled most of its strong U.S. billings gains into network TV where it spent $675.4 million to best runner-up Saatchi & Saatchi Advertising Worldwide with $638 million.

(Continued from Page 1)

growth at home and retain its No. 5 position. McCann-Erickson Worldwide moved up a notch to No. 6 on the basis of strong overseas growth and domestic acquisitions, including the year-end buyout of the U.S. portion of last year's No. 39, Geers Gross Advertising.

The award for perseverance goes to J. Walter Thompson Co. for surviving a buyout by WPP Group PLC, wholesale management turnover and a slew of departing clients. Worldwide billings at JWT eked out a 2.6% gain—the product of a 13.6% gain abroad compared with a 6.4% drop in U.S. billings.

Lintas:Worldwide, No. 8, forced its way up the ladder with its 41.1% growth in foreign billings from the Lintas network and the domestic merger of last year's No. 13 SSC&B:Lintas Worldwide with 1986's No. 19 Campbell-Ewald Worldwide, both within the Interpublic Group of Cos.

D'Arcy Masius Benton & Bowles retained its No. 9 ranking, and Leo Burnett Co. rose from No. 12 to No. 10, virtually in a dead heat with No. 11 Grey Advertising. Chicago-based Burnett, the only "outside" agency to crack the New York-dominated top 10, had U.S. billings growth of 13.8%—one of the strongest performances by any of the top agencies.

There were 19 new entries in this year's top 100 chart, although five were name changes caused by mergers, including No. 14 HDM, the product of the merger of last year's No. 17 HCM and No. 28 DYR Worldwide. HDM is one-third owned by Young & Rubicam. AC&R/DHB & Bess, No. 35, is a new Saatchi & Saatchi PLC agency transformed from last year's Nos. 65, 81 and 91—AC&R Advertising, Diener/Hauser/Bates Co. and Sawdon & Bess Advertising, respectively.

Strong performances pushed most of the other new entries onto the list. Two medical agencies and Thomas G. Ferguson Associates (79) and Vicom/FCB (89)—reported U.S. billings gains of 36.1% and 51.3%.

Media struggles

Media billings grew to $28.8 billion, up 3.9% from 1986, according to the 442 agencies that broke out media. A number of larger agencies do not break out media. As it was, media totals represented 67% of total U.S. billings capitalized, down from 70% in 1986 among the same set of agencies. Materials and services and fee income are other revenue streams that comprise capitalized billings.

Network TV expenditures of $8.25 billion represented about 28.6% of the media placed by the 442, down from 30% in 1986; spot TV accounted for $6.86 billion, or 23.8% of all media, up from 23.1% in 1986; magazines totaled $4.1 billion, or 14.1% of all media, down from 14.4%; newspapers totaled $3 billion or 10.3%, up from 9.8%, and direct response recorded billings of $2.1 billion, or 8.3% of the total, up from 7.6%.

Among the media kingpins, Leo Burnett funneled most of its strong U.S. billings gains into network TV where it spent $675.4 million to best runner-up Saatchi & Saatchi Advertising Worldwide with $638 million. Among top 10 agencies in network TV billings, four reported spending declines.

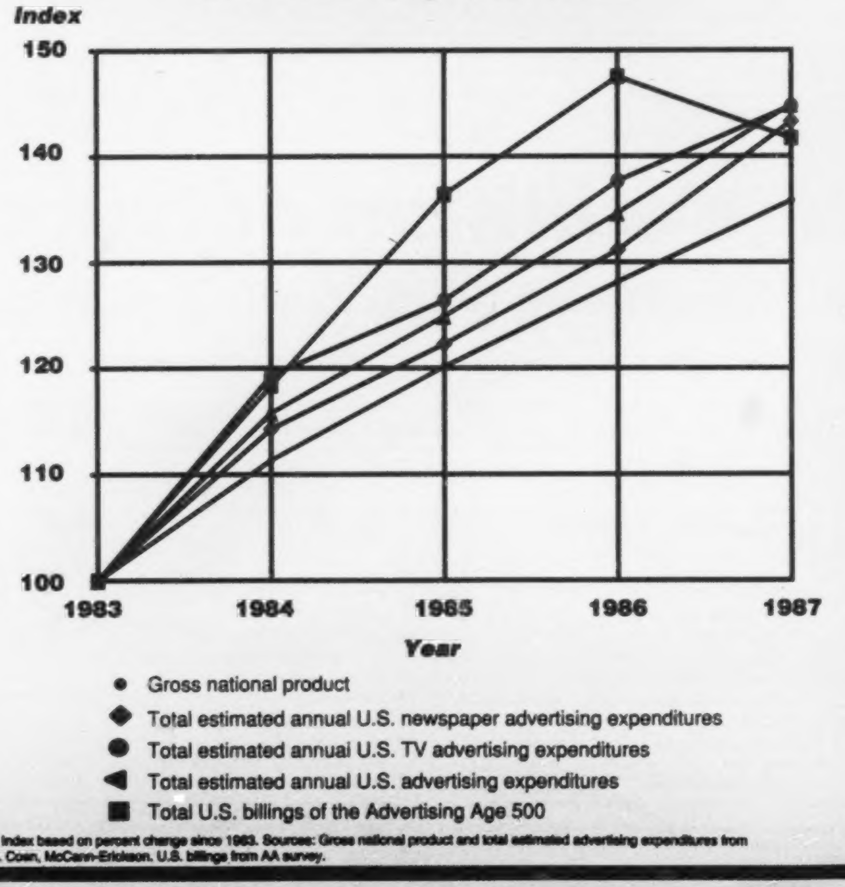
Network TV took a beating, dropping 0.7% from the prior year. Total network TV billings in the U.S. is estimated at $8.83 billion, according to Robert J. Coen, McCann-Erickson. The 500 placed 93% of that.

Saatchi & Saatchi dominated the spot TV billings chart with $520.5 million vs. $356 million for runner-up Y&R. Saatchi also grabbed the magazine lead with $251.9 million vs. $200.9 million for No. 2 in the category, Leo Burnett; J. Walter Thompson led newspaper billings with $171.3 million vs. $133.6 million for Nationwide Advertising Service.

Agency personnel and facilities

	Top 25 agencies 1987	Top 25 agencies 1986	Top 100 agencies 1987	Top 100 agencies 1986	Top 500 agencies 1987	Top 500 agencies 1986
Worldwide personnel	91,027	87,613	108,114	103,470	124,847	119,039
Domestic personnel	39,487	39,847	56,438	55,689	73,106	71,206
Worldwide offices	1,599	1,528	1,921	1,837	2,477	2,358
Domestic offices	479	479	751	736	1,296	1,246

Advertising Age 500 index
from base year 1983



NOTES: Index based on percent change since 1983. Sources: Gross national product and total estimated advertising expenditures from Robert J. Coen, McCann-Erickson. U.S. billings from AA survey.

Direct response continued to be the fastest growing media sector. Ogilvy & Mather Direct Response, which includes O&M's A. Eicoff & Co., nosed out Y&R's Wunderman Worldwide, $260 million to $259.9 million, for No. 1.

Regional ad competition

Regional ad performances followed overall economic patterns governing major ad markets. New York agencies account for about one out of every two dollars spent by agencies in the U.S. Its overall billings were $19.7 billion, up 7.3%, placing it well ahead of No. 2, Chicago, with $5.1 billion, up 7.2%.

Los Angeles, recording a nominal growth of 4.8% to $2.8 billion, held off a fast-closing Detroit where billings jumped 9.8% to $2.6 billion. San Francisco billings increased only 2% to $1.3 billion. Tightly packed into the next three positions were Dallas, Boston and Minneapolis. Dallas seems most vulnerable to a drop in ranking, recording only 2% growth to $897.6 million. Boston grew 8.4% to $859.3 million and Minneapolis 13.5% to $815.4 million. Philadelphia kept its No. 9 spot with $743.4 million, up 14.7%—the largest increase among the top 10.

Only Atlanta, with $468.1 million, dropped from last year's top 10 as total billings fell 2.3% to $468.1 million. The biggest agencies in Atlanta consolidated in 1987 and Cleveland thus slipped into 10th place with $595.3 million, up 12.7%. Advertising growth in the cities is based on comparative years for this year's agencies.

Employment/productivity

Merger activity and the slowed economy heavily affected employment among the 500. Forty of the top 100 agencies declined in employment.

The top 25 in particular showed merger footprints—redundancies and streamlined operations. While personnel totals for the 500 rose 4.9% to 124,847 worldwide and 2.7% to 73,106 in the U.S., the top 25 dropped 0.9% on the domestic side to 39,487 although mustering a 3.9% gain worldwide to 91,027. Not all the 500 report employment totals.

Some of the bigger agencies had to deliver pink slips during the year, including J. Walter Thompson Co., which pared its employment rolls by 17.4%, FCB, which cut its staff by 9.9%, Bozell, Jacobs, Kenyon & Eckhardt by 10.7% and HDM by 30.8%.

These troubling payroll cuts on Madison or Michigan Avenues had a positive impact on productivity as measured by employees per $1 million in U.S. billings, because 73 of the 100 reported productivity improvement.

Heading the 100 in productivity was Towne, Silverstein, Rotter, where 0.54 employees produced $1 million in billings. This compares with 0.69 in 1986 for the agency which pared its staff from 56 in 1986 to 45 in 1987.

Avrett, Free & Ginsberg ranked second at 0.65, was slightly less productive than the prior year when it ranked No. 1 with 0.63 employees per $1 million in billings.

Within the top 10 in productivity, two of the hottest shops, Fallon McElligott and Hal Riney & Partners, showed why they are hot. Both showed strong productivity gains—Fallon by 13% to 0.89 and Riney by 23% to 0.93—despite increasing employment. Fallon's staff grew by 17.6% and Riney's by 37%.

PR's influence

Public relations, once a support service within advertising agencies, has broadened not only into a profit center but in many cases into a stand-alone highly independent entity within the larger agency network.

PR fees folded into agency income totals can be substantial—in the top 10 agencies they contributed $221.2 million in 1987, equivalent to $1.48 billion on the billings side when capitalized. Capitalizing treats fees as if they were the 15% media commission by factoring up the fees by a 6.67 multiplier to arrive at a billings equivalent.

The practice of including the fees in agency gross income is debatable. Saatchi & Saatchi PLC, the agency holding company, gains extensive PR fees from Rowlands but does not fold them into agency totals because it seeks a media-only generated gross income and billings. This runs counter to the practice of many agencies who strive to be "seamless" by offering one-stop shopping for a whole assortment of advertising, marketing and communications needs. PR is considered one of those integrated, "seamless" services.

Aside from the philosophical issues, PR has the power to juggle the top six rankings in worldwide gross income. Excluding PR income, Young & Rubicam is most affected on the chart. It owns Burson-Marsteller, which contributed $137.2 million in fees to Y&R worldwide gross income in 1987. Without those fees, Y&R would drop to No. 3 in worldwide gross income. Moving past it into the top spot is Saatchi & Saatchi Advertising Worldwide, followed by Backer Spielvogel Bates Worldwide, neither of which include PR.

BBDO Worldwide would remain No. 4 in worldwide gross income despite including $22.7 million in PR fees from Doremus Porter Novelli. Ogilvy & Mather Worldwide would yield its No. 5 ranking to McCann-Erickson Worldwide because O&M PR includes $25.9 million in fees in its ad total.

Agency mega groups

Until last year, the headlines announcing mega-acquisitions within the ad industry often contained the teaser—"the British are coming"—as a reference to Saatchi & Saatchi PLC's storming of Madison Avenue. In 1987, the British arrived—in triplicate.

Saatchi & Saatchi PLC again made the group holding company race a one-horse affair in reporting $1.7 billion in gross income on $11.4 billion in billings, a figure that includes non-media capitalized fees. But two other British entities—WPP Group PLC, No. 4 in worldwide gross income, and WCRS/Belier, No. 6—claimed sizable U.S. territory for the first time.

WPP, a little fish even in British territorial waters, swallowed up last year's fourth largest agency mega group, JWT Group, in a $566 million buyout. Considerable fallout resulted, however. Clients spilled from JWT and two weeks ago, six principals left Lord, Geller, Federico, Einstein, an independent agency within the old JWT Group, to form Lord, Einstein, O'Neill & Partners. WPP quickly slapped a suit on the new agency in an effort to prevent it from soliciting WPP clients.

Interpublic Group of Cos. grew 20.7% in worldwide gross income to remain No. 2 at $992.9 million on billings of $6.6 billion. Omnicom Group was No. 3 at $895.5 million, up 9.2%, on worldwide billings of $5.8 billion. WPP's fourth place finish was based on $892.5 million in worldwide gross income on $6 billion in billings. Ogilvy Group was No. 5 with $723.9 million in gross income, up 31.9%, on billings of $5 billion.

WCRS finished sixth with $230.2 million in worldwide gross income on billings of $1.6 billion. WCRS's major U.S. properties are HBM/Creamer and Della, Femina, Travisano & Partners, agencies ranked No. 32 and 38, respectively, in worldwide gross income in this report.

Agency brands

Saatchi & Saatchi Advertising Worldwide supplanted J. Walter Thompson as the leading agency by U.S. "brand" name with $1.7 billion in U.S. billings. The "brand" agency is arrived at by unbundling subsidiaries from the core agency.

Saatchi & Saatchi's core agency grew 16% in U.S. billings from the prior year on a historic basis which treats current-year composition as if it existed in the prior year. Saatchi & Saatchi's core shop bears the Saatchi & Saatchi/DFS logo. Leo Burnett finished a strong No. 2 as it did in 1986 with $1.6 billion in U.S. billings, up 13.8%. J. Walter Thompson had only 0.5% growth to $1.5 billion, dropping to No. 3. The only other major swing among the top 10 core shops was Ogilvy & Mather. It dropped from No. 5 a year ago to No. 10 with $1.1 billion in U.S. billings, up only 1.6%.

PR chart correction

Doremus Porter Novelli contributed pr income of $22.7 million to BBDO Worldwide, reducing BBDO's worldwide gross income without pr to $514.3 million. This does not change its No. 4 ranking on the Page 77 chart that shows PR's influence on the top 10 agencies.

Key to profile information

Data in agency profiles was obtained from agencies that received and completed a questionnaire prepared by ADVERTISING AGE.

Agencies were asked to provide gross income and total volume, the latter identified as the sum of media billings, billings to the client for materials and services and capitalized fees—a method of equating fees to billings by treating the raw fee as if it were the 15% commission the agency earned by billing an amount 6.67 times the raw fee.

Gross income in the traditional agency structure is the sum of the 15% commission earned from the media billings, the markup (usually 17.65%) for materials and services billed the client, and the raw fee. Where the agency profile states gross income as an estimate, it was provided by ADVERTISING AGE.

AD AGE again provided a geographic breakout of agency billings. When agencies did not comply with this request made in the questionnaire, their regional billings were estimated whenever possible and they were contacted about the estimates.

This year marked the fourth year in which agencies provided verification from an independent accountant for figures they reported. Those agencies providing a signature were noted in this issue by a check mark within a box in the profile of the agency.

Compliance has improved measurably. Four years ago, one-third of the agencies complied; this year AD AGE achieved 60% compliance.

The statement of verification follows:

> *The undersigned, acting as outside accountant for the agency, confirms that the U.S. income figure indicated above for the year 1987 reflects totals as entered on the books of the company for the period reported.*

Several variations of this statement were accepted including a more formal letter written in 1984 by the New York State Society of CPAs under the direction of Gene F. Gaughan, chairman of the advertising committee of the society.

(See story below)

N.Y. cpa statement used

To agency board of directors:

We *(the accounting firm)* have applied certain agreed-upon procedures, as discussed below, to the account records of *(give name of agency)* for the year ended Dec. 31, 1987, solely to assist you in preparing your report to appear in the "1987 Agency Income Report" to be published by ADVERTISING AGE on March 30, 1988.

It is understood that our report on your accounting records is solely for your information and is not to be referred to or distributed for any purpose to anyone who is not a member of management of your agency without our consent. You may attach a copy of this letter to your agency's report to ADVERTISING AGE.

Our procedure was to confirm total 1987 "U.S. Income" of *(the amount is given)* shown on Line 1 of the agency income questionnaire agreed with the balances in general ledgers or other financial records maintained by your agency and its U.S. affiliates.

Because the above procedure does not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above.

In connection with the procedure referred to above, no matters came to our attention that caused us to believe that "U.S. Income" should be adjusted.

Had we performed additional procedures or had we completed or made an examination of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you.

This report relates only to the accounts and items specified here and does not extend to any financial statements of your agency taken as a whole.

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Footnotes to tables & graphs and directory of ranked subsidiaries

By KEVIN BROWN

The practice of allowing agencies to "double-dip" their subsidiaries makes compilations hazardous from the editor's end, and perhaps confusing to the reader.

Double-dipping is a tradition permitting parent advertising agencies to include the billings and income of subsidiaries in the parent totals by which agencies are ranked. At the same time, the subsidiaries are ranked based on their own lesser totals, in the same ranking as the parent.

In pulling totals, averages or other analytical data from the mound of information available in this issue, double-dipped subsidiaries must be marked so their totals won't be counted twice—once in the parent totals, and separately as a subsidiary.

This can be confusing given the fact that all subsidiaries are not double-dipped for various reasons, some are double-dipped in the current year but not in the prior year, and some, like HDM, have only a portion of their totals folded into the parent—in this case one-third into Young & Rubicam, which shares ownership with Eurocom in Paris and Dentsu Inc. in Japan.

The following methodologies were used in preparing the tables, charts and totals for this issue.

Gross income ranking

The main ranking in this issue, listed in Section I, contains 500 agencies. If an agency is double-dipped it will contain the parent company in which its totals were merged in parenthesis following its name. If an agency is an obvious subsidiary but does not contain the parent in parenthesis, it was not reported in the parent's consolidated totals.

For example, Levine, Huntley, Schmidt & Beaver is a subsidiary of Grey Advertising but it does not have (Grey) after its name. This indicates LHS&B is not carried in Grey totals.

These parent companies are not to be confused with agency mega groups covered on Pages 92 and 93.

The following table lists parents' initials, the full name by which the parent is ranked, and any of its subsidiaries ranked in this issue *and* consolidated in its totals:

BBDO—BBDO Worldwide
- Doremus & Co.
- Blair Advertising
- Caravetta Allen Kimbrough
- Frank J. Corbett
- Franklin Spier
- Ingalls, Quinn & Johnson
- Lavey/Wolff/Swift
- MARCOA DR Group
- Tracy-Locke

BSBW—Backer Spielvogel Bates Worldwide
- AC&R/DHB&Bess
- Campbell-Mithun
- Kobs & Brady

DMB&B—D'Arcy Masius Benton & Bowles
- Ted Colangelo Associates
- Medicus Intercon International

DDB—DDB Needham Worldwide
- Bernard Hodes Advertising
- Fletcher/Mayo/Associates
- Kallir, Philips, Ross
- Kresser Craig/D.I.K.
- Rapp & Collins

FCB—Foote, Cone & Belding Communications
- Albert Frank-Guenther Law
- Lewis, Gilman & Kynett
- Vicom/FCB

O&M—Ogilvy & Mather Worldwide
- Ogilvy & Mather Direct Response
- Rolf Werner Rosenthal

S&SAW—Saatchi & Saatchi Advertising Worldwide
- Cochrane Chase
- Klemtner
- McCaffrey & McCall
- Rumrill-Hoyt, Rochester

SMS—Scali, McCabe, Sloves
- Martin Agency
- Fallon McElligott

JWT—J. Walter Thompson Co.
- Brouillard Communications

Y&R—Young & Rubicam
- Creswell, Munsell, Fultz & Zirbel
- HDM (33%)
- Stone & Adler
- Sudler & Hennessey
- Wunderman Worldwide

Unless otherwise noted, this list applies only to tables in Section I.

Also, in the Section III profiles on the top 100 agencies, the composition of an agency's U.S. totals is broken out not only by billings per office but by offices of the parent's subsidiaries if included in the parent's totals.

Billed media rankings

Throughout the issue, 16 charts rank agencies by billings in various media. In each table, billings of the subsidiaries listed above are subtracted from the parent companies' billings in that medium.

This policy exists because the tables—which list only the top 10 agencies in each media category—would be unnecessarily repetitious

(Continued on Page 96)

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Top 100 agencies by gross income

Rank			Agency	Headquarters	Worldwide gross income		U.S. gross income		Worldwide billings		U.S. billings		U.S. cap. fees		Employees	
1987	1986				1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
1	1	✓	Young & Rubicam	New York	735.5	628.4	365.8	358.1	4,905.7	4,191.4	2,573.0	2,388.5	-	-	11,634	11,139
2	2		Saatchi & Saatchi Advertising Worldwide	New York	693.6	610.1	328.1	310.6	4,609.4	4,246.0	2,187.0	2,042.1	-	-	N/A	N/A
3	N/A		Backer Spielvogel Bates Worldwide	New York	600.7	517.2	261.6	272.0	4,068.7	3,458.3	1,808.0	1,814.3	-	-	6,580	5,148
4	6	✓	BBDO Worldwide	New York	537.0	445.1	311.4	307.0	3,664.5	3,259.0	2,244.7	2,107.5	524.7	477.8	5,510	5,360
5	5	✓	Ogilvy & Mather Worldwide	New York	528.6	459.6	261.6	249.7	3,663.8	3,154.6	1,745.2	1,665.3	-	-	7,686	7,440
6	7	✓	McCann-Erickson Worldwide	New York	512.5	427.7	161.6	146.8	3,418.5	2,852.7	1,078.0	979.3	-	-	7,941	7,412
7	4	✓	J. Walter Thompson Co.	New York	483.0	471.0	243.0	259.7	3,221.8	3,141.5	1,620.8	1,732.1	-	-	6,735	7,662
8	N/A	✓	Lintas:Worldwide	New York	417.9	324.6	166.1	156.6	2,787.2	2,231.7	1,107.9	1,044.2	-	-	5,364	4,887
9	9	✓	D'Arcy Masius Benton & Bowles	New York	371.3	333.7	196.8	189.6	2,494.3	2,237.6	1,332.3	1,278.5	49.3	51.1	5,428	5,371
10	12	✓	Leo Burnett Co.	Chicago	369.2	305.2	232.5	201.0	2,461.8	2,061.8	1,550.0	1,361.6	52.7	55.7	4,643	4,405
11	11	✓	Grey Advertising	New York	369.2	309.1	218.2	203.6	2,462.6	2,061.7	1,455.4	1,358.0	95.4	79.4	4,460	4,725
12	8	✓	DDB Needham Worldwide	New York	358.5	375.0	218.0	250.4	2,581.5	2,557.5	1,616.0	1,726.6	393.0	339.0	4,322	4,444
13	10	✓	Foote, Cone & Belding Communications	Chicago	344.6	323.0	244.2	242.4	2,298.5	2,154.5	1,628.6	1,616.7	550.9	674.2	5,674	5,907
14	N/A	✓	HDM (33% Y&R)	New York	204.0	156.7	27.4	43.7	1,383.6	1,070.1	206.0	308.8	55.6	-	2,256	2,241
15	14	✓	Bozell, Jacobs, Kenyon & Eckhardt	New York	185.2	170.4	158.9	151.9	1,325.0	1,215.0	1,150.0	1,090.0	191.7	215.4	2,347	2,550
16	15		N W Ayer	New York	166.1	159.0	116.2	125.6	1,217.8	1,143.2	678.0	913.9	-	-	2,864	2,558
17	18		Wells, Rich, Greene	New York	114.0	99.7	114.0	99.7	765.0	665.2	765.0	665.2	-	-	805	N/A
18	20		Scali, McCabe, Sloves	New York	93.1	77.5	69.8	62.4	653.2	556.6	506.8	455.6	-	-	1,309	1,253
19	21	✓	Ketchum Advertising	Pittsburgh	88.1	75.3	85.1	69.3	660.0	528.5	610.0	488.5	159.8	133.4	1,207	1,110
20	23	✓	Ogilvy & Mather Direct Response (O&M)	New York	84.0	68.0	39.0	36.0	560.0	454.0	260.0	240.0	-	-	1,200	1,100
21	25		TBWA Advertising	New York	74.6	65.7	18.9	15.7	545.0	453.5	125.9	104.7	-	-	680	618
22	26	✓	Ross Roy Group	Bloomfield Hills, Mich.	71.3	62.4	71.3	62.4	475.3	416.0	475.3	416.0	252.2	222.0	871	811
23	27		Campbell-Mithun (BSBW)	Minneapolis	63.9	57.1	63.9	57.1	425.8	380.2	425.8	380.2	-	-	705	726
24	29	✓	Wunderman Worldwide (Y&R)	New York	62.1	49.1	39.0	33.7	414.8	327.4	260.0	224.5	-	-	393	404
25	31		Chiat/Day	Venice, Calif.	52.5	47.1	52.5	47.1	350.0	314.1	350.0	314.1	68.4	66.2	413	333
26	32	✓	Tracy-Locke (BBDO)	Dallas	47.3	46.2	47.3	46.2	326.0	316.5	326.0	316.5	49.8	37.2	593	604
27	30	✓	Lowe Marschalk	New York	45.6	49.0	45.6	49.0	304.2	326.9	304.2	326.9	-	-	461	512
28	42	✓	Doremus & Co. (BBDO)	New York	45.4	43.1	44.6	42.4	304.1	288.8	297.4	282.6	165.8	140.6	634	540
29	35	✓	Hill, Holliday, Connors, Cosmopulos	Boston	43.4	39.4	36.7	31.7	289.6	262.5	245.0	211.4	201.8	168.3	512	487
30	43		McCaffrey & McCall (S&SAW)	New York	42.1	31.0	42.1	31.0	308.9	203.7	308.9	203.7	-	-	N/A	N/A
31	34		Laurence, Charles, Free & Lawson	New York	41.5	39.4	41.5	39.4	302.0	267.0	302.0	267.0	16.0	16.0	322	317
32	33		HBM/Creamer	Boston	40.9	40.1	40.9	40.1	272.0	267.0	272.0	267.0	-	-	485	558
33	37		W.B. Doner & Co.	Southfield, Mich.	40.6	36.3	37.6	32.6	270.1	238.2	247.2	210.1	28.3	13.0	520	523
34	41		Jordan, McGrath, Case & Taylor	New York	38.4	32.7	38.4	32.7	280.0	240.0	280.0	240.0	44.7	32.0	310	285
35	N/A		AC&R/DHB&Bess (BSBW)	New York	37.4	37.3	32.0	36.9	313.2	298.0	310.4	293.1	14.5	3.1	471	490
36	38		Ally & Gargano	New York	37.2	36.7	37.2	36.7	316.7	296.1	316.7	296.1	12.5	13.9	255	274
37	40		Admarketing	Los Angeles	36.0	33.0	36.0	33.0	201.0	184.0	201.0	184.0	-	-	135	133
38	52	✓	Della Femina, Travisano & Partners	New York	34.3	30.3	34.3	30.3	283.6	212.9	283.6	212.9	73.6	72.5	359	267
38	22		William Esty Co.	New York	36.0	75.0	36.0	75.0	315.0	510.0	315.0	510.0	8.0	-	N/A	N/A
40	64	✓	Earle Palmer Brown Cos.	Bethesda, Md.	33.1	17.1	33.1	17.1	248.7	142.1	248.7	142.1	86.2	55.9	501	N/A
41	44	✓	Lord, Geller, Federico, Einstein	New York	31.8	29.4	31.8	29.4	221.3	212.2	221.3	212.2	18.6	26.7	325	314
42	47	✓	Medicus Intercon International (DMB&B)	New York	31.7	24.6	11.8	9.6	237.8	182.9	102.7	82.4	73.9	56.2	421	397
43	45		Tatham-Laird & Kudner	Chicago	28.9	28.5	28.9	28.5	241.8	238.5	241.8	238.5	67.8	66.8	312	345
44	N/A	✓	Bernard Hodes Advertising Group (DDB)	New York	28.1	20.8	28.1	21.4	187.2	142.7	180.3	138.7	-	-	424	367
45	58		Levine, Huntley, Schmidt & Beaver	New York	26.9	18.8	26.9	18.8	181.8	125.2	181.8	125.2	28.0	27.6	225	208
46	50		Direct Marketing Group	New York	25.6	23.7	25.6	23.7	149.8	101.8	149.8	138.7	148.9	137.9	698	625
47	51		Ammirati & Puris	New York	25.5	22.5	25.5	22.5	170.0	150.0	170.0	150.0	-	-	245	230
48	46	✓	Sudler & Hennessey (Y&R)	New York	23.8	25.5	19.6	18.6	178.9	170.0	131.1	124.0	-	-	272	272
49	56		Keller-Crescent Co.	Evansville, Ind.	23.5	20.3	23.5	20.3	114.5	108.9	114.5	108.9	49.2	53.0	561	560
50	71		Nationwide Advertising Service	Cleveland	23.5	15.3	23.5	15.3	157.2	102.0	157.2	102.0	-	-	358	358
51	59	✓	Telephone Marketing Programs	New York	23.2	18.8	21.7	17.7	154.8	126.1	144.5	118.0	-	-	735	658
52	73		Hal Riney & Partners	San Francisco	23.0	14.4	23.0	14.4	200.0	125.0	200.0	125.0	-	-	185	135
53	53	✓	Evans Communications	Salt Lake City	22.8	21.8	22.8	21.8	152.0	145.0	152.0	145.0	42.5	40.0	342	345
54	48	✓	The Bloom Cos.	Dallas	22.4	25.9	22.4	25.9	181.5	177.5	181.5	177.5	46.5	37.7	265	304
55	60		Griffin Bacal	New York	21.2	18.5	20.5	18.5	165.7	142.3	160.4	142.3	-	-	211	175
56	55		Warwick Advertising	New York	21.0	20.7	21.0	20.7	141.0	138.0	141.0	138.0	25.7	33.4	190	190
57	61	✓	Ingalls, Quinn & Johnson (BBDO)	Boston	20.3	17.6	20.3	17.6	135.0	117.4	135.0	117.4	16.5	14.3	242	273
58	N/A	✓	Lewis, Gilman & Kynett (FCB)	Philadelphia	19.2	18.3	19.2	18.3	128.0	122.0	128.0	122.0	33.6	32.0	275	280
59	62	✓	Davis, Johnson, Mogul & Colombatto	Los Angeles	18.9	17.3	18.9	17.3	134.2	130.3	134.2	130.3	15.7	15.2	228	240
60	66	✓	MARCOA DR Group (BBDO)	Chicago	17.8	16.4	17.8	16.4	119.2	110.1	119.2	110.1	-	-	177	173
61	63	✓	Fahlgren & Swink	Parkersburg, W.Va.	17.8	14.1	17.8	14.1	118.6	113.9	118.6	113.9	52.4	58.4	303	304
62	72	✓	Rubin Postaer & Associates	Los Angeles	17.6	15.1	17.6	15.1	125.5	109.0	125.5	109.0	1.7	0.6	151	156
63	67		Geer, DuBois	New York	17.3	15.8	17.3	15.8	115.0	105.0	115.0	105.0	-	-	170	160
64	69		McKinney & Silver	Raleigh, N.C.	17.2	15.5	17.2	15.5	114.7	103.2	114.7	103.2	8.0	-	136	128
65	N/A		Tucker Wayne/Luckie & Co.	Atlanta	17.2	N/A	17.2	N/A	123.3	N/A	123.3	N/A	25.0	-	198	N/A
66	54	✓	Dailey & Associates	Los Angeles	16.9	21.1	16.9	21.1	112.8	140.6	112.8	140.6	-	-	N/A	N/A
67	74	✓	Kallir, Philips, Ross (DDB)	New York	16.1	13.9	13.9	12.3	137.0	124.2	123.9	113.0	92.3	81.7	225	190
68	75	✓	Martin Agency (SMS)	Richmond, Va.	15.4	13.5	15.4	13.5	102.6	90.3	102.6	90.3	-	-	N/A	N/A
69	110	✓	Lally, McFarland & Pantello	New York	15.2	9.7	15.2	9.7	67.6	43.3	67.6	43.3	61.6	39.5	80	70
70	68	✓	William Douglas McAdams	New York	15.2	15.6	15.2	15.6	101.9	103.7	101.9	103.7	36.9	37.7	159	165
71	77	✓	Eisaman, Johns & Laws	Los Angeles	14.9	13.4	14.9	13.4	102.2	89.3	102.2	89.3	6.7	4.6	168	158
72	N/A	✓	Rapp & Collins USA (DDB)	New York	14.9	12.1	14.9	12.1	99.4	81.8	99.4	81.8	68.0	49.4	130	110
73	80	✓	Weightman Group	Philadelphia	14.0	13.0	14.0	13.0	93.4	86.0	93.4	86.0	-	-	201	220
74	78	✓	Kornhauser & Calene	New York	13.8	13.2	13.8	13.2	122.0	120.0	122.0	120.0	3.0	2.0	115	107
75	89	✓	Fallon McElligott (SMS)	Minneapolis	13.6	11.2	13.6	11.2	142.5	93.3	142.5	93.3	46.6	46.6	127	108
76	94		GSDM	Austin, Texas	13.5	10.5	13.5	10.5	103.0	85.1	103.0	85.1	-	-	135	N/A
77	84		Richards Group	Dallas	13.4	12.2	13.4	12.2	89.1	82.4	89.1	82.4	49.7	57.4	149	157
78	76		Meldrum & Fewsmith	Cleveland	13.0	13.5	12.4	11.9	80.2	90.0	73.0	82.8	-	-	149	149
79	123	✓	Thomas G. Ferguson Associates	Parsippany, N.J.	12.9	9.7	12.9	9.7	84.1	61.8	84.1	61.8	75.2	50.9	100	70
80	88		Kobs & Brady Advertising (BSBW)	Chicago	12.8	12.0	12.8	12.0	85.3	81.0	85.3	81.0	61.6	59.9	149	141
81	83		Towne, Silverstein, Rotter	New York	12.3	12.2	12.3	12.2	83.5	81.5	83.5	81.5	-	-	45	56
82	85		Wyse Advertising	Cleveland	12.3	12.1	12.3	12.1	93.2	87.5	93.2	87.5	23.4	25.2	185	173
83	100	✓	Cramer-Krasselt Co.	Milwaukee	12.2	10.3	12.2	10.3	84.6	70.4	84.6	70.4	10.4	9.9	158	139
84	104		Harold Cabot & Co.	Boston	12.1	10.0	12.1	10.0	80.6	68.0	80.6	68.0	19.0	13.1	155	125
85	114	✓	Keye/Donna/Pearlstein	Los Angeles	11.9	9.5	11.9	9.5	79.4	63.3	79.4	63.3	4.2	4.7	105	103
86	98		Venet Cos.	Union, N.J.	11.4	10.4	11.4	10.4	76.0	69.1	76.0	69.1	-	-	214	203
87	93	✓	Creswell, Munsell, Fultz & Zirbel (Y&R)	Cedar Rapids, Iowa	11.4	10.8	11.4	10.8	75.8	71.9	75.8	71.9	29.6	29.6	173	174
88	79	✓	Stone & Adler (Y&R)	Chicago	11.3	12.1	11.3	12.1	75.0	96.9	75.0	96.9	-	-	N/A	N/A
89	139	✓	Vicom/FCB (FCB)	San Francisco	11.2	7.4	11.2	7.4	75.0	49.5	75.0	49.5	75.0	49.5	101	88
90	119	✓	Miller Advertising Agency	New York	11.1	8.9	11.1	8.9	76.3	59.2	76.3	59.2	13.3	6.0	180	180
91	103	✓	Altschiller Reitzfeld	New York	11.1	10.1	11.1	10.1	73.7	67.3	73.7	67.3	13.1	12.0	75	70
92	107	✓	Valentine-Radford	Kansas City, Mo.	11.0	9.9	11.0	9.9	80.9	70.8	80.9	70.8	36.7	30.7	146	152
93	70	✓	Cole & Weber	Seattle	11.0	15.4	11.0	13.4	87.1	106.0	87.1	90.5	36.1	35.6	147	252
94	115	✓	Muir Cornelius Moore	New York	10.9	9.5	10.9	9.5	72.5	63.1	72.5	63.1	-	-	125	125
95	121	✓	Lavey/Wolff/Swift (BBDO)	New York	10.3	8.9	10.8	8.9	72.2	59.7	72.2	59.7	72.2	59.7	72	112
96	99		Avrett, Free & Ginsberg	New York	10.8	10.3	10.8	10.3	90.2	86.0	90.2	86.0	18.0	15.5	59	54
97	N/A	✓	Ted Colangelo Associates (DMB&B)	Greenwich, Conn.	10.7	8.0	10.7	8.0	67.2	49.3	67.2	49.3	-	-	69	73
98	112	✓	Carmichael Lynch	Minneapolis	10.6	9.5	10.6	9.5	70.9	63.5	70.9	63.5	39.0	32.5	165	165
99	96		Al Paul Lefton Co.	New York	10.6	10.5	10.4	10.3	70.8	70.0	69.6	68.8	9.7	9.2	180	185
100	87		Henderson Advertising	Greenville, S.C.	10.6	12.0	10.6	12.0	70.6	80.1	70.6	80.1	18.3	9.0	101	120

NOTES: Dollars are in millions. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See Page 4 for more footnotes. ✓ Indicates that agency received signature of independent accountant verifying figures supplied to AA.

SECTION I

Second 100 agencies by gross income

Rank		Agency	Headquarters	Gross income 1987	1986	Billings 1987	1986	Capitalized fees 1987	1986	Total employees 1987	1986
101		Liggett-Stashower	Cleveland	10,500	10,100	70,200	65,100	-	-	N/A	N/A
102		Rumrill-Hoyt (S&SAW)	Rochester, N.Y.	10,322	9,167	68,813	61,200	47,544	41,948	148	150
103		Kenrick Advertising	St. Louis	10,316	10,825	50,512	52,000	24,326	21,764	165	178
104	✓	William Cook Advertising	Jacksonville, Fla.	10,282	8,269	70,449	56,465	-	-	173	143
105		Colle & McVoy Advertising Agency*	Minneapolis	10,170	9,429	62,177	57,843	10,695	10,656	141	167
106		Barry Blau & Partners	Fairfield, Conn.	10,136	8,455	72,335	60,010	38,306	31,956	109	102
107	✓	Brouillard Communications (JWT)	New York	9,973	9,991	66,517	66,638	-	-	90	96
108		Bayer Bess Vanderwarker & Flynn	Chicago	9,800	7,500	64,799	49,392	2,001	1,334	106	72
109		Rosenfeld Sirowitz Humphrey & Strauss	New York	9,764	19,700	65,126	149,600	2,375	30,500	97	141
110		Mojo	San Francisco	9,556	11,206	63,707	75,226	-	-	130	122
111		Klemtner Advertising (S&SAW)	New York	9,500	8,600	70,000	60,000	54,700	46,150	110	102
112	✓	Elkman Advertising	Bala Cynwyd, Pa.	9,200	6,940	61,364	46,289	35,122	26,013	140	117
113	✓	Ackerman, Hood & McQueen	Oklahoma City	9,197	9.130	63,162	61,500	37,529	28,494	145	154
114	✓	Long, Haymes & Carr	Winston-Salem, N.C.	9,092	7,692	60,700	51,300	20,300	15,670	150	130
115		Poppe Tyson	New York	9,000	N/A	66,000	N/A	8,200	-	124	N/A
116	✓	Keyes Martin Gaby Linett	Springfield, N.J.	8,950	8,215	58,000	53,000	36,500	32,500	100	100
117		Rolf Werner Rosenthal (O&M)	New York	8,850	8,760	61,000	58,450	42,850	38,350	91	85
118		Martin-Williams	Minneapolis	8,800	6,600	76,000	65,000	43,900	34,900	111	93
119	✓	Noble Communications	Springfield, Mo.	8,634	7,104	60,290	50,000	23,965	20,358	178	151
120		Burrell Advertising	Chicago	8,559	7,941	67,063	52,942	36,902	32,889	88	105
121	✓	Omni Marketing*	Oakbrook Terrace, Ill.	8,546	6,897	57,000	46,000	-	-	60	92
122		Bernstein-Rein Advertising	Kansas City, Mo.	8.513	7,602	81,392	70,066	3,441	3,095	127	120
123		Calvillo, Shevack & Partners	New York	8,400	8,300	67,610	67,000	28,150	-	85	N/A
124	✓	Albert Frank-Guenther Law(FCB)	New York	8,379	8,387	55,888	55,941	7,364	5,096	79	79
125		Cochrane Chase Livingston(S&SAW)	Newport Beach, Calif	8,322	10,400	60,938	78,500	31,541	43,619	91	135
126	✓	Lawler Ballard	Norfolk, Va.	8,218	7,710	54,812	51,425	-	-	147	142
127		Gross Townsend Frank Hoffman	New York	8,140	5,102	54,294	34,031	50,692	34,031	90	65
128		M.E.D. Communications	Woodridge, N.J.	8,100	7,690	73,000	67,900	54,000	51,300	105	97
129		McAdams, Richman & Ong	Bala Cynwyd, Pa	8,000	7,160	57,000	51,000	20,000	-	90	N/A
130	✓	Group 243	Ann Arbor, Mich.	7,996	9,909	48,500	50,900	3,669	4,769	147	175
131		Richardson, Myers & Donofrio	Baltimore	7,975	7,828	58,000	56,942	9,500	7,928	103	97
132	✓	Margeotes Fertitta & Weiss	New York	7,962	6,125	50,275	38,633	9,025	7,003	65	56
133	✓	Frank J. Corbett Inc. (BBDO)	Chicago	7,927	5,508	52,873	36,738	52,873	36,738	68	60
134		Beber, Silverstein & Partners	New York	7,500	10,500	50,000	70,000	-	-	N/A	N/A
135	✓	David Deutsch Associates	New York	7,463	6,068	49,850	40,452	3,377	2,937	73	66
136	✓	Doyle Graf Mabley	New York	7,450	5,136	50,025	34,245	4,169	3,260	68	71
137	✓	MARC Advertising	Pittsburgh	7,400	5,550	49,000	37,000	18,600	16,000	99	93
138	✓	Bader Rutter & Associates	Brookfield, Wis.	7,379	7,023	49,202	46,819	14,887	14,036	112	109
139		Epsilon *	Burlington, Mass.	7,346	7,200	48,976	47,739	26,186	18,956	500	600
140	✓	Muller Jordan Weiss	New York	7,107	6,900	48,105	46,700	7,317	7,100	88	106
141	✓	Miller Meester Advertising	Minneapolis	7,030	5,730	45,869	39,201	-	-	92	80
142	✓	Eric Mower & Associates	Syracuse, N.Y.	6,966	6,352	48,776	42,344	21,253	16,584	115	102
143		Dorritie & Lyons*	New York	6,946	6,156	45,000	40,000	12,506	9,005	50	50
144	✓	Mintz & Hoke	Avon, Conn.	6,827	6,265	45,513	41,767	43,253	40,734	102	110
145	✓	Levy, King & White Advertising	Buffalo	6,825	6,420	45,500	42,800	25,025	19,596	125	123
146	✓	Dugan/Farley Communications Associates	Upper Saddle River, N.J.	6,764	5,976	44,482	39,222	33,540	29,620	60	48
147		Bentley, Barnes & Lynn	Chicago	6,720	6,109	44,801	40,728	1,687	1,954	135	126
148	✓	Goodwin, Dannenbaum, Littman & Wingfield	Houston	6,599	6,100	44,000	42,000	16,342	15,341	70	70
149	✓	Edwin Bird Wilson	New York	6,534	6,394	48,836	45,779	25,546	20,275	72	61
150		Mullan Advertising	South Hamilton, Mass	6,416	5,126	42,796	34,172	9,877	8,835	65	58
151	✓	J. Richard Smith Ltd.	Old Bethpage, N.Y.	6,350	5,120	35,630	31,340	-	-	33	28
152	✓	Grant/Jacoby	Chicago	6,200	5,450	61,350	55,500	33,350	26,000	110	96
153		Messner, Vetere, Berger, Carey Advertising	New York	6,200	6,200	43,000	22,000	-	-	N/A	N/A
154		Martin Marshall Jaccoma Mitchell Adv.	New York	6,151	3,750	41,005	25,003	9,105	6,303	50	35
155	✓	Sacks & Rosen	New York	6,140	5,870	34,838	33,400	10,538	10,040	49	49
156		Benito Advertising	Tampa, Fla.	6,108	4,340	42,498	27,384	33,845	18,976	95	92
157		Berenter Greenhouse & Webster	New York	6,100	3,065	40,606	25,739	11,906	12,039	42	35
158	✓	Malone Advertising	Akron, Ohio	6,100	5,155	40,687	34,384	40,687	34,384	103	94
159	✓	Eric Ericson & Associates	Nashville	6,002	5,081	40,033	35,953	15,760	16,617	92	94
160		William R. Biggs/Gilmore Associates	Kalamazoo, Mich.	6,000	5,996	40,020	39,993	12,282	13,078	110	103
161		McFarland & Drier	Miami	6,000	4,950	40,000	33,000	-	-	68	38
162	✓	Yellow Pages Marketing Services	Mequon, Wis.	5,897	5,318	43,095	39,215	1,314	-	123	104
163	✓	Elsner & Associates	Baltimore	5,892	5,069	45,475	37,718	14,051	11,796	70	70
164	✓	CMS Direct	Rochester, N.Y.	5,872	5,624	44,236	45,682	39,166	37,512	64	93
165		Mutual Media *	New York	5,800	5,600	39,200	37,400	-	-	30	30
166	✓	Borders, Perrin & Norrander	Portland, Ore.	5,796	2,770	36,953	20,189	14,057	6,543	74	74
167	✓	North Castle Partners	Greenwich, Conn.	5,587	5,925	43,986	40,653	19,917	16,430	53	45
168	✓	Campbell & Wagman	Los Angeles	5,572	N/A	37,148	N/A	8,551	-	45	N/A
169	✓	Ephron, Raboy & Tsao	New York	5,502	6,590	38,254	43,936	1,574	703	48	56
170		Frankenberry, Laughlin & Constable	Milwaukee	5,490	5,220	36,600	34,800	-	-	64	62
171	✓	Buntin Advertising*	Nashville	5,413	N/A	35,031	N/A	11,087	-	100	73
172		Vickers & Benson/FKQ	Buffalo	5,352	8,036	35,688	53,617	18,185	17,162	97	127
173		Slater Hanft Martin	New York	5,226	5,948	41,802	40,439	3,202	2,977	48	50
174	✓	Robinson, Yesawich & Pepperdine	Maitland, Fla.	5,165	5,100	34,447	30,804	23,261	16,834	70	65
175	✓	Marketing Resources Inc./WB&H Advertising	Lenexa, Kan.	5,160	3,077	35,600	20,253	8,650	4,253	171	75
176	✓	Stern/Monroe Advertising	Dallas	5,134	4,963	34,245	33,100	-	-	47	45
177	✓	Elgin Syferd	Seattle	5,048	3,897	35,297	28,228	14,541	11,708	88	66
178		Isidore & Paulson	New York	5,030	3,905	32,653	28,006	8,121	7,705	28	27
179		Fogarty & Klein	Houston	5,015	2,793	33,686	18,571	3,428	1,749	38	38
180	✓	Grace & Rothschild	New York	4,996	1,008	33,310	3,724	-	3,669	25	12
181		Taylor Brown & Barnhill*	Houston	4,950	2,850	33,000	19,000	3,000	1,700	61	28
182	✓	VanSant, Dugdale & Co.	Baltimore	4,940	4,084	32,930	27,225	3,541	3,020	58	64
183	✓	Levenson, Levenson & Hill	Irving, Texas	4,935	4,452	38,511	38,191	15,620	11,814	60	69
184	✓	Jayme Organization	Beachwood, Ohio	4,861	4,408	37,799	34,096	32,137	29,088	92	90
185	✓	Tycer Fultz Bellack	Palo Alto, Calif.	4,847	4,394	32,328	29,309	32,328	29,309	57	58
186	✓	Kresser, Craig/D.I.K. (DDB)	Los Angeles	4,764	6,016	32,509	40,104	2,193	1,456	45	50
187		Jordan Tamraz Caruso Advertising	Chicago	4,757	4,300	31,710	28,680	3,089	2,600	74	69
188		Stone & Simons Advertising	Southfield, Mich.	4,740	4,739	31,290	29,679	6,357	5,401	62	62
189	✓	Lord, Sullivan & Yoder	Columbus, Ohio	4,689	4,077	35,841	29,479	19,476	14,826	84	71
190	✓	Winius-Brandon Advertising	Bellaire, Texas	4,675	3,337	37,105	31,596	11,527	10,097	43	42
191		Newmark, Posner & Mitchell	New York	4,576	4,800	30,971	31,388	-	-	68	58
192	✓	Smith Burke & Azzam	Baltimore	4,557	5,194	37,500	40,300	5,672	18,806	60	53
193	✓	BHN Advertising & PR	St. Louis	4,529	4,442	28,525	31,872	13,895	14,786	95	94
194	✓	Lyons Inc.	Wilmington, Del.	4,526	3,946	28,323	23,484	21,335	16,998	84	75
195	✓	Haddon Advertising	Chicago	4,450	3,300	38,211	28,042	21,011	17,742	51	50
196		Jack Levy & Associates	Chicago	4,448	3,313	29,655	22,085	4,291	6,302	51	48
197	✓	Price McNabb Advertising Agency	Asheville, N.C.	4,347	3,383	33,542	25,568	13,467	11,081	86	74
198		Conill Advertising	New York	4,321	3,415	29,890	22,858	2,368	2,675	59	47
199	✓	Drackett & Lavidge	Phoenix	4,314	3,148	7,307	5,409	3,522	2,660	18	20
200		Leonard Monahan Saabye Lubars	Providence	4,290	3,272	26,615	21,824	24,582	17,560	70	54

NOTES: Dollars are in thousands. initials in parentheses indicate parent agency in which subsidiaries' figures are included.
See Page 4 for more footnotes. ✓ indicates that agency received signature of independent accountant verifying figures supplied to AA. * indicates that gross income figures are AA estimates.

Third 100 agencies by gross income

Rank		Agency	Headquarters	Gross income 1987	Gross income 1986	Billings 1987	Billings 1986	Capitalized fees 1987	Capitalized fees 1986	Total employees 1987	Total employees 1986
201		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
202	✓	Lawrence Butner Advertising	New York	4,083	3,845	27,218	24,301	2,881	2,881	37	36
203	✓	Abelson-Taylor *	Chicago	4,074	4,048	34,921	33,638	27,176	27,005	73	53
204		Barnum Communications	New York	4,073	4,852	41,320	40,450	23,365	25,846	[illegible]	60
205	✓	[illegible] Advertising (BBDO)	Rochester, N.Y.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
206	✓	Leslie Advertising Agency	Greenville, S.C.	4,030	4,081	28,592	28,063	8,110	8,152	65	72
207	✓	Frank C. Nahser	Chicago	4,026	3,495	27,594	22,988	9,579	7,217	42	41
208	✓	Doe-Anderson Advertising Agency	Louisville	3,965	4,026	27,520	27,285	12,964	10,892	68	68
209	✓	David K. Burnap Advertising Agency	Dayton, Ohio	3,955	3,063	19,258	17,015	-	-	31	28
210		McKinney Inc. *	Philadelphia	3,920	4,046	27,743	26,677	19,872	18,556	83	84
211		Homer & Durham Advertising	New York	3,910	3,612	25,632	23,500	11,152	9,786	42	40
212	✓	Lohmeyer Simpson Communications	Morristown, N.J.	3,900	3,750	26,000	25,000	19,000	19,500	40	42
213	✓	Juhl Agency	Elkhart, Ind.	3,865	3,717	27,979	27,122	19,838	19,049	67	67
214	✓	Marketing Support	Chicago	3,854	3,639	34,217	33,525	27,109	26,094	52	50
215	✓	Warren/Kremer Advertising	New York	3,830	4,021	26,970	27,270	-	-	52	56
216		Fearon/GBA Advertising	New York	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
217	✓	Stern Walters Partners	Chicago	3,748	3,607	27,014	25,712	8,412	10,817	48	68
218	✓	Franklin Spier Inc. (BBDO)	New York	3,730	3,431	24,880	22,885	4,746	4,247	46	46
219		Kerlick, Switzer & Johnson Advertising	St. Louis	3,040	N/A	41,601	N/A	29,035	-	76	38
220	✓	Zechman & Associates	Chicago	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
221		Warner, Bicking & Fenwick	New York	3,586	2,998	23,974	19,991	12,762	10,905	29	26
222	✓	Stone, August Baker Communications Co.	Birmingham, Mich.	3,550	3,960	27,014	26,124	17,923	15,721	48	48
223	✓	Anderson Communications Cos.	Dallas	3,548	3,736	24,885	25,738	21,131	19,066	68	68
224		Cranford Johnson Robinson Associates	Little Rock, Ark.	3,528	2,999	23,534	20,000	15,829	14,535	77	63
225	✓	Siddall, Matus & Coughter	Richmond, Va.	3,487	2,985	24,637	15,585	14,489	4,467	48	51
226	✓	Simons Michelson Zieve	Troy, Mich.	3,450	2,925	23,500	19,500	8,522	5,961	62	56
227	✓	Paolin & Sweeney	Cherry Hill, N.J.	3,400	3,200	16,500	16,300	11,800	11,800	38	32
228	✓	Rizzo Simons Cohn	Boston	3,376	3,573	22,520	23,826	16,860	16,032	43	41
229		John Malmo Advertising	Memphis	3,375	2,850	22,500	19,000	10,000	8,000	58	51
230		Marquardt & Roche	Stamford, Conn.	3,335	2,977	22,231	20,088	17,175	15,586	45	43
231		Sherwood & Schneider	New York	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	45	40
232	✓	Welch, Currier, Curry, Anderson	Boston	3,300	2,700	22,000	18,000	7,205	-	45	39
233		Cosmopulos, Crowley & Daly	Boston	3,233	2,000	22,800	20,898	-	-	42	40
234		Gilbert, Whitney & Johns	Whippany, N.J.	3,225	3,100	21,500	20,700	-	-	42	40
235	✓	Potterhazlehurst Inc. *	East Greenwich, Conn.	3,221	2,918	21,071	18,122	11,485	10,096	54	52
236	✓	Marcus Advertising Inc. *	Cleveland	3,217	3,024	24,618	24,507	4,032	3,546	41	42
237	✓	Dudnyk Enterprises	Horsham, Pa.	3,208	2,449	20,880	15,969	16,924	13,327	45	40
238		Anderson & Lembke*	Stamford, Conn.	3,200	2,300	36,700	28,900	21,300	15,300	31	25
239	✓	Soghogian & Macuga Advertising	Washington	3,168	2,418	19,800	16,120	2,401	1,401	32	24
240	✓	Karsh & Hagan	Englewood, Colo.	3,145	2,893	28,651	24,383	16,431	11,583	52	52
241	✓	Berger Stone & Partners	New York	3,120	2,430	18,300	16,200	-	-	23	22
242	✓	McKone & Co.	Irving, Texas	3,115	3,439	20,778	22,938	15,525	16,722	45	50
243		The Lempert Co.	Belleville, N.J.	3,100	2,935	22,203	20,669	6,003	5,369	27	35
244	✓	Reimel Carter Advertising*	Philadelphia	3,054	2,824	20,000	18,500	8,304	7,144	31	31
245	✓	Kert Advertising	Ft. Lauderdale, Fla.	3,049	2,919	22,987	19,963	334	167	52	51
246		Anson-Stoner	Winter Park, Fla.	3,028	2,107	22,380	14,545	7,470	1,295	50	28
247		Kolon, Bittker & Desmond	Troy, Mich.	3,000	2,900	28,000	23,000	12,000	8,000	60	50
248	✓	Sutton Communications	New York	3,000	2,200	21,700	18,000	16,700	13,300	43	35
249	✓	Food Group	New York	2,961	2,205	19,112	14,291	10,912	8,777	26	23
250	✓	Berenson, Isham & Partners	Boston	2,913	1,864	18,992	13,839	12,885	9,320	17	15
251		Van Brunt & Co. Advertising-Marketing	New York	2,900	2,900	26,920	27,037	7,004	6,937	N/A	N/A
252		Stan Merritt Advertising	New York	2,879	2,291	25,900	20,552	4,384	3,489	20	18
253	✓	McDougall Associates	Peabody, Mass.	2,870	2,520	19,300	1,680	14,659	13,378	33	31
254	✓	Image Dynamics	Baltimore	2,858	2,434	18,817	16,673	15,257	13,173	33	30
255		Advertising Works	Honolulu, Ha.	2,800	2,400	19,000	16,000	-	-	40	40
256	✓	Cole Henderson Drake	Atlanta	2,800	3,341	19,300	18,126	8,100	1,260	45	46
257		Paul A. DeJesse Inc. Advertising *	Freehold, N.J.	2,800	2,300	19,000	16,000	-	-	25	21
258		Hammond Farrell *	New York	2,800	2,700	18,720	18,600	-	-	26	26
259		LSGE Advertising	Avon, Conn.	2,741	2,415	18,275	16,616	11,231	10,461	33	33
260		Firestone & Associates	New York	2,730	2,844	18,199	18,958	5,717	5,959	25	27
261	✓	Baker, Abbs, Cunningham & Klepinger	Birmingham, Mich.	2,722	2,215	18,154	16,549	8,888	8,904	42	41
262		Pihas, Schmidt, Westerdahl Co.	Portland, Ore.	2,707	2,381	20,002	17,692	11,467	8,602	45	50
263	✓	Sefton Associates	Grand Rapids, Mich.	2,695	N/A	20,329	N/A	15,781	-	42	N/A
264	✓	Lipman, Richmond, Greene	New York	2,680	1,925	16,753	14,324	5,065	4,793	40	37
265		Harris-Edward Communications	Philadelphia	2,674	2,500	20,020	18,793	17,832	16,672	29	29
266	✓	Yaffe & Co.	Southfield, Mich.	2,651	2,411	17,656	16,014	5,790	5,387	41	37
267	✓	Ackerman Advertising Communications	Glen Head, N.Y.	2,650	2,750	20,038	19,537	8,538	7,937	36	36
268		Kullberg Amato Pisacane/ABP	New York	2,650	2,500	21,005	21,005	1,005	1,005	19	19
269	✓	Drossman Lehmann Marino *	New York	2,642	2,350	23,252	22,492	4,602	4,922	25	25
270	✓	The Brady Co.	Menomonee Falls, Wis	2,625	2,304	18,596	16,072	11,114	10,231	65	58
271		Stogel Cos. *	New York	2,614	2,528	16,852	16,246	1,666	1,776	38	42
272	✓	Barnhart Advertising & PR	Denver	2,590	2,766	18,210	19,232	10,267	11,568	38	43
273		Patchen Brownfeld	Phoenix	2,589	1,836	16,613	11,325	699	614	31	35
274		Clark Direct Marketing	New York	2,545	2,377	16,705	15,728	10,005	9,670	28	27
275		Maris, West & Baker	Jackson, Miss.	2,531	2,195	16,879	14,640	12,532	11,428	36	37
276	✓	Gerber Advertising Agency	Portland, Ore.	2,500	2,550	16,500	17,000	2,100	2,593	42	40
277		Harris West Advertising	Minneapolis	2,500	1,700	18,000	12,500	-	-	33	33
278	✓	Spencer Bennett Nowak	Seekonk, Mass.	2,476	2,450	16,590	16,543	10,736	10,625	38	38
279		Gumpertz/Bentley/Fried	Los Angeles	2,469	2,362	21,500	18,700	4,378	4,195	33	30
280	✓	Sharp Hartwig	Seattle	2,447	1,996	16,324	13,311	6,842	6,220	50	44
281	✓	Young & Roehr	Portland, Ore.	2,429	2,017	16,199	13,456	16,199	13,456	36	28
282	✓	Bermudez & Associates	Los Angeles	2,423	2,241	16,164	14,950	7,570	11,511	30	24
283		Launey, Hachmann & Harris	New York	2,403	2,312	15,790	15,413	5,362	5,476	15	16
284		Biederman & Co.	New York	2,400	4,100	25,000	35,500	8,938	9,100	40	50
285		Dudreck DePaul Ficco & Morgan	Pittsburgh	2,400	2,377	18,700	17,500	8,595	8,530	40	41
286		Mason & Madison *	New Haven, Conn.	2,400	2,175	16,000	14,500	-	-	33	34
287	✓	Pringle Dixon Pringle	Atlanta	2,389	2,302	18,093	16,681	10,481	9,729	48	43
288		Stephan & Brady	Madison, Wis.	2,386	2,230	18,414	17,010	11,798	11,204	43	41
289	✓	Pedone & Partners	New York	2,373	N/A	15,291	N/A	-	-	22	N/A
290	✓	Mills Hall Walborn & Associates	Cleveland	2,350	1,906	23,000	19,000	6,570	5,920	42	32
291		Hallmark Advertising	Pittsburgh	2,340	2,129	18,209	14,086	3,350	3,335	47	43
292		Baron & Zaretsky	New York	2,318	2,280	15,450	15,200	-	-	23	23
293		Waldbillig & Besteman*	Madison, Wis.	2,305	2,163	17,036	15,984	11,002	10,514	35	38
294	✓	Duffy & Shanley	Providence	2,301	2,442	15,351	16,287	9,341	9,720	50	50
295	✓	Bonneville Media Communications	Salt Lake City	2,272	1,879	[illegible]	11,041	-	-	107	108
296	✓	Fletcher/Mayo/Associates (DDB)	St. Joseph, Mo.	2,261	4,842	17,727	40,664	11,465	25,446	53	79
297		Larkin, Meeder, Schweidel	Dallas	2,250	N/A	15,000	N/A	-	-	25	N/A
298	✓	Posey Quest Genova *	Greenwich, Conn.	2,250	2,000	26,000	21,000	12,675	12,000	28	24
299	✓	Huntsinger & Jeffer	Richmond, Va.	2,242	2,443	14,130	15,549	3,871	4,823	65	75
300	✓	Penny/Ohlmann/Neiman	Dayton, Ohio	2,240	2,077	20,060	16,086	13,829	10,123	50	48

NOTES: Dollars are in thousands. Initials in parentheses indicate parent agency in which subsidiaries' figures are included.
See Page 4 for more footnotes. ✓ indicates that agency received signature of independent accountant verifying figures supplied to AA. * indicates that gross income figures are AA estimates.

Fourth 100 agencies by gross income

Rank		Agency	Headquarters	Gross income 1987	Gross income 1986	Billings 1987	Billings 1986	Capitalized fees 1987	Capitalized fees 1986	Total employees 1987	Total employees 1986
301	✓	Bauerlein Inc.	New Orleans	[illegible]	2,200	[illegible]	13,314	3,513	6,360	[illegible]	41
302		Kelley & Wallwork	Boston	2,175	1,725	14,500	11,500	6,500	4,500	20	18
303		KSK Communications	McLean, Va.	2,164	1,440	13,887	9,134	11,068	8,103	34	27
304		John Emmerling Inc.	New York	2,150	2,201	15,004	15,277	804	738	17	18
305	✓	Marketing Communications Group	Toledo, Ohio	2,145	2,403	14,329	16,443	11,499	11,060	40	40
306		Wray/Ward Advertising	Charlotte, N.C.	2,131	1,549	14,501	10,595	4,259	3,106	23	24
307	✓	Ted Chin & Co.	New York	2,100	2,050	13,570	13,578	6,637	6,650	22	17
308		Stiegler, Wells & Brunswick	Bethlehem, Pa.	2,065	1,962	13,792	13,099	9,649	8,937	37	36
309	✓	Floathe & Associates	Bellevue, Wash.	2,053	1,437	13,694	9,588	11,589	8,292	36	27
310	✓	Dorland & Sweeney	Philadelphia	2,052	1,355	14,369	9,069	11,393	8,022	25	19
311		Knudsen Moore Schropfer	Stamford, Conn.	2,050	2,050	14,800	14,800	2,200	2,200	20	30
312	✓	Townsend Agency	Rosemont, Ill.	2,048	1,922	12,936	10,548	11,258	8,615	30	23
313	✓	Franznick & Cusatis Advertising	New York	2,033	1,768	13,558	10,693	5,963	3,519	28	24
314	✓	Hughes Advertising	St. Louis	2,032	1,784	14,152	14,500	8,555	7,904	34	33
315	✓	Davidoff & Partners	Westport, Conn.	2,004	1,997	13,759	11,477	7,947	4,028	36	36
316	✓	Pool/Sarraille Advertising*	Los Angeles	2,000	N/A	14,200	N/A	2,500	-	30	30
317	✓	Scharfberg & Associates	Jenkintown, Pa.	1,996	1,900	13,358	12,448	2,686	2,366	28	25
318	✓	Lieberman-Appalucci	Allentown, Pa.	1,995	1,898	14,279	13,219	8,617	8,006	N/A	N/A
319		Ehrig & Associates	Seattle	1,961	2,102	13,814	14,014	5,047	3,844	36	38
320		Wardrop Murtaugh Temple	Chicago	1,945	1,921	10,800	11,300	120	100	22	20
321	✓	Schenkein/Associates	Englewood, Colo.	1,931	1,999	12,880	13,214	11,612	12,526	28	30
322	✓	Fern/Hanaway	Providence	1,928	1,758	12,860	11,726	2,048	2,768	38	38
323	✓	Buckheim & Rowland	Ann Arbor, Mich.	1,921	1,875	12,502	12,500	6,704	6,704	31	31
324	✓	Detrow & Underwood	Ashland, Ohio	1,918	1,910	6,032	4,876	4,840	3,489	18	17
325	✓	New Trend Agency	Hackensack, N.J.	1,878	1,053	12,518	7,017	2,568	1,567	15	11
326	✓	Fessel, Siegfriedt & Moeller Advertising	Louisville	1,863	1,710	10,005	11,227	1,901	3,307	33	33
327		H. Richard Silver Inc. *	New York	1,842	1,761	12,280	11,740	-	-	16	14
328	✓	Wyble Advertising	Millville, N.J.	1,833	1,687	7,371	7,020	4,621	4,426	22	23
329	✓	Sommer Inc.	Englewood Cliffs, N.J.	1,827	1,756	12,180	11,703	3,635	3,482	17	19
330	✓	G. Temple Associates	Southfield, Mich.	1,825	1,510	8,033	6,411	6,316	4,976	16	16
331	✓	Barney & Patrick Advertising	Mobile, Ala.	1,808	1,480	12,061	9,865	2,274	1,840	24	21
332	✓	Zylke & Associates	Northbrook, Ill.	1,802	1,879	12,526	12,903	8,976	8,553	27	27
333		J.P. Hogan & Co.	Knoxville, Tenn.	1,800	1,834	12,000	10,898	8,680	8,650	24	26
334	✓	Rick Johnson & Co.	Albuquerque, N.M.	1,800	1,701	13,409	13,116	8,200	7,887	51	45
335	✓	MWA Direct	Minneapolis	1,778	1,080	4,001	2,384	4,001	2,384	7	6
336	✓	NKH&W Marketing Communications	Kansas City, Mo.	1,775	1,351	11,839	9,011	11,839	9,011	38	36
337	✓	Beckman Associates	Albany, N.Y.	1,762	1,652	12,241	9,759	9,220	6,557	34	30
338	✓	Gregory Inc.	Cleveland	1,740	1,925	11,881	12,671	5,549	5,969	34	34
339	✓	Intercommunications	Newport Beach, Calif	1,717	1,663	14,103	13,744	11,453	11,094	20	20
340	✓	Harris, Baio & McCullough	Willow Grove, Pa.	1,708	1,171	11,393	7,888	8,625	6,161	19	18
341	✓	Loeffler Ketchum Mountjoy	Charlotte, N.C.	1,702	1,389	11,467	9,258	-	-	27	25
342	✓	Peter Wong & Associates*	Richmond, Va.	1,698	867	11,064	5,722	8,672	4,712	23	17
343		Ken Schmidt Co.	Milwaukee	1,698	1,671	10,884	10,527	3,888	3,739	30	28
344		Peterson-Morris MacLachlan	Minneapolis	1,684	1,163	11,283	7,750	-	-	35	24
345	✓	Umphenour Martin Lonsdorf	Atlanta	1,669	1,380	12,042	10,955	6,048	5,298	21	18
346	✓	Smith, Kaplan, Allen & Reynolds	Omaha	1,667	1,601	11,113	10,677	1,827	1,714	40	40
347		Hal Langerman Co.	Center Square, Pa.	1,665	1,246	9,257	6,746	8,886	6,469	8	8
348	✓	Caravetta Allen Kimbrough (BBDO)	Miami	1,631	1,560	10,677	10,336	2,280	1,677	33	29
349	✓	Michael & Partners	Dallas	1,626	1,447	10,838	9,651	-	-	27	26
350		McFarland Group	Elm Grove, Wis.	1,623	1,275	9,197	8,335	3,082	2,335	19	19
351	✓	Fitzgerald & Co.	Atlanta	1,620	1,000	10,183	6,670	3,835	3,226	19	12
352	✓	Solin Associates Inc. Advertising	New York	1,620	360	17,700	3,733	800	533	13	4
353	✓	Battenberg, Fillhardt & Wright	San Jose, Calif.	1,613	1,598	12,324	11,813	6,038	6,189	16	15
354	✓	Lessing-Flynn Advertising Co.	Des Moines	1,595	881	10,719	6,940	6,444	3,412	28	19
355	✓	Lockhart & Pettus	New York	1,592	1,694	10,613	1,293	-	-	24	25
356		Greenwald/Christian Advertising	Philadelphia	1,590	1,425	10,600	9,500	2,515	2,250	20	18
357		Point Communications	Dallas	1,572	2,024	10,485	15,327	5,007	8,018	34	44
358	✓	Weiser Group	Chicago	1,567	1,718	10,513	11,636	8,631	7,004	20	17
359	✓	Mitchel & Comer	Toledo, Ohio	1,566	1,458	11,008	10,486	9,945	9,225	36	32
360	✓	John Volk Co.	Chicago	1,564	1,452	10,606	9,892	5,458	5,928	29	29
361	✓	Adams, Rickard & Mason	Glastonbury, Conn.	1,556	1,486	10,391	9,876	6,185	7,719	29	31
362		J.H. Lewis Advertising Agency	Mobile, Ala.	1,538	1,680	10,858	11,849	6,651	8,622	32	32
363	✓	Donald L. Arends	Oak Brook, Ill.	1,536	1,422	10,239	9,486	2,050	1,733	23	23
364	✓	Advertising, Boelter & Lincoln	Madison, Wis.	1,529	1,318	10,193	8,778	4,887	-	36	34
365	✓	Garcia-Serra & Blanco Advertising	Coral Gables, Fla.	1,518	1,084	10,125	7,232	8,578	6,127	31	15
366	✓	K.I. Lipton	Doylestown, Pa.	1,510	788	6,847	4,080	4,064	2,040	14	12
367	✓	Gray Baumgarten Layport	Pittsburgh	1,503	1,104	9,846	7,214	5,909	4,653	22	22
368	✓	SGM & Co. *	Norwell, Mass.	1,503	1,434	7,817	7,300	6,150	5,970	25	25
369		Smith, Badofsky & Raffel	Chicago	1,502	1,376	16,595	15,995	8,018	7,653	20	20
370		CRE Inc	Indianapolis	1,481	1,235	10,737	9,871	8,492	7,602	30	28
371	✓	Roni Hicks & Associates	San Diego	1,464	1,326	9,606	8,658	6,781	6,294	17	16
372	✓	Winterkorn Lillis*	Rochester, N.Y.	1,450	1,150	9,672	7,671	2,901	2,301	29	24
373	✓	Impact Marketing & Communications	Boston	1,423	1,350	9,238	8,637	6,770	6,337	23	20
374	✓	Laven, Fuller & Perkins	Chicago	1,421	1,351	7,769	7,505	1,857	1,754	24	24
375	✓	Larwin/Livers Associated	Willow Grove, Pa.	1,418	1,200	10,891	9,230	7,831	6,637	20	20
376	✓	CS&A Advertising	Normal, Ill.	1,416	1,048	9,196	9,512	6,802	7,150	32	29
377		R.L. Meyer Advertising	Milwaukee	1,388	1,529	12,082	13,776	2,908	2,990	18	18
378	✓	TCI Advertising	Stamford, Conn.	1,341	1,263	9,489	8,505	8,428	8,549	20	22
379	✓	Wendt Advertising	Great Falls, Mont.	1,304	1,098	8,772	7,373	5,772	4,701	30	27
380		Storey Berman & Freer Advertising	Chicago	1,300	1,195	9,700	8,950	1,100	990	17	18
381	✓	Hiebing Group	Madison, Wis.	1,260	930	12,004	8,575	7,563	5,594	33	22
382	✓	Furman, Roth Advertising	New York	1,259	1,210	8,394	7,720	1,001	800	22	22
383		Penny & Speier	Houston	1,246	1,549	14,047	14,002	10,197	9,864	27	27
384	✓	Simms & McIvor	Bound Brook, N.J.	1,227	1,854	8,686	12,869	6,577	9,998	32	36
385	✓	Marketing Directions	Newport Beach, Calif	1,226	1,219	7,961	7,830	6,047	5,957	19	21
386	✓	Tepe, Hensler & Westerkamp	Cincinnati	1,224	1,128	9,045	8,314	5,888	4,540	19	20
387		Ad Hoc Marketing Resources	New York	1,214	1,210	8,060	7,940	6,527	-	15	N/A
388		Robert McKim Advertising	Los Angeles	1,206	854	9,155	7,630	5,144	5,030	17	15
389		Gable Group Advertising*	San Diego	1,200	1,220	8,114	8,202	-	-	32	30
390	✓	Maleson Advertising	Owings Mills, Md.	1,200	975	8,000	6,500	-	-	15	15
391		Beaumont, Heller & Sperling	Reading, Pa.	1,189	1,390	7,961	8,434	7,138	8,156	35	40
392	✓	Jason Group	New York	1,170	900	12,100	9,750	-	-	18	12
393	✓	Adair Greene Advertising	Atlanta	1,168	1,265	8,092	8,315	3,276	3,340	18	18
394	✓	Hart/Conway Co.	Rochester, N.Y.	1,163	937	7,759	8,247	2,090	2,187	20	20
395	✓	Adler, Schwartz	Hackensack, N.J.	1,159	1,189	7,723	8,019	6,615	6,209	20	20
396	✓	Carter Callahan Advertising & PR	San Jose, Calif.	1,147	1,384	8,532	9,558	6,271	7,228	18	22
397	✓	McCormick Advertising Agency	Amarillo, Texas	1,144	1,005	8,224	7,072	6,650	5,814	22	20
398	✓	Kaufman & Maraffi	New York	1,112	1,093	11,054	11,500	667	-	22	22
399	✓	Hickman & Associates	Indianapolis	1,107	762	6,990	5,080	4,419	3,827	22	20
400		Martiny & Co.	Cincinnati	1,102	1,010	7,300	6,700	-	-	22	20

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See Page 4 for more footnotes. ✓ indicates that agency received signature of independent accountant verifying figures supplied to AA. * indicates that gross income figures are AA estimates.

SECTION I

Fifth 100 agencies by gross income

Rank		Agency	Headquarters	Gross income 1987	Gross income 1986	Billings 1987	Billings 1986	Capitalized fees 1987	Capitalized fees 1986	Total employees 1987	Total employees 1986
401		McConnaughy Barocci Brown	Chicago	1,100	N/A	10,000	N/A	-	-	23	5
402	✓	Polese Clancy	Boston	1,100	1,100	7,337	7,337	6,626	6,657	12	11
403	✓	John Riedell Advertising	New Brighton, Minn.	1,097	799	7,313	5,329	3,351	2,418	12	10
404		Zubi Advertising Services	Miami	1,085	893	7,300	5,700	1,084	846	17	12
405		Semel/Kaye & Co. *	Northbrook, Ill.	1,076	977	7,779	7,067	5,007	4,471	20	20
406	✓	Peter Scannell Inc.	New York	1,060	1,053	10,591	10,708	3,380	3,336	8	12
407	✓	Coakley Heagerty Cos.	Santa Clara, Calif.	1,025	1,147	7,983	8,923	5,841	6,699	15	23
408	✓	Wooding & Housley	Providence	1,020	1,050	7,040	7,000	4,637	4,128	20	23
409	✓	Roggers, French & Co.	Irvine, Calif.	1,013	1,168	8,935	9,406	2,568	2,501	25	28
410	✓	O'Sullivan Advertising/PR	Morristown, N.J.	1,002	1,286	10,909	11,703	-	-	12	18
411		Smith & Yehle	Kansas City, Mo.	996	800	6,644	5,334	3,971	3,206	18	18
412	✓	Hull & Signorile	Florham Park, N.J.	995	N/A	6,894	N/A	4,489	-	6	6
413		McKee Advertising	Elk Grove Village, Ill.	988	704	7,207	6,768	4,304	3,728	18	16
414	✓	Darryl Lloyd Brigham	North Hollywood, Calif.	949	902	6,186	5,911	3,837	4,103	13	11
415		Hirsch Elliott	New York	940	759	6,377	5,060	4,031	3,154	14	13
416		Hammerman & Morse *	Chicago	930	1,100	6,064	7,174	3,574	4,843	11	11
417	✓	Landers & Partners	St. Petersburg, Fla.	920	854	5,963	5,580	1,034	1,009	18	16
418		Martin Fiderer Associates	Englewood Cliffs, N.	919	756	6,131	5,042	5,416	4,520	10	10
419		Minturn Advertising*	Shawnee Mission, Kan	915	615	6,100	4,100	-	-	21	14
420		Emerson Marketing Agency	New York	900	892	5,999	5,790	4,667	4,707	5	5
421	✓	Coates Advertising & PR	Portland, Ore.	887	800	5,916	5,333	3,619	3,475	16	14
422	✓	Cascino & Purcell	Atlanta	882	834	5,383	5,561	1,084	1,511	12	15
423	✓	S.R. Knapp Associates	Arlington Heights, Ill.	878	730	6,749	5,032	5,458	4,400	15	10
424	✓	Haselow & Associates	Cleveland	876	763	6,540	5,700	6,540	5,091	17	16
425	✓	Associates & Larranaga	Minnetonka, Minn.	874	N/A	5,580	N/A	5,096	-	17	N/A
426		Poindexter Associates	Roanoke, Va.	866	844	5,473	5,036	1,791	1,801	14	12
427		Cooper Burch & Howe	Las Vegas, Nev.	856	662	5,336	4,126	3,242	2,481	19	15
428		Jules Rabin Associates	Valley Stream, N.Y.	850	840	4,997	4,938	-	-	20	20
429	✓	Symon & Hilliard	New York	850	1,284	5,619	8,437	4,395	6,909	9	9
430	✓	Wolkcas Advertising*	Albany, N.Y.	832	836	5,412	5,435	2,001	2,335	13	17
431		Don Wise & Co.	New York	825	975	5,500	6,500	-	-	10	15
432	✓	Elson Goot Group	Greenville, S.C.	816	818	5,171	5,384	2,930	3,016	20	18
433	✓	Tri-State Advertising Co.	Warsaw, Ind.	816	757	5,278	5,448	2,241	2,216	16	16
434		Kopf & Isaacson Advertising	Melville, N.Y.	810	705	5,762	6,063	107	173	16	16
435	✓	Mallof, Abruzino & Nash Marketing	Lombard, Ill.	808	790	6,149	5,116	12	-	15	13
436	✓	Hinckley/Slade Group	Houston	794	N/A	3,669	N/A	1,106	-	9	N/A
437	✓	Sheldon Fredericks Advertising*	New York	792	553	5,118	5,296	1,322	1,407	16	19
438	✓	Haller Schwarz	Los Angeles	784	675	5,227	6,200	-	-	13	15
439		Patterson Advertising Agency	Topeka, Kan.	783	766	5,220	5,105	3,101	2,835	19	18
440	✓	Brashe Advertising *	Jericho, N.Y.	774	722	5,148	4,800	2,796	2,642	8	7
441	✓	Shorey & Associates	Greenville, S.C	767	589	5,186	3,750	3,022	2,000	18	18
442	✓	Darien & Dahl	Campbell, Calif.	765	746	5,525	5,486	1,017	553	11	10
443	✓	Estey-Hoover	Newport Beach, Calif	763	N/A	8,619	N/A	7,646	-	17	N/A
444		Gallagher Group	New York	750	675	5,000	4,500	-	-	4	5
445	✓	Leff & Squicciarini Advertising & PR	Columbus, Ohio	740	523	4,883	3,441	3,548	2,447	14	10
446	✓	Praco Ltd.	Colorado Springs, Colo.	731	628	4,676	4,197	3,045	2,452	16	15
447		Aragon Sales Development Services *	St. Louis	725	1,320	[illegible]	7,500	-	-	7	21
448		Sandage Inc.	Burlington, Vt.	705	615	4,700	4,103	4,336	3,680	18	13
449	✓	Perry Ballard/advertising	St. Joseph, Mich.	694	508	4,536	3,201	3,845	2,575	21	18
450	✓	Martin A. Lave Marketing*	Indianapolis	692	591	4,463	3,868	298	241	16	15
451		Sheffer Advertising	South Bend, Ind.	680	810	4,831	5,748	3,960	4,712	14	15
452		AD-TECH Communication	Miami Lakes, Fla.	675	292	3,230	1,087	2,238	689	10	7
453	✓	Kaufman Goldman Stral	Chicago	671	666	4,104	3,694	1,933	1,612	15	22
454	✓	D.P.L. Advertising	Battle Creek, Mich.	664	424	4,296	2,715	3,512	2,085	14	12
455	✓	Qually & Co.	Chicago	658	471	4,500	3,800	-	-	15	14
456	✓	MarketAide Inc.	Salina, Kan.	648	646	4,476	4,408	2,663	2,797	15	13
457	✓	White, Good & Co.*	Lebanon, Pa.	645	526	4,370	3,450	2,853	2,298	13	11
458	✓	Daniel Glassman Advertising*	Fairfield, N.J.	641	N/A	4,100	N/A	2,650	-	11	N/A
459	✓	Spangler/Fischer	Minneapolis	641	625	6,389	6,151	3,105	3,080	15	11
460	✓	Lardis, McCurdy & Co.	Meriden, Conn.	640	570	4,517	3,865	1,414	1,120	14	12
461	✓	Bertucci, Mann Associates	Bristol, Pa.	634	803	3,793	3,161	3,008	2,561	17	14
462	✓	Koss, Wesson & Associates	Elm Grove, Wis.	615	435	4,100	2,900	3,160	2,625	6	6
463	✓	Oppenheim Herminghausen Finley	Dayton, Ohio	600	480	4,000	3,200	-	-	12	12
464	✓	Marketing Associates International	Green Bay, Wis.	589	507	4,709	4,244	3,929	3,381	15	14
465	✓	Earle Bower Associates	New York	562	579	3,722	3,702	1,282	1,236	7	6
466	✓	Ad-Pro Inc.	Sycamore, Ill.	554	462	3,664	3,108	2,876	2,372	11	10
467	✓	Dallas C. Dort & Co. *	Flint, Mich.	544	881	3,631	5,875	-	-	8	8
468	✓	CTS Associates	Detroit	542	377	3,795	2,076	427	280	9	8
469		FitzSimons Advertising & PR	Cleveland	523	459	3,884	3,407	1,903	1,669	13	11
470		Noble Arnold & Associates	Schaumburg, Ill.	521	521	3,950	3,368	2,753	2,308	15	15
471	✓	Asher Agency	Fort Wayne, Ind.	515	482	3,491	2,789	920	774	11	9
472		Schroeder Advertising*	New York	492	450	3,282	3,000	582	-	N/A	N/A
473	✓	A.I.M. Inc.	Foster City, Calif.	492	354	2,371	1,543	280	-	8	7
474	✓	Jonethis Organization	Akron, Ohio	490	862	5,327	7,069	4,719	6,686	14	14
475	✓	Jiloty Communications	Holly Hill, Fla.	485	469	4,066	3,771	2,219	2,057	11	10
476	✓	Hinton & Steel	Seattle	472	487	4,006	4,410	2,675	2,687	12	12
477	✓	Sader & Associates	New York	452	N/A	3,150	N/A	1,400	-	3	N/A
478		Blanchard & Associates	Minneapolis	450	350	3,042	2,372	2,066	1,490	7	7
479	✓	Covey & Koons	Canton, Ohio	438	494	2,925	3,297	1,722	1,905	11	10
480	✓	William Mills/Advertising & Marketing*	Atlanta	430	[illegible]	1,628	2,062	687	1,026	10	13
481	✓	James & Thomas	Chicago	405	385	3,341	3,288	2,275	2,259	8	8
482	✓	Kinzie & Green	Wausau, Wis.	378	223	2,515	1,624	1,551	759	11	6
483	✓	Hicks & Associates	Coral Gables, Fla.	350	356	2,064	2,035	357	261	3	3
484		Bernard Popick Associates	Atlantic, N.J.	346	338	2,310	2,256	2,310	2,256	7	7
485		MSA Advertising*	Philadelphia	344	522	3,119	2,904	1,283	1,303	7	7
486	✓	Faber Shervey Advertising	Minneapolis	282	270	1,880	1,795	1,105	1,109	5	6
487	✓	L. Quillin & Associates	LaCrosse, Wis.	280	294	1,834	1,897	1,266	1,358	5	7
488	✓	Barlow Murray Advertising*	Syracuse, N.Y.	268	383	1,758	2,517	1,407	1,979	7	7
489	✓	Creel Associates	Oak Brook, Ill.	250	218	1,664	1,453	1,047	1,036	9	8
490	✓	Halcyon Associates	New York	227	200	1,514	1,505	1,067	1,005	3	6
491	✓	Cowden Associates Advertising	Grand Junction, Colo	215	146	1,586	1,118	1,125	604	5	6
492		Jack Mathis Advertising	Libertyville, Ill.	208	211	1,384	1,404	813	827	3	3
493	✓	AdCorp International Hawaii	Honolulu, Ha.	204	185	1,297	1,178	230	318	6	6
494	✓	Little & Associates	Atlanta	200	166	1,342	106	-	-	2	2
495	✓	Admiralty Marketing & Advertising	Burlingame, Calif.	189	N/A	1,219	N/A	334	-	3	N/A
496		NPC & Associates	Landover, Md.	178	N/A	1,187	N/A	367	-	10	N/A
497	✓	Fraser Advertising	Atlanta	166	N/A	1,106	N/A	209	-	4	4
498	✓	Arnold & Underwood	San Francisco	160	N/A	1,092	N/A	1,067	-	2	N/A
499		Keller Haver	New York	135	225	900	1,500	50	50	5	5
500	✓	Concepts & Strategies	Westport, Conn.	96	68	638	454	638	454	3	3

NOTES: Dollars are in thousands. Initials in parentheses indicate parent agency in which subsidiaries' figures are included.
See Page 4 for more footnotes. ✓ indicates that agency received signature of independent accountant verifying figures supplied to AA. * indicates that gross income figures are AA estimates.

Agency billings by media

✓	Agency	Headquarters	Newspapers	Magazines	Medical journals	Supplements	Radio	Network TV	Spot TV	Cable TV	Outdoor	Business papers	Farm papers	Transit ads	Point of sale	Direct response	Special events
✓	Abelson-Taylor	Chicago	145	0	12,246	0	176	0	0	0	202	0	0	0	1,546	9,891	0
✓	Ackerman Advertising Communications	Glen Head, N.Y.	2,200	600	0	0	2,075	0	1,300	0	0	200	0	50	100	2,225	0
✓	Ackerman, Hood & McQueen	Oklahoma City	1,586	3,348	0	0	1,057	0	8,459	352	176	2,643	0	0	0	0	0
	AC&R/DHB&Bess	New York	64,975	58,022	0	0	9,675	29,780	83,363	0	1,834	5,710	0	0	0	0	0
✓	Adair Greene Advertising	Atlanta	7	30	129	0	72	0	336	0	103	0	0	0	0	85	0
✓	**Adams, Rickard & Mason**	**Glastonbury, Conn.**	35	358	0	0	15	0	0	0	0	728	0	0	0	56	0
✓	**AdCorp International Hawaii**	**Honolulu, Hawaii**	357	36	0	0	71	0	143	0	0	36	0	0	36	36	0
	Ad Hoc Marketing Resources	**New York**	0	0	0	0	0	0	0	0	0	0	0	0	0	110	0
✓	**Adler, Schwartz**	**Hackensack, N.J.**	1,158	1,156	0	0	386	0	0	0	0	0	0	0	1,544	3,475	0
	Admarketing	**Los Angeles**	7,600	3,800	0	0	13,800	0	146,200	0	1,900	0	0	0	3,700	18,800	0
✓	Admiralty Marketing & Advertising	Burlingame, Calif.	0	650	0	0	0	0	0	0	0	80	0	0	0	30	0
✓	Ad-Pro Inc.	Sycamore, Ill.	19	337	0	0	0	0	0	0	0	0	0	0	0	17	0
	Ad-Tech Communication	Miami Lakes, Fla.	0	0	238	0	0	0	0	0	0	0	0	0	0	0	0
✓	A.I.M. Inc.	Foster City, Calif.	649	200	0	0	450	0	351	0	0	0	4	0	0	60	0
	Ally & Gargano	New York	17,000	64,500	0	0	4,800	76,500	82,700	7,000	24,000	0	0	4,000	500	5,000	0
✓	Altschiller Reitzfeld	New York	7,300	9,220	0	0	2,420	21,290	14,270	0	0	0	0	0	0	0	0
	Ammirati & Puris	New York	15,300	39,100	0	0	1,700	57,800	47,600	5,100	1,700	1,700	0	0	0	0	0
✓	Anderson Communications Cos.	Dallas	1,270	654	46	0	71	0	374	0	3	0	48	0	0	22	0
	Anderson & Lembke	Stamford, Conn.	14,700	0	0	0	0	0	0	0	0	16,500	0	0	0	5,500	0
	Anson-Stoner	Winter Park, Fla.	1,184	1,017	0	0	153	10,308	0	0	56	0	0	0	0	168	0
	Aragon Sales Development Services	**St. Louis**	0	70	0	0	0	0	0	0	0	0	0	0	150	3,680	0
✓	**Donald L. Arends**	**Oak Brook, Ill.**	175	54	0	0	796	0	84	0	0	1,700	0	0	37	91	0
✓	**N. Armstrong Advertising Agency**	**Lubbock, Texas**	97	3	0	0	101	134	0	5	9	0	2	0	0	13	91
	Noble Arnold & Associates	**Schaumburg, Ill.**	89	0	351	0	0	0	0	0	0	0	21	0	52	21	0
✓	**Asher Agency**	**Fort Wayne, Ind.**	410	257	0	0	488	0	2,119	33	44	0	0	0	0	140	0
✓	Associates & Larranaga	Minnetonka, Minn.	0	98	35	0	0	0	0	0	0	0	0	0	0	14	0
	Avrett, Free & Ginsberg	New York	2,366	5,915	0	0	1,774	46,730	2,367	0	0	0	0	0	0	0	0
	N W Ayer	New York	70,444	142,280	0	6,238	37,107	292,911	93,562	0	4,526	15,389	0	0	0	26,434	0
	Backer Spielvogel Bates Worldwide	New York	47,600	48,105	0	0	64,140	598,639	224,490	10,600	5,300	0	0	0	0	0	0
✓	Bader Rutter & Associates	Brookfield, Wis.	2,033	856	0	0	3,049	0	4,480	0	254	5,082	7,369	0	0	2,287	0
✓	Baker, Abbs, Cunningham & Klepinger	Birmingham, Mich.	1,896	2,079	0	0	1,037	0	452	0	277	0	0	0	0	207	0
✓	Perry Ballard/advertising	St. Joseph, Mich.	22	205	0	0	25	0	58	0	42	0	0	0	0	0	0
✓	Barlow Murray Advertising	Syracuse, N.Y.	89	0	0	0	43	0	1	0	11	26	0	0	0	0	0
✓	Barney & Patrick Advertising	Mobile, Ala.	909	182	0	0	2,420	0	4,882	25	160	121	0	0	147	138	0
✓	Barnhart Advertising & PR	Denver	702	1,018	0	0	1,651	1,800	0	0	380	0	0	0	0	201	0
	Barnum Communications	**New York**	1,652	4,956	22,715	0	413	1,239	1,652	413	0	0	0	0	0	2,891	0
	Baron & Zaretsky	**New York**	3,800	6,425	0	0	1,375	0	1,200	0	0	2,650	0	0	0	0	0
✓	**Battenberg, Fillhardt & Wright**	**San Jose, Calif.**	486	428	0	0	328	0	0	0	46	4,060	0	0	0	54	0
✓	**Bauerlein Inc.**	**New Orleans**	1,601	1,173	0	0	1,472	0	3,240	171	325	0	0	0	0	0	0
	Bayer Bess Vanderwarker & Flynn	**Chicago**	959	5,474	0	255	1,526	37,613	6,236	826	0	0	0	0	0	0	0
	BBDO Worldwide	New York	68,789	155,215	0	6,488	59,213	298,949	209,820	19,410	13,197	2,187	0	0	0	0	6,700
	Beaumont, Heller & Sperling	Reading, Pa.	21	0	0	0	0	0	0	0	8	94	0	0	0	2,601	0
✓	Beckman Associates	Albany, N.Y.	393	196	0	0	786	0	1,179	0	786	0	0	0	196	196	196
	Benito Advertising	Tampa, Fla.	3,301	1,798	0	0	7,942	100	23,015	0	899	408	0	0	0	0	0
	Bentley, Barnes & Lynn	Chicago	30,796	2,240	0	0	498	3,850	969	0	69	1,320	0	120	0	825	0
✓	Berenson, Isham & Partners	Boston	527	186	0	0	182	0	107	75	73	0	0	0	56	2,435	0
	Berenter Greenhouse & Webster	New York	3,016	2,784	0	0	928	3,000	10,224	1,600	250	464	0	434	0	500	0
✓	Bermudez & Associates	Los Angeles	821	0	0	0	2,512	0	4,924	0	0	0	0	0	0	0	0
	Bernstein-Rein Advertising	Kansas City, Mo.	5,631	4,020	0	0	9,151	0	47,369	1,408	2,112	704	0	0	0	0	0
✓	Bertucci, Maren Associates	Bristol, Pa.	11	0	0	0	18	0	0	10	0	112	0	6	30	193	23
✓	**BHN Advertising & PR**	**St. Louis**	1,041	53	0	0	2,019	0	2,351	0	263	2,816	5	0	0	959	0
	Biederman & Co.	**New York**	2,124	6,004	0	0	478	0	5,344	0	112	0	0	0	0	0	0
	William R. Biggs/Gilmore Associates	**Kalamazoo, Mich.**	678	8,136	3,390	0	904	678	0	452	226	6,780	904	0	0	452	0
✓	**Blair Advertising**	**Rochester, N.Y.**	715	825	0	0	1,391	0	1,926	220	65	220	0	65	0	75	0
	Barry Blau & Partners	**Fairfield, Conn.**	0	0	0	0	0	0	0	0	0	0	0	0	0	64,378	0
✓	The Bloom Cos.	Dallas	6,300	14,300	0	0	27,700	22,600	47,200	0	4,500	0	0	0	0	0	0
✓	Advertising, Boelter & Lincoln	Madison, Wis.	364	109	0	0	838	0	874	0	219	73	0	109	73	947	36
✓	Bonneville Media Communications	Salt Lake City	200	467	0	0	1,334	3,002	667	0	0	[illegible]	0	0	0	1,001	0
✓	Borders, Perrin & Norrander	Portland, Ore.	2,332	3,664	0	0	3,996	0	1,666	0	1,263	[illegible]	0	266	0	133	0
✓	Earle Bower Associates	New York	11	292	93	0	15	0	148	396	90	19	0	58	0	701	0
✓	Bozell, Jacobs, Kenyon & Eckhardt	New York	119,200	186,800	0	0	97,800	165,800	155,700	18,700	11,400	0	0	0	0	13,600	0
✓	The Brady Co.	Menomonee Falls, Wis.	41	14	1,076	0	60	0	0	0	0	511	1,000	0	0	0	0
✓	Brashe Advertising	Jericho, N.Y.	1,614	0	0	0	395	0	0	114	0	23	0	0	45	69	13
✓	Brouillard Communications	New York	9,435	8,216	0	9,340	818	8,012	4,241	0	0	0	0	0	0	0	0
✓	Earle Palmer Brown Cos.	Bethesda, Md.	26,300	7,200	500	800	17,400	8,900	40,900	1,200	1,800	4,100	0	300	400	26,500	100
✓	**Buckheim & Rowland**	**Ann Arbor, Mich.**	2,300	600	0	0	287	0	115	0	86	0	0	0	100	500	0
✓	**David K. Burnap Advertising Agency**	**Dayton, Ohio**	690	4,139	0	0	1,380	0	2,759	0	0	0	0	0	0	4,829	0
✓	**Leo Burnett Co.**	**Chicago**	70,951	200,916	0	7,766	26,369	675,428	210,196	19,106	73,617	0	0	0	13,447	12,813	0
	Burrell Advertising	**Chicago**	1,200	8,000	0	0	8,825	13,700	4,040	0	0	0	0	0	0	0	0
✓	**Lawrence Butner Advertising**	**New York**	913	0	0	0	0	0	0	7,989	0	225	0	226	116	13,352	0
	Calvillo, Shevack & Partners	New York	2,848	5,997	0	217	3,713	5,322	8,787	681	309	124	0	92	681	2,169	0
	Campbell-Mithun	Minneapolis	42,500	60,725	0	6,375	29,750	53,040	150,960	0	3,825	13,600	1,275	0	0	0	0
✓	Campbell & Wagman	Los Angeles	1,072	4,287	0	0	2,679	9,915	8,575	0	268	0	0	0	0	0	0
✓	Caravetta Allen Kimbrough	Miami	1,962	1,223	0	0	1,911	0	431	0	434	0	0	0	0	0	0

NOTES: Dollars are in thousands. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. See Page 4 for more footnotes.

Agency billings by media

✓	Agency	Headquarters	Newspapers	Magazines	Medical journals	Supplements	Radio	Network TV	Spot TV	Cable TV	Outdoor	Business papers	Farm papers	Transit ads	Point of sale	Direct response	Special events
✓	Carmichael Lynch	Minneapolis	1,942	7,355	0	0	1,298	951	7,377	101	505	988	0	0	712	525	0
✓	Carter Callahan Advertising & PR	San Jose, Calif.	313	172	0	0	125	0	110	0	47	110	0	0	0	78	0
✓	Cascino & Purcell	Atlanta	526	1,038	0	0	166	935	807	0	94	133	405	0	0	0	0
	Chiat/Day	Venice, Calif.	26,357	59,902	0	0	14,377	52,714	76,675	0	9,584	0	0	0	0	0	0
✓	Ted Chin & Co.	New York	600	1,081	0	0	300	960	1,801	300	0	180	0	240	0	540	0
	Clark Direct Marketing	New York	0	0	0	0	0	0	0	0	0	0	0	0	0	5,900	0
✓	Coakley Heagerty Cos.	Santa Clara, Calif.	104	286	0	0	128	0	18	0	29	0	0	0	0	0	0
✓	Coates Advertising & PR	Portland, Ore.	343	433	0	0	193	0	300	0	107	0	0	0	0	2	0
	Cochrane Chase Livingston	Newport Bch, Cal.	2,847	2,011	1,850	452	8,295	0	7,995	0	200	0	0	0	0	1,350	0
✓	Cole Henderson Drake	Atlanta	2,300	4,600	0	0	1,200	0	2,800	0	100	0	0	0	0	0	0
✓	Cole & Weber	Seattle	4,558	7,293	0	0	5,862	46	15,443	0	433	6,143	0	0	0	875	0
	Colle & McVoy Advertising Agency	Minneapolis	16,166	14,301	0	0	6,218	0	18,031	0	622	0	6,218	0	0	622	0
	Conill	New York	438	561	0	0	7,257	6,324	6,346	0	333	20	0	400	0	0	511
✓	William Cook Advertising	Jacksonville, Fla.	7,007	637	0	0	6,582	0	51,551	0	2,619	2,053	0	0	0	0	0
	Cooper Burch & Howe	Las Vegas	748	89	0	0	178	0	249	71	196	125	0	0	0	71	53
✓	Frank J. Corbett Inc.	Chicago	2,644	0	7,931	0	0	0	0	0	0	0	0	0	5,287	10,575	0
	Cosmopulos, Crowley & Daly	Boston	6,000	5,800	0	750	4,900	0	1,950	0	1,000	500	0	650	0	0	0
✓	Covey & Koons	Canton, Ohio	80	0	0	0	167	0	0	0	0	392	0	0	0	0	0
✓	Cowden Associates Advertising	Grand Junction, Co.	102	5	0	0	42	0	124	2	3	1	0	0	0	38	3
✓	Cramer-Krasselt Co.	Milwaukee	7,205	14,975	0	0	2,950	12,610	17,690	0	935	5,840	0	0	0	12,790	0
	Cranford Johnson Robinson Associates	Little Rock, Ark.	2,543	1,348	0	15	656	0	2,334	0	606	0	0	0	0	0	0
✓	Creel Associates	Oak Brook, Ill.	137	86	0	0	17	0	0	0	0	51	0	0	44	7	0
	CRE Inc	Indianapolis	69	1,029	0	0	95	0	80	0	18	0	0	0	0	14	0
✓	Creswell, Munsell, Fultz & Zirbel	Cedar Rapids, Iowa	1,849	0	0	0	6,471	0	9,244	0	924	2,311	7,395	0	0	0	6,009
✓	CS&A Advertising	Normal, Ill.	10	708	66	0	0	0	0	0	0	0	0	0	59	141	0
✓	CTS Associates	Detroit	204	105	0	0	200	0	68	0	86	0	0	0	6	286	13
	D'Arcy Masius Benton & Bowles	New York	78,607	138,564	0	0	63,620	460,983	280,120	7,994	23,982	0	0	0	0	15,718	0
✓	Darien & Dahl	Campbell, Calif.	301	37	0	0	1,289	0	2,410	127	3	15	0	0	0	6	0
✓	Davidoff & Partners	Westport, Conn.	970	1,293	0	0	1,122	0	2,399	49	39	0	0	20	39	395	0
✓	Davis, Johnson, Mogul & Colombatto	Los Angeles	14,080	3,041	0	0	18,718	69,347	0	0	1,333	85	0	0	0	0	0
	DDB Needham Worldwide	New York	76,361	143,723	0	0	48,673	342,124	211,599	464	12,556	0	0	0	0	6,886	463
	Paul A. DeJesse Inc. Advertising	Freehold, N.J.	0	0	15,200	0	0	0	0	0	0	0	0	0	0	0	0
✓	Della Femina, Travisano & Partners	New York	26,889	34,059	0	0	14,341	5,378	84,252	1,793	3,585	8,963	0	0	0	0	0
✓	Detrow & Underwood	Ashland, Ohio	0	100	0	0	0	0	0	0	0	486	0	0	0	25	0
✓	David Deutsch Associates	New York	3,725	11,810	0	0	0	6,210	14,770	2,355	817	2,334	0	455	226	1,701	0
	Direct Marketing Group	New York	0	0	0	0	0	0	0	0	0	0	0	0	1,408	148,302	0
✓	Doe-Anderson Advertising Agency	Louisville	1,177	2,247	0	0	1,937	0	1,969	0	683	1,467	0	0	0	1,998	0
	W.B. Doner & Co.	Southfield, Mich.	15,720	12,654	0	0	38,486	12,586	84,113	0	2,841	0	0	0	0	11,446	0
✓	Doremus & Co.	New York	90,115	30,265	0	0	3,300	0	3,300	3,300	1,300	0	0	0	0	0	0
✓	Dorland & Sweeney	Philadelphia	85	65	985	0	0	0	0	0	0	0	0	0	850	180	0
	Dorritie & Lyons	New York	0	0	23,000	0	0	0	0	500	0	0	0	0	0	1,500	0
✓	Doyle Graf Mabley	New York	10,862	22,435	0	0	5,720	0	10,807	0	200	0	0	0	0	0	0
✓	D.P.L. Advertising	Battle Creek, Mich.	20	50	0	0	10	0	0	0	0	130	5	0	100	439	30
✓	Drackett & Lavidge	Phoenix	434	429	0	0	602	0	1,070	0	154	0	0	0	0	0	0
✓	Drossman Lehmann Marino	New York	3,000	900	0	0	200	15,100	1,000	0	100	0	0	0	0	0	0
✓	Dudnyk Enterprises	Horsham, Pa.	0	200	200	0	200	0	0	0	0	400	520	0	400	800	1,236
	Dudreck DePaul Ficco & Morgan	Pittsburgh	1,100	340—	0	0	1,660	0	4,000	15	621	563	0	53	0	305	0
✓	Duffy & Shanley	Providence, R.I.	1,431	1,416	0	0	275	0	679	0	78	0	0	0	0	0	0
✓	Dugan/Farley Communications Associates	Uppr. Sddl. Rvr, N.J.	0	0	3,203	0	0	0	0	0	0	0	0	0	0	2,330	291
	Ehrig & Associates	Seattle	4,386	145	0	0	871	0	1,346	0	43	363	0	58	0	36	0
✓	Eisaman, Johns & Laws	Los Angeles	6,400	29,100	0	2,500	12,300	18,100	11,700	3,300	3,700	1,800	0	0	0	340	0
✓	Eisner & Associates	Baltimore	6,276	1,819	0	0	5,045	0	8,640	909	632	963	0	133	1,364	1,705	0
✓	Elson Goot Group	Greenville, S.C.	424	121	0	0	121	0	803	0	81	0	0	0	0	61	121
✓	Elgin Syferd	Seattle	2,105	6,962	0	0	3,238	0	3,238	15	406	182	5	61	0	0	0
✓	Elkman Advertising	Bala Cynwyd, Pa.	6,545	301	0	0	3,835	0	7,486	40	422	0	0	0	0	1,445	0
	Emerson Marketing Agency	New York	0	0	0	0	0	0	0	0	0	53	0	0	0	477	0
	John Emmerling Inc.	New York	1,110	4,440	0	0	2,220	0	2,220	0	555	555	0	0	0	0	0
✓	Ephron, Raboy & Tsao	New York	3,966	7,467	0	665	457	4,242	8,729	421	140	3,015	0	0	0	5,924	0
	Epsilon	Burlington, Mass.	0	0	0	0	0	0	0	0	0	0	0	0	0	6,650	0
✓	Eric Ericson & Associates	Nashville	1,455	1,524	0	0	1,974	4,842	6,496	643	411	0	0	0	0	0	0
✓	Estey-Hoover	Newport Bch, Calif.	122	203	0	0	34	0	41	24	27	135	0	0	7	64	20
	William Esty Co.	New York	6,000	48,000	0	0	15,000	134,000	58,000	0	3,000	5,000	0	0	0	0	0
✓	Evans Communications	Salt Lake City	20,032	12,076	0	0	15,270	4,800	28,000	0	3,422	0	0	0	0	0	0
✓	Faber Shervey Advertising	Minneapolis	0	562	0	0	0	0	0	0	0	0	3	0	104	832	65
✓	Fahlgren & Swink	Parkersburg, W.Va.	5,163	4,263	0	0	9,593	5,191	19,553	1,124	1,680	[illegible]	0	0	0	2,233	0
✓	Fallon McElligott	Minneapolis	5,655	15,461	0	0	3,935	1,044	32,634	0	1,329	[illegible]	0	0	0	0	0
✓	Thomas G. Ferguson Associates	Parsippany, N.J.	71	0	5,673	0	106	0	0	213	0	[illegible]	0	106	0	922	0
✓	Fessel, Siegfriedt & Moeller Advertising	Louisville	4,008	1,028	0	0	1,102	0	748	0	182	[illegible]	0	0	1,530	907	499
	Martin Fiderer Associates	Englewood Cliffs, N.J.	0	200	1,900	0	0	0	0	0	0	0	0	0	0	3,550	0
	Firestone & Associates	New York	1,161	2,850	0	426	427	0	8,454	0	0	[illegible]	0	0	106	106	0
✓	Fitzgerald & Co.	Atlanta	1,920	3,820	0	0	418	0	2,147	0	23	0	0	82	13	365	0
	FitzSimons Advertising & PR	Cleveland	398	221	0	0	295	0	251	29	15	177	0	0	29	59	0
✓	Fletcher/Mayo/Associates	St. Joseph, Mo.	227	151	0	0	340	0	378	0	38	1,514	0	0	454	151	0
✓	Floathe & Associates	Bellevue, Wash.	0	650	0	0	0	0	0	0	0	205	0	0	0	0	0

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Agency billings by media

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	Fogarty & Klein	Houston	4,016	1,039	260	260	5,975	0	10,311	260	1,039	2,338	0	0	0	779	0
✓	Food Group	New York	0	5,200	0	0	0	0	0	0	0	0	0	0	0	0	0
	Foote, Cone & Belding Communications	Chicago	72,931	104,355	0	13,028	52,506	269,096	177,997	0	16,514	0	0	0	24,428	213,103	0
✓	Albert Frank-Guenther Law	New York	19,839	7,772	0	0	150	0	100	100	0	15,578	0	50	0	200	25
	Frankenberry, Laughlin & Constable	Milwaukee	3,123	2,620	0	56	3,430	2,008	11,662	0	558	3,152	0	0	0	1,281	0
✓	Franznick & Cusatis Advertising	New York	550	2,310	0	0	1,890	0	2,070	0	0	0	0	0	0	80	0
✓	Fraser Advertising	Atlanta	212	8	0	0	104	0	354	0	0	69	0	0	0	24	0
✓	Furman, Roth Advertising	New York	1,400	500	0	0	2,000	1,500	2,400	200	0	0	0	0	0	0	0
	Gable Group Advertising	San Diego	1,886	1,230	0	0	1,800	0	820	82	0	1,769	0	0	0	199	0
	Gallagher Group	New York	1,300	0	0	0	300	0	3,100	100	100	0	0	0	0	100	0
✓	Garcia-Serra & Blanco Advertising	Coral Gables, Fla.	232	186	0	155	139	0	294	46	46	0	0	31	170	155	93
	Geer, DuBois	New York	8,000	34,000	0	0	3,000	17,000	38,000	3,000	7,000	1,000	1,000	2,000	0	1,000	0
✓	Gerber Advertising Agency	Portland, Ore.	1,665	2,050	0	0	1,661	0	1,872	0	88	0	0	0	0	64	0
✓	Daniel Glassman Advertising	Fairfield, N.J.	0	0	450	0	0	0	0	0	0	200	0	0	0	2,500	450
✓	Goodwin, Dannenbaum, Littman & Wingfield	Houston	4,632	1,158	0	0	2,316	0	10,421	1,158	1,158	2,316	0	0	0	0	0
✓	Grace & Rothschild	New York	3,100	18,900	0	0	930	0	1,725	1,860	4,030	310	0	0	0	0	0
✓	Grant/Jacoby	Chicago	2,000	3,000	0	0	2,000	6,000	20,000	3,000	1,000	2,000	0	0	3,000	19,000	0
✓	Gray Baumgarten Layport	Pittsburgh	1,772	2,461	0	0	788	0	985	197	1,477	1,871	0	0	295	0	0
	Greenwald/Christian Advertising	Philadelphia	2,208	736	0	0	2,208	0	1,840	0	147	0	0	0	0	221	0
✓	Gregory Inc.	Cleveland	58	2,372	0	0	12	0	12	0	0	0	0	0	0	2,923	0
✓	Grey Advertising	New York	110,200	155,100	0	0	82,600	507,200	330,400	40,800	17,700	0	0	0	43,500	92,500	0
	Griffin Bacal	New York	800	12,100	0	0	0	27,000	92,300	2,000	0	0	0	0	0	0	0
	Gross Townsend Frank Hoffman	New York	250	250	14,000	0	1,000	0	100	0	0	300	0	0	500	10,200	0
✓	Group 243	Ann Arbor, Mich.	2,800	3,450	0	0	4,200	23,250	3,800	750	0	350	0	0	1,400	1,850	0
	Gumpertz/Bentley/Fried	Los Angeles	896	1,620	0	0	2,738	1,047	7,233	68	767	441	0	0	0	0	0
✓	Haddon Advertising	Chicago	1,500	2,500	0	0	500	0	3.500	0	0	0	0	0	0	2,000	0
✓	Halcyon Associates	New York	76	606	0	0	0	0	0	0	0	76	0	0	0	757	0
✓	Haller Schwarz	Los Angeles	1,307	1,568	0	0	261	0	261	0	523	784	0	0	261	261	0
	Hallmark Advertising	Pittsburgh	720	451	0	736	3,500	0	6,950	500	200	130	0	90	910	880	0
	Hammond Farrell	New York	1,872	0	0	0	0	0	562	0	0	12,168	0	0	0	4,118	0
✓	Harris, Baio & McCullough	Willow Grove, Pa.	16	1,261	0	0	85	0	60	375	150	0	0	0	90	50	0
✓	Hart/Conway Co.	Rochester, N.Y.	2,064	59	0	0	1,200	0	1,258	0	134	0	0	0	0	0	0
✓	HDM	New York	12,233	28,517	0	32	13,638	17,183	30,256	832	3,183	0	16,410	0	0	0	0
	Henderson Advertising	Greenville, S.C.	2,911	7,387	0	0	3,346	18,726	7,256	0	565	1,217	0	0	1,086	0	0
✓	Hickman&Associates	Indianapolis	113	462	149	0	367	0	398	15	24	0	0	0	0	13	0
✓	Hicks & Associates	Coral Gables, Fla.	269	177	0	0	191	0	401	0	0	314	0	0	0	0	0
✓	Roni Hicks & Associates	San Diego	1,454	281	0	0	99	0	0	0	67	0	0	0	7	48	0
✓	Hiebing Group	Madison, Wis.	555	131	0	0	261	0	1,665	0	98	0	0	0	33	196	0
✓	High Plains Publishers	Dodge City, Kan.	48	0	0	0	92	10	0	0	0	0	0	0	0	0	0
✓	Hill, Holliday, Connors, Cosmopulos	Boston	26,954	24,321	0	0	8,634	9,160	28,217	1,895	1,790	1,156	0	0	0	3,159	0
✓	Hinckley/Slade Group	Houston	333	1,166	0	0	51	0	0	0	77	33	0	0	0	121	0
✓	Hinton & Steel	Seattle	317	158	0	0	0	0	125	0	0	158	0	0	0	0	0
	Hirsch Elliott	New York	422	26	0	0	44	0	0	0	0	387	0	0	0	0	0
✓	Bernard Hodes Advertising Group	New York	123,780	17,400	0	0	0	0	0	0	0	0	0	0	0	32,669	0
	J.P. Hogan & Co.	Knoxville, Tenn.	91	250	0	0	400	0	140	0	24	835	0	0	33	27	0
	Homer & Durham Advertising	New York	3,845	7,177	0	513	2,307	0	1,538	0	0	5,383	0	0	2,307	2,563	0
✓	Hughes Advertising	St. Louis	544	1,743	0	0	1,035	0	1,549	0	13	0	0	0	0	0	0
✓	Hull & Signorile	Florham Park, N.J.	0	179	0	0	0	1,432	90	90	0	0	0	0	0	0	0
✓	Huntsinger & Jeffer	Richmond, Va.	0	1,971	0	0	0	0	187	0	0	0	0	0	0	5,355	0
✓	Image Dynamics	Baltimore	929	245	0	0	428	0	510	0	85	0	0	0	0	0	0
✓	Impact Marketing & Communications	Boston	100	1,315	0	0	0	0	0	0	0	300	0	0	0	0	0
✓	Ingalls, Quinn & Johnson	Boston	20,705	28,700	0	0	20,481	6,787	29,000	200	100	0	0	25	0	262	0
✓	Intercommunications	Newport Bch, Calif.	4,231	2,821	0	0	2,115	0	705	0	2,821	0	0	0	0	1,410	0
	Isidore & Paulson	New York	5,300	2,962	0	0	385	0	9,730	0	0	1,156	0	0	0	0	0
✓	James & Thomas	Chicago	399	215	0	0	77	0	0	0	23	14	0	0	0	40	0
✓	Jason Group	New York	780	4,290	0	0	780	1,170	0	0	0	780	0	0	0	0	0
✓	Jayme Organization	Beachwood, Ohio	36	141	0	0	0	0	0	0	0	2,558	0	0	0	101	0
✓	Jiloty Communications	Holly Hill, Fla.	234	234	23	23	175	35	105	47	93	47	0	23	47	82	0
✓	Rick Johnson & Co.	Albuquerque, N.M.	688	124	0	0	960	0	1,898	0	398	0	0	0	0	14	44
✓	Jonethis Organization	Akron, Ohio	68	90	0	0	144	0	190	12	80	0	0	0	0	24	0
	Jordan, McGrath, Case & Taylor	New York	5,200	19,914	0	1,120	14,481	133,366	53,236	14,820	4,213	1,450	0	0	0	0	0
	Jordan Tamraz Caruso Advertising	Chicago	6,962	1,160	0	0	4,177	0	9,282	464	696	232	0	0	232	0	0
✓	Juhl Agency	Elkhart, Ind.	217	2,801	0	0	371	0	504	0	0	1,726	0	0	0	320	0
✓	Kallir, Philips, Ross	New York	0	0	16,843	0	0	0	0	0	0	0	0	0	0	14,734	0
✓	Karsh & Hagan	Englewood, Colo.	1,654	242	0	0	1,733	0	5,012	0	31	0	0	0	0	0	0
✓	Kaufman Goldman Siral	Chicago	0	0	0	0	0	0	0	0	0	4,104	0	0	0	0	0
✓	Kaufman & Maraffi	New York	1,768	3,382	0	0	1,537	0	384	0	0	0	0	0	615	0	0
	Keller-Crescent Co.	Evansville, Ind.	1,498	2,773	0	0	1,595	0	11,914	0	135	3,311	0	0	0	876	0
	Keller Haver	New York	450	135	0	0	90	0	0	0	0	135	0	0	90	0	0
	Kenrick Advertising	St. Louis	400	2,053	0	0	1,681	800	3,001	90	21	41	1,600	0	500	500	0
	Kerlick, Switzer & Johnson Advertising	St. Louis	4,900	700	0	300	4,700	0	7,100	300	200	1,500	100	1,000	0	2,100	0
✓	Kert Advertising	Ft. Lauderdale, Fla.	1,435	4	0	0	653	0	382	0	0	0	0	0	546	0	0
✓	Ketchum Advertising	Pittsburgh	29,902	68,854	0	0	30,296	62,952	110,166	0	3,541	27,935	0	0	0	58,230	0
✓	Key/Donna/Pearlstein	Los Angeles	5,565	14,609	0	0	2,783	6,957	33,393	348	5,913	0	0	0	0	0	0

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Agency billings by media

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✓	Keyes Martin Gaby Linett	Springfield, N.J.	3,938	1,969	0	0	2,148	0	2,148	0	1,790	2,506	0	0	179	2,148	1,074
✓	Kinzie & Green	Wausau, Wis.	138	0	0	0	57	0	129	0	26	224	0	0	0	219	0
	Klemtner Advertising	New York	0	1,700	33,400	0	0	7,500	0	1,200	0	0	0	0	0	7,000	0
✓	S.R. Knapp Associates	Arlington Heights, Ill.	1,186	1,621	79	0	0	0	672	0	0	0	0	0	0	395	0
	Knudsen Moore Schropfer	Stamford, Conn.	1,000	2,000	0	0	1,000	0	4,000	0	0	1,000	0	0	0	0	0
	Kobs & Brady Advertising	Chicago	0	0	0	0	0	0	0	0	0	0	0	0	0	65,270	0
✓	Koca, Wesson & Associates	Elm Grove, Wis.	350	400	0	0	400	0	500	0	0	630	0	0	200	820	600
	Kolon, Bittker & Desmond	Troy, Mich.	2,600	520	0	0	2,000	0	5,800	0	520	650	0	0	650	0	260
	Kopf & Isaacson Advertising	Melville, N.Y.	484	2,193	0	0	0	0	0	0	0	484	0	0	0	65	0
✓	Kornhauser & Calene	New York	12,000	14,000	0	3,000	3,000	63,000	13,000	6,000	1,000	6,000	0	0	1,000	0	0
✓	Kresser, Craig/D.I.K.	Los Angeles	224	1,935	0	0	4,972	15,380	0	0	720	0	0	0	0	1,224	0
	KSK Communications	McLean, Va.	69	550	0	0	0	0	0	0	0	701	0	7	0	48	0
	Kullberg Amato Pisacane/ABP	New York	3,800	2,200	0	0	1,000	200	7,500	0	0	2,500	0	0	0	1,800	0
✓	Lally, McFarland & Pantello	New York	0	0	6,016	0	0	0	0	0	0	0	0	0	0	39,400	0
✓	Landers & Partners	St. Petersburg, Fla.	322	115	0	0	824	0	2,697	0	147	0	0	0	0	15	0
	Hal Langerman Co.	Center Square, Pa.	0	0	0	0	0	0	0	0	0	0	0	0	0	8,885	0
✓	Lardis, McCurdy & Co.	Meriden, Conn.	302	140	0	0	160	0	0	20	120	630	0	0	773	185	0
✓	Larwin/Livers Associated	Willow Grove, Pa.	30	0	0	0	0	0	0	0	0	400	0	0	80	1,367	0
	Launey, Hachmann & Harris	New York	401	2,715	0	525	609	0	806	0	96	2,020	0	0	268	1,648	0
	Laurence, Charles, Free & Lawson	New York	24,255	59,290	0	2,695	18,865	72,765	59,290	5,390	18,865	2,695	0	2,695	2,695	0	0
✓	Martin A. Lave Marketing	Indianapolis	281	93	0	0	82	0	280	53	0	14	0	0	0	2,888	0
✓	Laven, Fuller & Perkins	Chicago	4,583	91	119	23	102	0	158	62	0	181	0	0	0	336	0
✓	Lavey/Wolff/Swift	New York	0	3,000	38,000	0	0	1,000	2,500	0	0	0	0	0	3,000	0	0
✓	Leff & Squiccianni Advertising & PR	Columbus, Ohio	153	250	0	0	260	0	102	13	40	46	0	0	0	56	0
	Al Paul Lefton Co.	New York	7,800	6,700	0	0	6,700	3,900	10,800	1,700	0	9,800	3,300	0	0	4,500	0
	The Lempert Co.	Belleville, N.J.	889	1,905	0	0	2,540	0	4,445	0	0	0	0	0	381	2,540	0
	Leonard Monahan Saabye Lubars	Providence, R.I.	2,783	8,348	0	0	860	800	1,970	130	150	0	0	0	0	0	0
	Lesko Inc.	Pittsburgh	50	5	1	0	5	0	20	0	10	5	0	5	0	1	10
✓	Leslie Advertising Agency	Greenville, S.C.	1,479	1,375	0	0	1,052	0	11,837	0	161	0	0	0	0	1,090	0
✓	Lessing-Flynn Advertising Co.	Des Moines	332	1,656	0	0	620	0	326	0	40	0	0	0	0	0	0
✓	Levenson, Levenson & Hill	Irving, Texas	6,153	163	0	0	2,337	0	11,728	0	0	0	0	0	0	0	0
	Levine, Huntley, Schmidt & Beaver	New York	7,461	17,628	0	0	12,298	60,805	54,898	4,162	589	2,230	0	37	0	178	0
	Jack Levy & Associates	Chicago	675	2,026	0	0	2,100	0	12,170	0	226	1,803	0	0	0	3,539	0
✓	Levy, King & White Advertising	Buffalo	3,640	728	0	1,019	3,203	2,373	553	1,019	160	437	0	0	306	1,121	0
✓	Lewis, Gilman & Kynett	Philadelphia	8,200	3,500	0	0	7,600	4,500	38,500	0	1,400	13,900	0	0	0	4,400	0
	J.H. Lewis Advertising Agency	Mobile, Ala.	364	304	0	0	320	0	352	0	240	0	0	0	0	0	0
✓	Lipman, Richmond, Greene	New York	4,738	2,340	0	0	936	0	2,924	0	316	0	0	445	0	3	0
✓	K.I. Lipton	Doylestown, Pa.	0	0	3,424	0	0	0	0	0	0	665	0	0	0	2,739	0
✓	Darryl Lloyd Brigham	North Hollywood, Calif.	893	539	0	0	0	0	0	0	0	15	0	0	31	262	0
✓	Lockhart & Pettus	New York	353	2,216	0	0	2,903	0	3,246	0	140	0	0	0	0	0	0
✓	Lohmeyer Simpson Communications	Morristown, N.J.	2,600	2,275	0	0	650	0	0	325	0	0	0	0	325	325	0
✓	Long, Haymes & Carr	Winston-Salem, N.C.	5,500	8,500	0	0	3,200	13,200	5,100	0	2,400	2,800	0	0	9,000	1,300	0
✓	Lord, Geller, Federico, Einstein	New York	20,341	54,664	0	55	9,369	68,030	4,951	0	1,140	10,817	0	0	0	0	0
✓	Lord, Sullivan & Yoder	Columbus, Ohio	2,170	117	0	0	2,485	0	3,511	175	222	2,625	0	58	257	327	0
	LSGE Advertising	Avon, Conn.	718	1,381	0	0	261	0	486	11	115	745	0	67	128	969	47
✓	Lyons Inc.	Wilmington, Del.	450	1,300	0	0	300	0	0	0	10	0	0	0	250	928	0
✓	Maleson Advertising	Owings Mills, Md.	2,400	800	0	0	2,400	0	1,600	0	800	0	0	0	0	0	0
✓	Mallof, Abruzino & Nash Marketing	Lombard, Ill.	3,496	114	0	0	529	0	285	0	0	0	0	0	0	163	0
	John Malmo Advertising	Memphis	1,283	0	2,300	0	1,632	0	4,390	0	15	0	0	0	0	80	0
✓	Malone Advertising	Akron, Ohio	1,250	639	0	0	2,916	0	13,919	0	1,000	2,786	0	0	1,500	3,250	515
✓	MARC Advertising	Pittsburgh	10,000	1,000	0	0	4,800	3,000	10,200	1,000	500	0	0	0	0	2,000	0
✓	MARCOA DR Group	Chicago	0	0	0	0	0	0	0	0	0	0	0	0	0	107,700	0
✓	Marcus Advertising Inc.	Cleveland	2,025	1,424	0	0	5,138	0	9,628	0	802	0	0	177	0	14	0
✓	Margeotes Fertitta & Weiss	New York	4,085	12,840	0	0	2,915	0	6,110	0	1,250	3,410	0	415	1,140	1,275	0
	Maris, West & Baker	Jackson, Miss.	425	345	0	0	221	0	1,176	0	110	0	0	0	0	195	0
✓	MarketAide Inc.	Salina, Kan.	313	49	0	0	82	0	132	0	16	16	16	0	16	1,004	0
✓	Marketing Associates International	Green Bay, Wis.	0	274	0	0	0	0	0	0	0	0	0	0	10	77	0
✓	Marketing Communications Group	Toledo, Ohio	113	1,060	0	0	66	69	0	0	35	0	0	0	0	0	0
✓	Marketing Directions	Newport Beach, Calif.	307	0	711	0	50	0	0	0	0	0	0	0	0	0	0
	Marketing Lab	Danbury, Conn.	1	14	117	0	0	0	0	0	0	0	0	0	0	0	0
✓	Marketing Resources Inc./WB&H Advertising	Lenexa, Kan.	1,000	800	0	0	800	0	1,400	0	200	1,900	0	0	1,600	14,450	0
✓	Marketing Support	Chicago	3,100	3,500	20	0	1,500	1,500	3,500	800	500	1,200	0	0	1,700	2,400	80
	Marquardt & Roche	Stamford, Conn.	560	560	0	0	560	0	560	75	75	747	0	75	0	523	0
	Martin Marshall Jaccoma Mitchell Adv.	New York	4,300	12,350	0	0	1,750	0	8,400	650	100	3,950	0	0	425	9,080	0
	Martin-Williams	Minneapolis	1,300	4,500	0	0	2,900	4,600	6,300	0	800	0	6,000	0	0	0	0
	Jack Mathis Advertising	Libertyville, Ill.	0	0	0	0	0	0	0	0	0	391	0	0	0	74	0
	McAdams, Richman & Ong	Bala Cynwyd, Pa.	5,000	2,125	0	0	4,275	0	12,000	825	0	7,125	0	0	0	0	0
✓	William Douglas McAdams	New York	6,500	0	45,500	0	2,600	0	0	0	0	0	0	0	0	3,900	0
✓	McCann-Erickson Worldwide	New York	0	0	56,000	0	66,000	320,000	190,000	17,000	0	0	0	0	0	0	0
✓	McCormick Advertising Agency	Amarillo, Texas	267	60	0	0	53	0	236	12	178	0	242	0	11	180	0
✓	McDougall Associates	Peabody, Mass.	1,648	1,648	0	0	287	0	144	0	144	0	0	0	0	0	0
	McFarland Group	Elm Grove, Wis.	0	0	75	0	1,300	0	1,667	0	258	209	1,553	0	0	0	114
	McKee Advertising	Elk Grove Village, Ill.	481	1,164	0	0	0	0	9	12	13	0	31	0	170	912	0
	McKinney Inc.	Philadelphia	179	74	0	0	119	0	0	0	0	5,243	0	0	0	343	0

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	McKinney & Silver	Raleigh, N.C.	20,000	16,000	0	0	10,000	4,000	28,000	6,000	4,000	7,000	0	230	0	2,000	0
	M.E.D. Communications	Woodridge, N.J.	0	0	13,000	0	0	0	0	0	0	0	0	0	0	0	0
✓	Medicus Intercon International	New York	0	10,656	3,443	0	1,464	0	1,000	0	0	0	0	0	8,371	2,935	1,000
	Meldrum & Fewsmith	Cleveland	4,526	4,745	0	0	1,971	9,052	18,250	0	511	18,542	6,643	0	0	8,760	0
	Stan Merritt Advertising	New York	1,846	4,306	0	820	3,076	1,230	7,177	205	308	513	0	206	609	210	0
	R.L. Meyer Advertising	Milwaukee	1,163	36	0	0	6	0	7,448	0	63	0	0	0	0	9	0
✓	Miller Advertising Agency	New York	54,000	0	0	0	5,000	0	5,000	2,000	0	0	0	0	0	0	0
✓	Mills Hall Walborn & Associates	Cleveland	5,280	0	0	0	2,250	0	5,300	150	575	0	0	130	75	1,500	0
✓	William Mills/Advertising & Marketing	Atlanta	5	74	0	0	0	0	0	0	0	13	0	0	0	14	0
✓	Mintz & Hoke	Avon, Conn.	5,850	5,800	0	150	8,192	0	12,750	1,250	400	5,750	0	240	525	1,095	0
✓	Mitchell & Comer	Toledo, Ohio	40	20	0	0	15	0	20	0	0	0	0	0	150	90	0
	Mojo	San Francisco	4,912	7,096	0	0	14,193	0	22,927	1,092	1,911	0	2,183	274	0	0	0
✓	Eric Mower & Associates	Syracuse, N.Y.	3,338	2,652	0	0	1,663	887	3,664	0	209	0	1,235	424	1,242	2,410	0
	MSA Advertising	Philadelphia	621	194	0	0	131	0	0	0	0	276	0	0	51	135	0
	Mullen Advertising	South Hamilton, Mass.	3,060	11,130	0	0	1,390	0	3,900	1,110	840	4,170	0	0	0	2,233	0
✓	Muller Jordan Weiss	New York	2,100	8,800	0	0	4,100	4,357	14,200	0	2,000	5,400	3,600	0	0	1,900	0
✓	Mutual Media	New York	588	784	0	0	3,740	1,960	31,346	0	0	195	0	0	0	588	0
✓	MWA Direct	Minneapolis	0	0	0	0	0	0	0	0	0	0	0	0	0	4,001	0
✓	Frank C. Nahser	Chicago	325	6,494	0	0	1,623	2,110	1,623	325	0	3,247	0	0	0	487	0
	Nationwide Advertising Service	Cleveland	133,620	7,860	0	0	0	0	0	0	0	0	0	0	0	0	0
	Newmark, Posner & Mitchell	New York	24,978	3,850	0	0	730	0	110	0	75	36	0	80	95	1,050	0
✓	New Trend Agency	Hackensack, N.J.	3,400	425	0	0	800	0	2,700	0	0	0	0	0	0	1,625	0
✓	NKH&W Marketing Communications	Kansas City, Mo.	123	28	0	0	147	0	228	0	0	307	346	0	0	38	0
✓	Noble Communications	Springfield, Mo.	3,176	5,019	0	0	583	19,801	0	0	75	0	0	0	0	846	0
✓	North Castle Partners	Greenwich, Conn.	1,353	5,226	0	0	2,868	13,880	11,048	2,102	723	900	0	0	0	0	0
	NPC & Associates	Landover, Md.	300	100	0	0	300	0	100	0	0	0	0	0	0	0	0
✓	Ogilvy & Mather Direct Response	New York	0	0	0	0	0	0	0	0	0	0	0	0	0	260,000	0
	Ogilvy & Mather Worldwide	New York	43,000	196,000	5,500	2,000	65,000	391,000	175,000	8,500	33,000	0	0	0	0	0	0
✓	Omni Marketing	Oakbrook Terrace, Ill.	0	0	0	0	0	0	0	0	0	0	0	500	3,140	52,220	1,140
✓	Paolin & Sweeney	Cherry Hill, N.J.	5,000	1,700	0	0	2,900	0	3,500	0	1,100	0	0	0	300	2,000	0
	Patchen Brownfeld	Phoenix	6,162	2,031	140	0	770	0	1,400	140	1,681	140	0	140	700	700	0
	Patterson Advertising Agency	Topeka, Kan.	141	176	64	0	478	0	495	24	39	21	0	0	0	123	0
✓	Pedone & Partners	New York	234	4,713	80	0	640	4,726	1,879	0	0	0	0	37	0	0	0
✓	Penny/Ohlmann/Neiman	Dayton, Ohio	893	593	5	0	1,113	0	955	9	84	428	0	0	6,288	6,414	0
	Penny & Speier	Houston	981	492	0	0	55	0	755	0	255	188	0	0	0	0	0
	Pihas, Schmidt, Westerdahl Co.	Portland, Ore.	978	274	0	213	1,150	0	1,348	0	122	30	0	30	122	1,098	0
	Poindexter Associates	Roanoke, Va.	1,081	203	0	0	606	0	1,204	0	135	0	0	0	0	66	0
✓	Polese Clancy	Boston	153	258	0	0	102	0	0	0	0	0	0	0	0	0	0
	Poppe Tyson	New York	7,400	12,200	0	0	5,200	0	18,500	0	700	0	0	0	0	0	0
✓	Posey Quest Genova	Greenwich, Conn.	500	5,100	0	0	900	4,000	900	0	0	500	0	0	0	0	0
✓	Potterhazlehurst Inc.	East Greenwich, Conn.	1,103	3,658	0	0	280	0	369	0	10	1,917	0	0	0	0	0
✓	Praco Ltd.	Colorado Springs, Colo.	449	98	0	0	269	0	372	0	0	63	0	0	0	0	0
✓	Price McNabb Advertising Agency	Asheville, N.C.	864	974	0	0	3,123	0	12,264	0	0	0	0	0	0	0	0
✓	Pringle Dixon Pringle	Atlanta	8,529	2,443	0	44	5,689	0	412	228	227	0	108	0	0	615	519
✓	Qually & Co.	Chicago	460	290	0	0	800	210	1,340	0	120	400	0	210	200	190	0
✓	L. Quillin & Associates	LaCrosse, Wis.	95	600	0	0	470	0	280	20	98	0	0	0	0	271	0
	Jules Rabin Associates	Valley Stream, N.Y.	4,685	312	0	0	0	0	0	0	0	0	0	0	0	0	0
✓	Rapp & Collins USA	New York	0	0	0	0	0	0	0	0	0	0	0	0	0	99,400	0
✓	Reimel Carter Advertising	Philadelphia	3,650	719	0	0	2,329	0	1,913	0	526	276	0	0	0	192	0
	Richards Group	Dallas	1,550	3,100	0	0	7,750	1,400	10,750	0	1,150	0	0	0	0	1,250	0
	Hal Riney & Partners	San Francisco	60,000	0	0	0	[illegible]	[illegible]	0	0	0	0	0	0	0	0	0
✓	John Riedell Advertising	New Brighton, Minn.	386	796	0	0	156	0	125	113	0	971	0	0	0	598	0
✓	Rizzo Simons Cohn	Boston	1,610	2,721	63	0	1,575	0	624	125	80	1,946	0	0	741	936	0
✓	Roggers, French & Co.	Irvine, Calif.	668	1,826	89	0	356	0	223	0	134	668	0	0	0	490	0
	Rosenfeld Sirowitz Humphrey & Strauss	New York	4,035	10,865	1,100	0	[illegible]	[illegible]	19,318	418	0	0	500	0	0	500	0
	Rolf Werner Rosenthal	New York	0	0	6,500	0	0	0	0	500	0	0	0	0	0	1,575	1,125
✓	Ross Roy Group	Bloomfield Hills, Mich.	12,700	28,800	0	5,200	24,100	35,800	53,900	2,900	6,200	6,000	0	400	3,000	15,300	0
✓	Rubin Postaer & Associates	Los Angeles	5,293	17,997	0	0	9,316	40,229	32,183	0	529	212	106	0	0	0	0
	Rumrill-Hoyt	Rochester, N.Y.	193	13,014	0	0	1,051	128	556	0	4	0	3,200	0	0	4,862	0
	Saatchi & Saatchi Advertising Worldwide	New York	83,950	251,850	0	0	100,740	638,020	520,490	50,370	33,580	0	0	0	0	0	0
✓	Sacks & Rosen	New York	2,400	8,600	0	1,400	500	0	700	100	300	1,100	0	0	600	3,400	0
✓	Sader & Associates	New York	10	50	0	0	5	0	250	25	0	50	0	0	20	790	0
✓	Scharfberg & Associates	Jenkintown, Pa.	2,215	690	0	0	2,150	0	3,170	590	150	150	0	150	400	335	0
✓	Schenkein/Associates	Englewood, Colo.	144	1,201	0	0	653	209	536	0	71	0	0	0	0	0	0
	Ken Schmidt Co.	Milwaukee	76	2,931	0	0	60	0	75	0	0	0	1,248	0	0	596	0
✓	Scott Associates	Champaign, Ill.	1	14	[illegible]	[illegible]	5	0	[illegible]	[illegible]	[illegible]	0	0	0	0	0	0
✓	Sefton Associates	Grand Rapids, Mich.	90	1,382	0	0	172	0	300	43	0	0	0	26	15	330	0
	Semel/Kaye & Co.	Northbrook, Ill.	138	0	0	0	0	0	0	0	139	593	0	0	56	1,330	416
✓	SGM & Co.	Norwell, Mass.	167	1,167	0	0	100	0	0	0	33	0	0	33	0	167	0
✓	Sharp Hartwig	Seattle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	77	0	0	0	0	20	0
✓	Shea & Ziegler	Darien, Conn.	3	0	0	0	0	0	0	0	0	93	0	0	0	26	0
	Sheffer Advertising	South Bend, Ind.	5	310	0	0	49	0	43	0	8	9	37	0	0	13	9
✓	Sheldon Fredericks Advertising	New York	1,138	329	99	0	0	0	0	0	0	0	0	0	213	3,239	0
	Sherwood & Schneider	New York	1,405	7,496	0	0	1,171	0	11,715	468	234	234	0	0	0	702	0

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✓	Shorey & Associates	Greenville, S.C.	77	0	0	0	77	0	0	0	31	1,237	0	0	31	93	0
✓	Siddall, Matus & Coughter	Richmond, Va.	3,940	2,104	0	0	2,184	0	1,456	0	200	0	0	0	0	0	0
✓	Simons Michelson Zieve	Troy, Mich.	3,356	1,611	0	0	2,685	0	4,027	0	604	0	0	67	268	805	0
	Slater Hanft Martin	New York	2,784	10,440	0	0	1,392	14,268	1,740	1,740	0	0	0	0	0	2,436	0
	Smith, Badofsky & Raffel	Chicago	1,469	306	0	61	1,346	0	2,142	0	61	306	0	122	61	245	0
✓	Smith Burke & Azzam	Baltimore	2,250	1,875	0	180	2,883	7,000	7,317	0	636	375	0	0	0	1,631	0
✓	J. Richard Smith Ltd.	Old Bethpage, N.Y.	13,500	1,700	0	0	4,050	0	7,600	0	50	0	0	0	100	3,600	0
✓	Smith, Kaplan, Allen & Reynolds	Omaha	733	733	0	0	1,320	293	2,347	0	367	147	73	73	147	293	0
	Smith & Yehle	Kansas City, Mo.	987	389	0	66	1,661	0	2,526	0	133	0	0	0	66	797	0
✓	Soghoglen & Macuga Advertising	Washington	3,224	3,224	0	0	1,612	0	1,612	0	0	0	0	0	306	5,642	0
✓	Solin Associates Inc. Advertising	New York	700	300	0	1,800	0	0	14,100	0	0	0	0	0	0	0	0
✓	Sommer Inc.	Englewood Cliffs, N.J.	679	5,487	0	0	0	0	0	0	12	0	0	0	0	0	0
✓	Spangler/Fischer	Minneapolis	103	0	0	1,400	180	0	320	0	46	0	0	0	50	50	0
✓	Spencer Bennett Nowak	Seekonk, Mass.	0	0	0	0	0	0	0	0	0	3,195	0	0	0	0	0
✓	Franklin Spier Inc.	New York	9,166	4,811	0	0	1,128	0	505	40	13	1,300	0	313	0	0	0
	Stephan & Brady	Madison, Wis.	676	920	42	0	340	0	886	0	55	1,300	205	21	0	357	0
✓	Stern/Monroe Advertising	Dallas	5,200	6,500	0	0	6,100	10,200	4,700	500	200	700	0	0	100	0	0
✓	Stern Walters Partners	Chicago	524	1,768	0	0	2,584	3,112	18,173	0	137	543	0	0	0	173	0
	Stiegler, Wells & Brunswick	Bethlehem, Pa.	762	1,944	0	0	266	0	0	99	6	0	0	0	0	0	0
	Stogel Cos.	New York	715	6,791	0	0	238	477	1,191	0	238	357	0	357	0	477	1,072
✓	Stone, August Baker Communications Co.	Birmingham, Mich.	1,107	532	0	0	1,801	0	2,997	30	103	59	0	0	0	32	0
	Stone & Simons Advertising	Southfield, Mich.	1,009	1,041	0	0	3,182	8,675	3,483	163	212	458	0	165	106	2,650	0
	Storey Berman & Freer Advertising	Chicago	1,800	1,800	0	0	1,100	0	260	0	0	950	0	0	0	500	0
✓	Sutton Communications	New York	0	0	700	0	0	0	0	0	0	0	0	0	0	1,000	0
✓	Symon & Hilliard	New York	296	4,385	0	0	0	0	534	0	0	0	0	0	0	0	0
	Tatham-Laird & Kudner	Chicago	26,259	22,152	0	4,694	7,482	36,235	37,849	6,161	1,467	1,174	0	1,467	0	1,760	0
	Taylor Brown & Barnhill	Houston	3,000	1,000	0	0	4,000	0	20,000	1,500	0	0	500	0	0	0	0
	TBWA Advertising	New York	3,700	44,600	0	3,800	10,100	7,600	52,300	1,300	1,300	0	0	1,200	0	0	0
✓	TCI Advertising	Stamford, Conn.	345	575	0	190	20	0	0	0	0	920	0	0	115	115	21
✓	Telephone Marketing Programs	New York	0	0	0	0	0	0	0	0	0	0	0	0	0	144,500	0
✓	G. Temple Associates	Southfield, Mich.	0	987	0	0	0	0	0	0	0	0	0	0	0	210	0
✓	Tepe, Hensler & Westerkamp	Cincinnati	363	377	0	0	516	0	117	0	23	857	0	0	0	23	70
	J. Walter Thompson Co.	New York	171,346	179,950	0	0	87,021	509,247	353,444	0	25,967	0	0	0	0	0	0
	Towne, Silverstein, Rotter	New York	835	8,350	0	0	12,525	41,550	13,560	4,175	2,505	0	0	0	0	0	0
✓	Townsend Agency	Rosemont, Ill.	44	0	0	0	207	0	224	0	0	0	0	0	811	11,651	0
✓	Tracy-Locke	Dallas	15,800	11,800	0	2,200	33,900	19,500	140,000	2,000	3,400	3,500	0	0	0	0	0
✓	Tri-State Advertising Co.	Warsaw, Ind.	85	30	0	0	0	0	0	0	0	1,650	314	0	0	828	1,478
✓	Tycer Fultz Bellack	Palo Alto, Calif.	328	6,175	0	0	0	0	10	5	33	0	0	0	0	0	0
✓	Umphenour Martin Lonsdorf	Atlanta	311	0	0	0	222	0	1,643	0	38	0	0	0	0	1,380	0
✓	Valentine-Radford	Kansas City, Mo.	5,460	2,201	0	919	6,130	204	8,547	535	689	0	4,149	0	0	2,407	0
	Van Brunt & Co. Advertising-Marketing	New York	2,138	2,700	0	0	2,250	0	2,025	0	0	1,125	0	0	0	1,013	0
✓	VanSant, Dugdale & Co.	Baltimore	2,783	3,542	0	0	2,024	8,096	4,807	0	253	3,795	0	0	0	0	0
	Vickers & Benson/FKQ	Buffalo	1,005	1,786	56	144	974	1,014	3,363	90	151	1,236	0	192	100	544	62
✓	Vicom/FCB	San Francisco	0	0	32,160	0	0	0	0	5,322	0	0	0	0	0	37,482	0
✓	John Volk Co.	Chicago	457	496	309	0	284	25	64	0	0	0	1,953	0	0	0	0
	Waldbillig & Besteman	Madison, Wis.	1,433	681	0	0	1,563	0	1,813	273	702	2,746	443	82	1,355	4,151	0
	Wardrop Murtaugh Temple	Chicago	1,253	313	0	0	1,566	0	1,692	0	188	627	0	0	0	627	0
	Warner, Bicking & Fenwick	New York	200	2,200	0	0	450	0	4,500	0	0	1,200	0	0	300	600	0
✓	Warren/Kremer Advertising	New York	7,250	8,975	0	0	1,500	325	0	0	1,000	4,450	0	325	1,275	1,725	0
	Warwick Advertising	New York	5,270	19,761	0	0	5,270	0	85,638	0	2,635	6,650	0	0	0	0	0
✓	Weightman Group	Philadelphia	15,878	13,078	0	0	2,802	0	39,228	0	934	9,340	0	0	1,868	10,274	0
✓	Weiser Group	Chicago	1,178	334	0	0	79	0	0	0	0	0	0	0	0	0	0
✓	Welch, Currier, Curry, Anderson	Boston	2,900	1,900	0	0	2,100	0	1,800	0	100	1,500	0	150	1,000	445	0
	Wells, Rich, Greene	New York	99,500	130,000	0	0	61,200	280,100	153,000	15,300	45,900	0	0	0	0	0	0
✓	Wendt Advertising	Great Falls, Mont.	469	645	0	0	128	0	509	0	162	0	0	0	0	30	0
✓	White, Good & Co.	Lebanon, Pa.	472	121	0	0	195	0	30	0	85	20	0	0	7	54	0
✓	Edwin Bird Wilson	New York	5,058	5,901	0	0	843	674	1,686	843	674	506	0	0	0	674	0
✓	Winius-Brandon Advertising	Bellaire, Texas	4,503	2,372	0	0	4,767	0	7,261	647	857	615	0	0	0	945	0
✓	Winterkorn Lillis	Rochester, N.Y.	0	145	0	0	0	0	0	0	0	0	0	0	145	290	0
	Don Wise & Co.	New York	250	3,500	0	0	0	0	0	0	0	850	0	0	400	500	0
✓	Wolkcas Advertising	Albany, N.Y.	736	329	0	0	865	0	464	3	61	0	0	60	0	92	30
✓	Peter Wong & Associates	Richmond, Va.	90	769	0	0	45	0	0	0	0	0	0	0	0	0	0
✓	Wooding & Housley	Providence, R.I.	120	935	0	0	50	0	25	0	25	1,198	0	0	0	50	0
	Wray/Ward Advertising	Charlotte, N.C.	1,232	1,032	4	0	388	0	2,856	0	36	2,646	0	0	0	0	0
✓	Wunderman Worldwide	New York	0	0	0	0	0	0	0	0	0	0	0	0	0	259,897	0
	Wyse Advertising	Cleveland	7,332	17,982	0	0	9,568	8,175	8,236	0	651	0	0	0	0	5,625	0
✓	Yaffe & Co.	Southfield, Mich.	1,381	91	0	0	3,810	0	4,417	84	0	0	0	0	0	0	0
✓	Yellow Pages Marketing Services	Mequon, Wis.	0	0	0	0	0	0	0	0	0	0	0	0	0	37,546	0
✓	Young & Roehr	Portland, Ore.	108	2,153	0	8,477	108	0	0	0	2,153	0	0	0	0	0	0
	Young & Rubicam	New York	100,561	174,400	29,500	0	95,929	538,000	358,958	81,000	14,776	0	455	5,890	1,170	8,033	0
✓	Zechman & Associates	Chicago	332	1,658	995	0	2,653	0	9,452	323	167	839	0	0	0	165	0
	Zubi Advertising Services	Miami	871	436	0	0	1,307	0	1,394	0	188	0	0	0	87	44	30
✓	Zylke & Associates	Northbrook, Ill.	10	300	0	0	10	0	0	0	10	1,210	20	0	0	577	0

NOTES: Dollars are in thousands. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. See Page 4 for more footnotes.

Top 100 in 44th agency report

AC&R/ DHB&Bess

RANK 35

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	37.4	37.3	3.2
Billings	313.2	296.0	5.8

U.S.	1987	1986	% chg
Gross income	32.0	36.9	(3.2)
Billings	310.4	293.1	5.9

U.S. billings

($ in million)	1987	1986	% chg
Media	253.4	225.3	12.5
Materials & services	42.4	34.8	21.8
Capitalized fees	14.5	3.1	N/A

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	471	490	(3.2)
Offices in U.S.	7	9	(22.2)

1987 billings by U.S. office

Office, city	Billings
AC&R/DHB&Bess, Los Angeles	47.1
AC&R/DHB&Bess, San Diego	3.1
AC&R/DHB&Bess, San Francisco	2.1
AC&R/DHB&Bess, Miami	0.9
AC&R/DHB&Bess, Ft. Lauderdale	4.1
AC&R/DHB&Bess, New York	255.9

Source: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

The agency is the product of the merger in 1987 of three fairly specialized New York shops—AC&R with expertise in direct marketing and pr, Diener/Hauser/Bates which specializes in the entertainment industry, and Sawdon & Bess, which services retailers. The agencies are part of Saatchi & Saatchi PLC which in late 1986 bought out their parent, Ted Bates Worldwide. Gains include Zayre Stores with annualized billings of $16 million. Konica, the only major loss, represented annualized billings of $1 million. For comparative purposes, billings for 1986 are on a pro forma basis.

U.S. accounts

Gained: Zayre Department Stores.

Lost: Konica Cameras.

Officers

Stephen Rose, chmn exec comm & ceo (former chmn-ceo, AC&R); Jerome Bess, chmn (former chmn, S&B); Alvin Chereskin, vice chmn (former president, AC&R); Henry Weintraub, president (former president DHB); Martin Mitchell, Sheldon Marks, Kaz Kudo, Donald Patrick, exec vps-acct supers; Gene Cofsky, president—West Coast div; Louis Miano, exec vp-creative svcs; Harry Koenig, exec vp-cfo & treas; Mort Weinstein, exec vp-mktg svcs; Cheryl Lodinger, exec vp-media svcs.

Phone: (212) 696-3900

Admarketing

RANK 37

Los Angeles

($ in millions)

U.S.	1987	1986	% chg
Gross income	36.0	33.0	9.1
Billings	201.0	184.0	9.2

U.S. billings

($ in million)	1987	1986	% chg
Media	197.8	181.0	9.3
Materials & services	3.2	3.0	6.7
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	135	133	1.5
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

The $15 million in new business in 1987 is the basis for a 10% to 12% growth projection for 1988, up from 9.2% in 1987 when the agency drew $14 million more from existing clients—mainly Circuit City Stores, C&R Clothiers and Standard Shoes—but lost $12 million from client departures. The agency resigned Jenny Craig Weight Loss Centers and lost Air Cal when it was absorbed by American Airlines.

U.S. accounts

Gained: HomeClub; MGM Grand Air; Superior Brands; SelecTV; Level Care Products.

Lost: Jenny Craig Weight Loss Centers; Air Cal.

Officers

Jack Roth, president-ceo; Robert Recht, chmn; Robert Roth, treas; Martin Cagan, exec vp; George Abdell, Ed Moiselle, Arlynne Whittaker, Raymond Coen, sr vps; Ammon Mizrahi, John Bergquist, Robert Packham, John Bamberger, Patricia Gleason, Andrew Demus, Charles Katz, George McConnell, William Tollis, Larry Mandel, vps.

Phone: (213) 203-8400.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

Ally & Gargano

RANK 36

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	37.2	36.7	1.5
Billings	316.7	296.1	7.0

U.S. billings

($ in million)	1987	1986	% chg
Media	286.0	264.3	8.2
Materials & services	18.3	17.9	2.1
Capitalized fees	12.5	13.9	(10.4)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	255	274	(6.9)
Offices in U.S.	2	2	0.0

Source: All data from agency reports.

Annual Review

Dropping the MCA from its agency name, Ally & Gargano, the wholly owned subsidiary of Marketing Corp. of America, Westport, Conn., produced a 1.4% increase in billings after a 10.3% decline in 1986. New clientele adding to this gain include Cadbury-Schweppes and its Motts products, Holland House brands and Rose's Lime Juice ($12 million), Showtime ($10 million) and Pfizer's Ben Gay products ($8 million). Major loss was Federal Express' $20 million account snatched by Fallon McElligott. Also lost were Ciba-Geigy ($5 million) and Stroh's ($4 million). A 10-15% growth is projected for 1988 mainly from new product introductions from existing clients.

The top 100 agencies account for 87.4% of worldwide gross income of the Advertising Age 500. Beginning on this page is an alphabetical listing of these agencies. They are numerically ranked in Section I beginning on Page 6. Their billings by media are carried in Section II beginning on Page 18.

U.S. accounts

Gained: Showtime, The Movie Channel; Cadbury-Schweppes, Motts Apple Juice, apple products, Rose's Lime Juice, Holland House, new products; Lipton, Wylers, new products; Fieldcrest Mills, Sanford-Bigelow carpets; Heinz, Weight Watchers Yogurt, dairy products; Pfizer, Ben Gay; Tambrands, LeBain; Loriliard, Harley Davidson cigarettes; Andrew Jergens, Vitamin E & Lanolin Soap.

Lost: Federal Express; Ciba-Geigy, Acutrim; Stroh Brewery, White Mountain Cooler, Schaefer Beer, new products.

Officers

Amil Gargano, chmn; William Bishop, president; Warren Dechter, exec vp-dir of client svcs; Michael Tesch, exec vp-dir of creative svcs.

Phone: (212) 688-5300.

Altschiller Reitzfeld

RANK 91

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.1	10.1	9.5
Billings	73.7	67.3	9.5

✓

U.S. billings

($ in million)	1987	1986	% chg
Media	54.5	49.7	9.7
Materials & services	6.1	5.6	8.9
Capitalized fees	13.1	12.0	9.2

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	75	70	7.1
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

New business gains of $5.1 million and a $2.4 million boost in existing accounts offset $1.1 million in lost business to push Altschiller billings up 6.4% in 1987, and to prepare the agency for anticipated growth of 15% in 1988 when the full impact of new gains will be felt. Major accounts gained with annualized billings were Liz Claiborne ($4 million), Bowery Savings Bank ($4.5 million), Perrier Group ($2.2 million) and Verbatim ($3 million).

U.S. accounts

Gained: Kodak Corp., Verbatim; *US* Magazine; Liz Claiborne; Bowery Savings Bank; Perrier Group, Poland Spring, Zephyr Hills.

Lost: L.A. Hilton; Jacques Jaunet.

Officers

David Altschiller, chmn, ceo; Robert Reitzfeld, vice chmn, creative dir; J. Steve Davis, president; William J. Lahr Jr., sr vp-cfo; James Hutchinson, sr vp-dir acct mgmt; Mitchell Siegel, sr vp-dir strategic planning; Wendy Littlefield, vp-dir mktg; Michelle Belier, vp-media dir.

Phone: (212) 586-1400.

Ammirati & Puris

RANK 47

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	25.5	22.5	13.3
Billings	170.0	150.0	13.3

U.S. billings

($ in million)	1987	1986	% chg
Media	170.0	150.0	13.3
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	245	230	6.5
Offices in U.S.	7	5	40.0

1987 billings by U.S. office

Office, city	Billings
Ammirati & Puris, San Ramone, Calif.	N/A
Ammirati & Puris , Chicago	N/A
Ammirati & Puris, Dallas	N/A
Ammirati & Puris, Atlanta	N/A
Ammirati & Puris, Los Angeles	N/A
Ammirati & Puris, Washington	N/A
Ammirati & Puris, New York	170.0

Source: All data from agency reports.

Annual Review

The revolving door turned at A&P in 1987 as the account for Reebok came in and then exited (it was resigned), echoing a similar pattern experienced in 1986 when two major clients worth $15 million in annualized billings between them came and went. Billings were up 13.3% and two new service offices were opened in San Ramone, Calif., and Washington, D.C. New accounts amounted to an annualized $42 million. The agency expects a 15% increase in 1988 from a mix of new business and increased internal billings.

U.S. accounts

Gained: Brown Forman; Chiquita Brands; Chemical Bank; Club Med; Reebok.

Lost: Reebok.

Officers

Ralph Ammirati, ceo-creative dir; Martin Puris, ceo-copy chief; Ed Vick, pres-ceo; Alan Causey, sr vp, dir-rsch; Steven Farella, sr vp, media dir; John Hayes, Mary Herrmann, Duncan Pollock, sr vps, group dirs; Alyson B. Henning, sr vp, mng dir-promo & design group; Clem McCarthy, Bill McCullam, Mark Moffett, Ted Shaine, Helayne Spivak, Rodney Underwood, Jerry Whitley, sr vps, assoc creative dirs; Philip Palazzo, sr vp, cfo; Peter Rauch, sr vp, creative dir-promo & design group; Ozzie Spenningsby, sr vp-broadcast production; Vivian Young, sr vp, dir-strategic svcs.

Phone: (212) 206-0500.

Avrett, Free & Ginsberg

RANK 96

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	10.8	10.3	4.4
Billings	90.2	86.0	4.9

U.S. billings

($ in million)	1987	1986	% chg
Media	59.2	61.1	(3.1)
Materials & services	13.0	9.5	37.7
Capitalized fees	18.0	15.5	16.6

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	59	64	9.3
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Binney & Smith ($1.4 million), Upjohn ($1.1 million) and Vintner's Intl ($3.9 million) produced $7.3 million in new business for the agency, but the gain was largely canceled by the departure of Contact Lens Institute account ($6.6 million) and Eveready. Growth from existing business, particularly $3.2 million more from Ralston Purina, helped boost overall growth 4.8%. A stronger 7% growth is expected in 1988.

U.S. accounts

Gained: Vintners Intl; Upjohn; CIBA; Binney & Smith; American Mktg Group.

Lost: Contact Lens Institute; Eveready.

Officers

John G. Avrett, chmn; Marcella Free, co-chmn; Frank Ginsberg, president & creative dir; Donald Bandman, Lawrence Riegel, exec vp, mgmt super; Jose Abarquez, sr vp-fin; Stuart Cowan, Barbara Hill, sr vps, mgmt supers; Manny DeMagistris, Alan Honig, John LaRock, Judy Weiss, sr

Readers' guide to agency profiles

Champion Advertising

RANK 23

St. Louis

($ in millions)

U.S.	1987	1986	% chg
Gross income	63.9	57.1	11.9
Billings	425.8	380.2	12.0

U.S. billings

($ in million)	1987	1986	% chg
Media	350.0	313.0	11.8
Materials & services	25.8	22.0	17.3
Capitalized fees	50.0	45.2	10.6

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	705	726	(2.9)
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Champion, St. Louis	277.9
Champion, E. Alton, Ill	147.9

Source: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

Continued expansion among clients in the sporting goods and free-weights area propelled Champion into the Ad Age 100 for the first time. Strong returns were based on $37.6 million in new business, $10 million more from existing clients, and only $2 million in resigned accounts.

U.S. accounts

Gained: Acme Weights Co.; JJ's St. Louis Workout Factory; Sporting Goods World of Alton; Molly Hunter's Healthy Haven.

Lost: Gary's Greasy Burgers

Officers

Brock Lou, president; Davis Miles, vp; Karen Cardinal, exec vp.

Phone: (314) 555-0000.

Champion Advertising Co., headquartered in St. Louis, answered a questionnaire sent to the agency by AD AGE in late December. If the editors had not heard from Champion by the questionnaire filing deadline in late January, they sent a second mailing to the agency. If there was still no response and Champion Advertising had gross income of $5 million or more, the agency was telephoned for a response.

The ✓ in the boxtop means the agency received the signature of an independent accountant verifying gross income figures supplied to AD AGE. See Page 4 for more information.

U.S. billings breakdown defines how an agency spends the clients' monies. The breakdown is provided in dollars ($000,000).

Most office billings breakouts were supplied by agencies. Where they did not respond, agencies were asked to confirm AD AGE estimates based on published reports on individual markets and other criteria. For the most part, those who did not provide the necessary information responded to the estimates.

Financial data are collected for gross income and billings and are in millions of dollars.

- Gross income: Agencies are ranked by gross income, which gives a better indication of an agency's size than billings. Gross income generally is the sum of three sources: The 15% an agency makes from buying media: a 17.65% markup for materials and services billed the client, and the fee charged the client—a form of remuneration popular with clients whose media market is low-cost in comparison with more costly media like tv or consumer magazines.
- Billings: Billings is short for "capitalized billings" and represents the sum of three types of agency activity: Total commissionable billings for ad space and time; gross billings to clients for materials like artwork, research and so on for services when supplied or performed by organizations other than the agency, and capitalized fees. Fees are capitalized by multiplying fees by 6.67. This makes an equivalent of fee income and commissions from media billings. For example, if commissions from media are 15%, then commissions multiplied by 6.67 would be the total media placed (6.67 is the quotient of 100 divided by 15).

AD AGE based annual reviews on returned questionnaires and interviews with agency executives.

vps, assoc creative dirs; Lynne Kluger, sr vp, exec tv producer; Edward Weiner, sr vp, media dir; Betsy Rosenblum, vp, sr tv producer; Gary Cunningham, print production mgr; Eleanor Holtzman, rsch dir.
Phone: (212) 832-3800.

RANK
16

N W Ayer

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	166.1	159.0	4.5
Billings	1,217.8	1,143.2	6.5
U.S.	**1987**	**1986**	**% chg**
Gross income	116.2	125.6	(7.5)
Billings	878.0	913.9	(3.9)

U.S. billings

($ in million)	1987	1986	% chg
Media	764.4	579.1	32.0
Materials & services	113.7	92.9	22.3
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	2,864	2,558	12.0
Employees in U.S.	1,464	1,184	23.6
Offices worldwide	35	32	9.4
Offices in U.S.	8	4	100.0

1987 billings by U.S. office

Office, city	Billings
Ayer Pacific, Los Angeles	52.5
Direct Marketing Agency, Stamford	18.7
N W Ayer, New York	677.9
N W Ayer, Detroit	32.2
N W Ayer, Chicago	48.2
N W Ayer, Houston	41.7

Source: All data from agency reports. 1986 figures are on a historical basis. U.S. billings breakdown and workforce/facilities do not include C&W for 1986.

Annual Review

A 48.2% increase in foreign billings helped propell the agency to a 6.5% gain in worldwide billings. On the U.S. side however, billings dropped 3.9% influenced partially by the loss of the $85 million U.S. Army account, and by flat returns from C&W Group, bought from Mickelberry Corp. C&W returns were folded into 1986 figures for comparitive purposes. In New York, the two big shops of Ayer and C&W were merged. Ayer Pacific, serving Los Angeles, San Francisco and Irvine, Calif., inherited C&W shop, Reiser Williams deYong. The one-year-old Houston Ayer shop became full-service. Its big account is Houston-based Continental Airlines. Forecast for 1988 is for a 20% increase in billings mainly because of the recently acquired $200 million Burger King account.

U.S. accounts

Gained: Burger King USA; Dunlop Slazenger Sporting Goods; Outboard Marine; Gillette, Right Guard deodorant; Toni home permanents; Silkience hair prods; Procter & Gamble, Citrus Hill Plus Calcium & Citrus Hill Life, fruit juices; DAP Inc.; Leaf Inc.; Chuckles candy; Pine Brothers cough drops; University of Chicago Hospitals.

Lost: U.S. Army; Club Med; DuPont Industrial; Bahamas Tourism; American Home Products; Rice Council; Buddig Co.; Lehn & Fink, div of Sterling Drug; Faultless Starch, Bon AMi.

Foreign accounts

Gained: Ricoh Copiers-Germany, France, Italy, U.K.; Continental Airlines-France, Australia; Boots-Europe; Wilkinson Sword-Spain; Hoover-New Zealand.

Lost: Bahamas-U.K., Germany.

Officers

Louis T. Hagopian, chmn & ceo; Jerry J. Siano, vice chmn, chmn & ceo-Ayer USA; Thomas F. Maxey, exec vp, president-Ayer, Intl; Jerry N. Jordan, exec vp, mng dir-fin, admin; Patrick J. Cunningham, exec vp, chief creative officer-Ayer USA; David H. Means, exec vp, mng dir-natl oper, Ayer USA; Warren E. Albright, Dominick F. Rossi, exec vps, mng dirs-acct svcs, Ayer USA; Theodore F. Regan Jr., exec vp, mng dir-creative services, Ayer USA; Robert P. Zabel, exec vp, chmn-midwest div; George H. Eversman, Horace M. Malfa, exec vps.
Phone: (212) 708-5000.

RANK
3

Backer Spielvogel Bates Worldwide

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	600.7	517.2	16.1
Billings	4,068.7	3,458.3	17.7
U.S.	**1987**	**1986**	**% chg**
Gross income	261.6	272.0	(3.8)
Billings	1,806.0	1,814.3	(4.3)

U.S. billings

($ in million)	1987	1986	% chg
Media	1,069.0	1,117.0	(4.3)
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	6,580	5,148	27.8
Employees in U.S.	1,282	1,598	(19.8)
Offices worldwide	109	117	(6.8)
Offices in U.S.	7	24	(70.8)

1987 billings by U.S. office

Office, city	Billings
BSBW, New York	983.7
BSBW, Los Angeles	N/A
BSBW, Columbus, Ohio	N/A
BSBW, Huntington Beach, Calif.	N/A
Kobs & Brady, San Francisco	3.2
Kobs & Brady, Chicago	42.1
Kobs & Brady, New York	40.1
AC&R/DHB&Bess, New York	313.2
Campbell-Mithun, Minneapolis	425.8

Source: All data from agency reports. Figures for 1986 are historical. AC&R/DHB&Bess and Campbell-Mithun are consolidated totals.

Annual Review

The agency was formed from the merger of Backer & Spielvogel with Ted Bates Worldwide both purchased by Saatchi & Saatchi PLC. It produced worldwide billings growth of 17.6%—solely from the non-U.S. activities of the Bates network overseas when comparing 1987 to a historic reading for 1986. Non-U.S. billings grew 37.5% compared with a decline of 0.4% in the U.S. Few accounts were lost because of conflicts arising from the merger. They included Panasonic ($20 million annualized) and Helene Curtis ($15 million). Major growth in Australia along with added new business in Germany, Scandinavia and Denmark contributed as well as the $331 million in billings picked up from the merger of Dorland U.K. into non-U.S. operations. In March 1988, the London Dorland office combined with BSB there forming BSB/Dorland. Returns for subsidiaries Kobs & Brady, a direct marketing agency, AC&R/DHB&Bess and Campbell-Mithun are included in BSB totals. Not included are those of William Esty Co., once part of Ted Bates Worldwide. Esty is an independent agency in the Saatchi network.

U.S. accounts

Gained: North American Philips, new prods; Central Region Hyundai Dealers Assn.; Wendy's Intl.; CBS Broadcast Group; Northrop Corp.; British Airways; Mars, new prods; Castle & Cook, Dole; U.S. Mint; Prudential Real Estate Affiliates.

Lost: AFA Service Corp, Arby's; Helene Curtis, Suave; Paddington, J&B; Campbells, V-8; Panasonic; U.S. Navy; American Cyanamid; Continental Baking; Dr. Scholls; Maybelline; Xerox-electronic typewriters; DHL Worldwide Courier.

Foreign accounts

Gained: Mandarin Hotels, southeast Asia; Eveready, Central and Latin America; IBM, Finland; Mercedes-Benz, Spain, Austria; Hyundai, Belgium; Foster's Lager, Hong Kong; Pepsi-Cola, Finland; Uniroyal, Scandinavia; Martell cognac, France; Visa, Austria; Avis, Holland; Dr. Scholl's, Holland; Dixon, U.K.; Carlsberg beer, Denmark.

Lost: Wella, Austria; Abbott Labs, Hong Kong; Saba, Norway; Beiersdorf, France.

Officers

BSB WW, New York: Carl Spielvogel, chmn & ceo; Donald M. Zuckert, president & coo; William M. Backer, vice chmn, exec creative dir; John N. Citron, exec vp-fin & admin; Elhanan C. Stone, exec vp, secty-genl counsel. BSB, New York: G. Robert Holmen, chmn & ceo; Robert H. Lenz, president; Stephen M. Leff, vice chmn, dir-media & admin svcs; Robert R. Meury, vice chmn, dir-creative svcs; Melvin Epstein, exec vp-fin & admin. BSB, Huntington Beach, Calif.: Michael Roche, exec vp, genl mgr. BSB, Columbus, Ohio: Raymond S. Caruso, exec vp, genl mgr. Ted Bates Intl.: Larry Light, chmn & ceo.
Phone: (212) 556-4777.

RANK
4

BBDO Worldwide

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	537.0	445.1	20.7
Billings	3,654.5	3,250.0	12.4
U.S.	**1987**	**1986**	**% chg**
Gross income	311.4	307.0	1.4
Billings	2,244.7	2,107.5	6.5

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U.S. billings

($ in million)	1987	1986	% chg
Media	1,477.8	1,394.5	6.0
Materials & services	242.2	235.3	3.0
Capitalized fees	524.7	477.8	9.8

Workforce/facilities

	1987	1986	% chg
Employees w'wide	5,510	5,360	2.8
Employees in U.S.	3,780	3,873	(2.4)
Offices worldwide	177	190	(6.8)
Offices in U.S.	57	54	5.6

1987 billings by U.S. office

Office, city	Billings
Baxter Gurian & Mazzei, Beverly Hills	16.0
BBDO Chicago, Cincinnati	2.8
BBDO Chicago, Chicago	132.0
BBDO Chicago, St. Louis	1.7
BBDO Chicago, Kansas City	2.5
BBDO Chicago, Avalon, Calif.	0.1
BBDO Detroit, Detroit	155.1
BBDO Inc., New York	493.2
BBDO Minneapolis, Minneapolis	38.1
BBDO/West, Los Angeles	93.9
BBDO/West, San Francisco	17.0
BDA/BBDO, Charlotte	2.4
BDA/BBDO, Memphis	1.3
BDA/BBDO, Atlanta	109.9
Blair Advertising, Pittsburgh	N/A
Blair Advertising, Rochester, N.Y.	26.9
Caravetta Allen Kimbrough, Miami	10.9
Doremus Porter Novelli, New York	N/A
Doremus & Co., Boston	17.8
Doremus & Co., Chicago	17.8
Doremus & Co., New York	240.9
Doremus & Co., Los Angeles	6.7
Doremus & Co., San Francisco	7.7
Doremus & Co., Washington	6.4
Frank J. Corbett Inc., Chicago	52.9
Franklin Spier Inc., New York	24.9
GM DuBois Corp., Rochester	N/A
Hannaford Co., New York	N/A
Ingalls, Quinn & Johnson, Boston	135.0
Lavey/Wolff/Swift, New York	72.2
MARCOA DR Group, Newport Beach	N/A
MARCOA DR Group, Chicago	55.2
MARCOA DR Group, New York	36.0
MARCOA DR Group, Boston	23.0
RC Communications, New York	35.0
Richard Weiner Inc., New York	N/A
TELERx Marketing, Spring House	N/A
Tracy-Locke, Los Angeles	72.8
Tracy-Locke, Denver	29.9
Tracy-Locke, Dallas	199.6
T-L, Geographic Mdging., Philadelphia	15.5
Tracy-Locke Promotions, Dallas	1.0
Tracy-Locke, Atlanta	7.2
Waring & LaRosa, New York	50.0

Source: All data from agency reports. Some office billings are AA estimates.

Annual Review

The 12.4% worldwide billings increase was fueled mainly by a 23.3% hike in billings overseas, which came to 38% of total billings in 1987. U.S. billings improved 6.5%, a figure held down by a drop in billings in New York, Minneapolis and San Francisco offices. Staff reductions accompanied departing clients in each of those cities, with the New York office alone cut by 12.3%. On the flip side, BBDO/West increased billings by $21.6 million mostly from new accounts and boosted staff by 18.3%. Major accounts gained at BBDO include US Navy ($14 million), Oppenheimer ($4 million), Pizza Hut ($25 million), Slice ($40 million) and California Grape Board ($5 million). Major accounts lost include Jacqueline Cochran ($2.3 million), GE Consumer Electronics ($1.8 million) and National Distillers ($14.7). Major growth from existing clients include DuPont ($7.4 million), SmithKline ($6.1 million), Visa ($7 million), Lever Bros. ($5.3 million), Campbell Soup ($4.4 million), Armstrong ($3.9 million), Alamo Rent A Car ($3.9 million), Delta Airlines ($18 million), Fisher ($4 million), Sizzler ($3.6 million), and Coldwell Bankers ($2 million).

U.S. accounts

(See individual subsidiaries.)

Foreign accounts

Gained: Apple—Canada (micro computers), Portugal (Macintosh Plus); Gillette—Mexico (Silkience, Soft & Dry, new toiletry prods), Netherlands (shaving prods, Italy (Oral B dental care, all prods), Dusseldorf (toothbrushes); Frito-Lay—Canada (Doritos), Korea (confectionary); Nestle—Australia (coffee), Uruguay (El Chana coffee); Pepsi Cola Intl—Costa Rica (Pepsi), Duesseldorf (Pepsi regular), London (soft drinks), Portugal, Pepsi Food Intl (chips); Ralston Purina—Puerto Rico (Eveready batteries), Austria (Ucar batteries), Belgium (Ucar), Barcelona (Ucar); Wrigley—Netherlands (chewing gum), France (chewing gum); Reckitt & Coleman—Malaysia (household prods), New Zealand (consumer prods).

Lost: Richardson-Vicks—Mexico (Chocomilk, Chocolik, Licuado Instante, Larin Chocolates), Indonesia (candy, Vaporub, inhaler). Kodak Canada, Nestle, Chrysler Canada—Canada. McDonald's—Guatemala. Audi—Netherlands. BMW—Sweden. Gillette (Aapri)—Belgium. Campbell Soup—Hong Kong.

Officers

Philip B. Dusenbury, chmn, chief creative officer; Tom Clark, president-ceo; Anthony Lenge, sr vp-treas.
Phone: (212) 459-5000.

BBDO Chicago

BBDO Chicago reported gross income of $16,083,000 in 1987 on billings of $139,060,000. In 1986, it reported gross income of $14,788,000 on billings of $121,100,000.

The agency's 1987 U.S. volume consisted of $125,330,000 in media, $9,284,000 in materials and services and $4,446,000 in capitalized fees. Its 1986 U.S. volume consisted of $107,268,000 in media, $9,705,000 in materials and services and $4,127,000 in capitalized fees.

BBDO Chicago consists of five agencies—Chicago, Kansas City, Mo., Cincinnati, St. Louis, Avalon, Calif. Figures from these shops were consolidated into BBDO/Chicago.

In 1987, the agency gained: Alberto Culver: Molly McButter, Bold Hold; James B. Beam Distilling Co.: DeKuyper Cordials, Pussers Rum, Grand Marque Wines, Beam's Decanter; Kemper Group: Kemper Financial Services. It lost: Jacobs Suchard/Brach.

Billings breakdown by media: Newspapers 7.9%, magazines 11%, radio 7.6%, network tv 42.6%, spot tv 29.5%, cable tv 4.8%, outdoor 1.3%, business papers, 0.2%, free-standing inserts 0.1%.

Top execs: Eric Harkna, president, ceo; Roger Mohr, chmn; Michael Greenbaum, sr exec vp; Robert Bailey, exec vp, dir-mktg svcs; Phillip Gant, exec vp, exec creative dir; Dean Proctor, exec vp; Ernest Stern, exec vp, fin & admin; Robert Garrison, sr vp, exec media dir; Charles Kent, sr vp, creative dir; Laura Mackiewicz, sr vp, dir-creative oper; Robb McPherson, Robert Pingrey, sr vps, mgmt supers; David Quinnert, sr vp, controller. Employees: 171 in 5 offices.
Phone: (312) 337-7860.

BBDO New York

BBDO New York reported gross income of $72,877,000 in 1987 on billings of $493,200,000. In 1986, it reported gross income of $73,428,000 on billings of $494,287,000.

The agency's 1987 U.S. volume consisted of $323,000,000 in media, $53,900,000 in materials and services and $116,300,000 in capitalized fees. Its 1986 U.S. volume consisted of $368,106,000 in media, $70,053,000 in materials and services and $56,128,000 in capitalized fees.

In 1987, the agency gained: U.S. Navy; Pizza Hut; Oppenheimer; SLICE; Pepsi Intl. It lost: Jacqueline Cochran; GE Consumer Electronics; National Distillers.

Billings breakdown by media: Newspapers 4.9%, magazines 25.1%, supplements 0.8%, radio 2.7%, network tv 40.3%, spot tv 20.9%, cable tv 3.1%, outdoor 1.7% yellow pages 0.5%.

Top execs: Norman Campbell, chmn & ceo; Willi Schaik, president & coo; Philip B. Dusenberry, vice chmn, dir; Tom Clark, vice chmn.

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Sources: The Scarborough San Francisco Market Study, 1987; Mediamark Research, Inc., The 10 Mediamarket Summary, 1987.

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The agency did not report number of employees.
Phone: (212) 415-5000.

BDA/BBDO

BDA/BBDO, Atlanta, reported gross income of $15,255,658 on billings of $113,519,496 in 1987. In 1986, it reported gross income of $11,891,856 on billings of $84,682,167.

The agency's 1987 U.S. volume consisted of $99,250,695 in media, $9,265,961 in materials and services and $5,002,840 in capitalized fees. Its 1986 U.S. volume consisted of $73,758,626 in media, $6,662,158 in materials and services and $4,261,383 in capitalized fees.

In 1987, the agency gained: None. It lost: None.

Billings breakdown by media: Newspapers 35.1%, magazines 8.3%, supplements 0.2%, radio 17.2%, network tv 14.7% spot tv, 20.2%, outdoor 3.3%, yellow pages 1%.

Top execs: F. Glenn Verrill, chmn & ceo; Jack V. Walz, Gregg Dearth, exec vps; J. Martin Hollinger, James J. Garrison, sr vps. Employees: 133 in 3 offices.
Phone: (404) 231-1700.

BBDO/West

BBDO/West, Los Angeles, reported gross income of $13,073,000 in 1987 on billings of $93,916,000. In 1986, it reported gross income of $10,167,000 on billings of $67,995,000.

The agency's 1987 U.S. volume consisted of $83,172,000 in media, $7,169,000 in materials and services and $3,575,000 in capitalized fees. Its 1986 U.S. volume consisted of $56,224,000 in media, $4,814,000 in materials and services and $6,957,000 in capitalized fees.

The agency did not report accounts gained in 1987. It lost: Apple (BBDO N.Y. assumed 100% of the account).

Billings breakdown by media: Newspapers 2.7%, magazines 5.2%, supplements 0.6%, radio 4.8%, network tv 25.3%, spot tv 60%, outdoor 0.4%, business papers 1%.

The agency did not report top execs. Employees: 164 in 2 offices.
Phones (213) 444-4760.

BBDO/West, San Francisco, reported gross income of $2,554,000 in 1987 on billings of $17,024,000. In 1986, it reported gross income of $3,226,000 on billings of $21,337,000.

The agency's 1987 U.S. volume consisted of $13,183,000 in media, $819,000 in materials and services and $3,022,000 in capitalized fees. Its 1986 U.S. volume consisted of $15,042,000 in media, $3,494,000 in materials and services and $2,801,000 in capitalized fees.

In 1987 the agency gained: California Table Grape Board; California Date Board. The agency did not report accounts lost.

Billings breakdown by media: Newspapers 4.9%, magazines 6.6%, radio 14.9%, network tv 7.3%, spot tv 58.5%, outdoor 6.9%, business papers 0.9%.

The agency did not report top execs.
Phone: (213) 444-4760.

RANK
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Bloom Cos.

Dallas

($ in millions)

U.S.	1987	1986	% chg
Gross income	22.4	25.9	(13.5)
Billings	181.5	177.5	2.3

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U.S. billings

($ in million)	1987	1986	% chg
Media	122.6	139.8	(12.3)
Materials & services	12.4	0.0	0.0
Capitalized fees	46.5	37.7	23.3

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	265	304	(12.8)
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Bloom Agency, Dallas	117.0
Bloom Agency, New York	58.4

Source: All data from agency reports. Bloom restated 1986 figures to reflect calendar-year business.

Annual Review

The small 2.3% increase in billings was influenced largely by a loss of $55.6 million business including Zale Jewelry, Kraft, Del Taco and Maybelline, and the continuing impact of the loss of the Anheuser-Busch beverage division in late 1986. Bloom added $13.2 million from new clients, highlighted by Church's Fried Chicken ($12 million), Dallas Convention & Visitors Bureau ($1.5 million) and Airwick. The agency forecasts 10-15% growth based on these new clients and a perception that advertisers are increasingly being attracted to medium-sized agencies because their accounts are serviced by top management.

U.S. accounts

Gained: Church's Fried Chicken, Dallas Convention & Visitors Bureau; Contadina Tomato Paste (Carnation); Shine Free, media buying (Maybelline); Earth Grains Dinner Loaves (Anheuser-Busch Campbell Taggart Bakery Division); new products, Nestle; new products, Block; Lavender Sachet and Breeze (Airwick).
Lost: Zale Jewelry; Del Taco; Kraft, Seven Seas salad dressing, Chiffon margarine; Maybelline, Moisture Whip.
Officers: R.H. Bloom, chmn-ceo; C. Anthony Wainwright, president-coo; Marion T. Flores, exec vp-cfo; Paul MacMahon, chmn-coo, Dallas; Jeffrey I. Fine, chmn-coo, New York; Brian Cummings, president, Bloom Public Relations, Inc.
Phone: (214) 638-8100.

RANK
15

Bozell, Jacobs, Kenyon & Eckhardt

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	185.2	170.4	8.7
Billings	1,325.0	1,215.0	9.1

U.S.	1987	1986	% chg
Gross income	158.9	151.9	4.6
Billings	1,150.0	1,090.0	5.5

✓

U.S. billings

($ in million)	1987	1986	% chg
Media	769.0	709.1	8.4
Materials & services	189.3	165.5	14.4
Capitalized fees	191.7	215.4	(11.0)

Workforce/facilities

	1987	1986	% chg
Employees w'wide	2,347	2,550	(8.0)
Employees in U.S.	1,847	2,068	(10.7)
Offices worldwide	58	64	(9.4)
Offices in U.S.	30	28	7.1

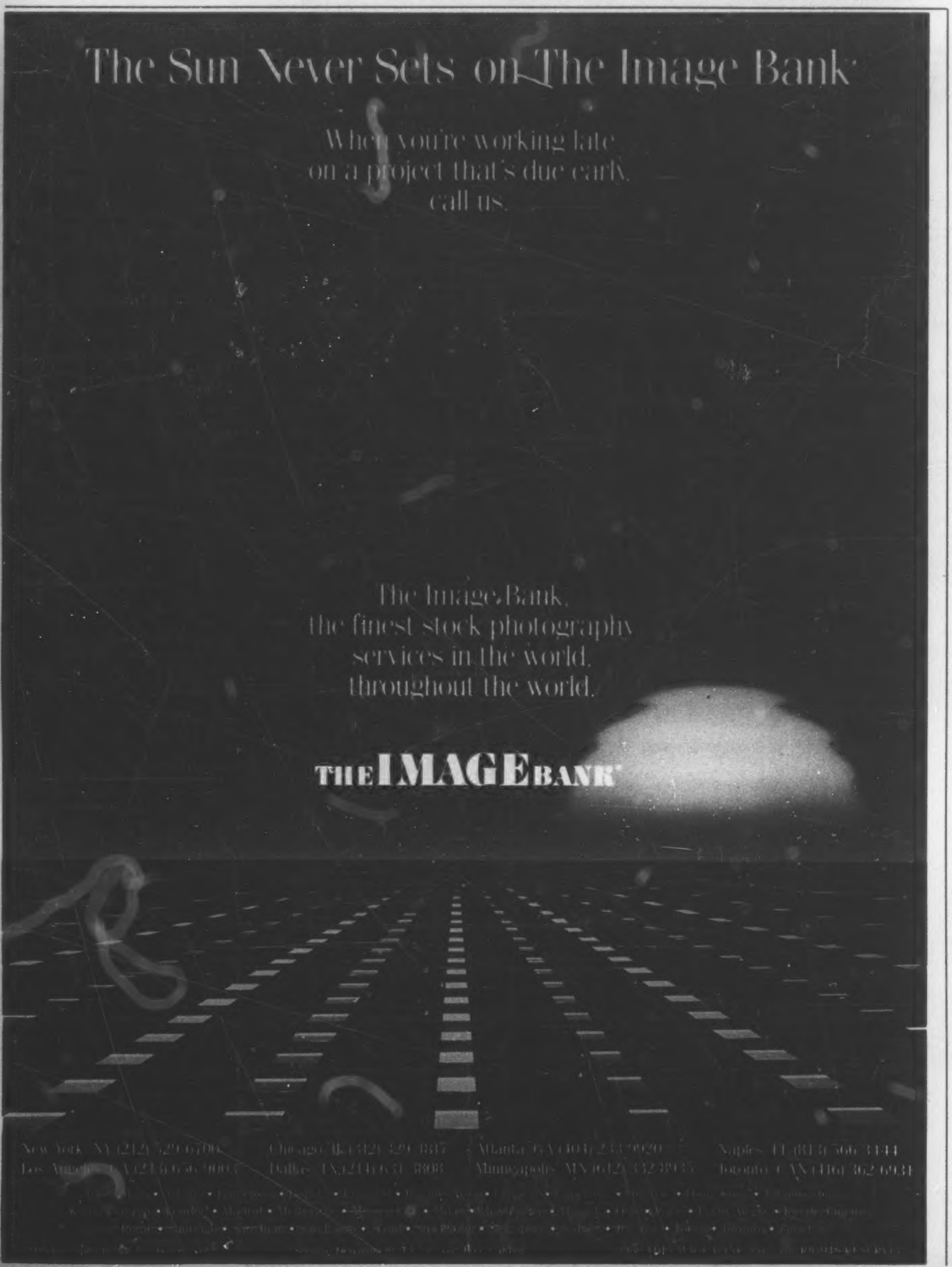
1987 billings by U.S. office

Office, city	Billings
BJK&E, New York	380.0
BJK&E, Detroit	185.0
BJK&E, Omaha	41.0
BJK&E, Chicago	91.0
BJK&E, Minneapolis	56.0
BJK&E, Tampa	4.0
BJK&E, Dallas	245.0
BJK&E, Los Angeles	110.0
BJK&E, Atlanta	38.0

Source: All data from agency reports. Figures for 1986 reflect transfer of New Jersey and Boston offices to Poppe Tyson.

Annual Review

BJK&E, which gained its independence from Lorimar Telepictures in 1987 in a management buyout, gained $105 million in new accounts, including Benckiser ($15



million), Florida State Lottery ($15 million), Quantum Chemicals, formerly National Distillers ($10 million), Firestone Rubber & Tire ($10 million) and the Elanco Animal Division of Eli Lilly ($10 million). Existing business added another $57.5 million in new billings, highlighted by American Airlines ($18 million), Merrill Lynch ($15 million), New York Telephone ($3 million), Bailey Banks & Biddle ($5 million) and Chrysler ($25 million). These accounts offset losses of $52.5 million from DeLaurentiis ($20 million), Ocean Spray Cranberries ($12 million) and McDonalds Assns. SE/SW ($10 million), leaving the agency with a 5.5% increase in U.S. billings. BJK&E closed its Boston office, sold the Houston unit to Fogerty & Klein and added a Tampa, Fla., office. Billings in 1986 were restated to reflect the transfer in 1987 of $35 million in billings and $5.2 million in gross income from its New Jersey and Boston shops to Poppe Tyson.

U.S. accounts

Gained: ABC News; Firestone Tire & Rubber; Elanco Animal Health Div. of Eli Lilly; Lawn Boy; Dial Corp, Tone Soap; Canadian Windsor; Benckiser; Florida State Lottery; Quantum Chemical.

Lost: McDonald's Assns, SE & SW; Ocean Spray Cranberries; First Texas Savings, Gibraltar; DeLaurentiis Ent. Group; B. Dalton Bookseller.

Foreign accounts

Gained: Nabisco, Canada; Dept. of Nat'l. Savings, U.K.; Jet Tours, France; Firestone, Mexico; Inchcope, Hong Kong; Chrysler, Europe; New World Group Hong Kong.

Lost: Revlon, Canada; Cote D'Or Candies, France; Schick, France; Volvo, Belgium.

Officers

Charles D. Peebler Jr., ceo; J. Liener Temerlin, chmn; Leo-Arthur Kelmenson, chmn-exec committee; Joseph Caggiano, bd vice chmn, cfo; David Bell, Wayne J. Fickinger, Stephen Frankfurt, vice chmn; Ron DeLuca, president; Cy Schneider, chmn-Pacific div; A.L. Buschhorn, president-CPS; Dennis D. McClain, president-SW; Linda Robinson, president-RLL; Murray L. Smith, president-int'l; Michael D. Drexler, exec vp; Kenneth E. Gard, exec vp, treasurer.

Phone: (212) 206-5000.

Earle Palmer Brown Cos.

RANK 40

Bethesda, Md.

($ in millions)

U.S.	1987	1986	% chg
Gross income	33.1	17.1	94.0
Billings	248.7	142.1	75.0
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	136.4	72.3	88.7
Materials & services	26.0	13.9	87.3
Capitalized fees	86.2	55.9	54.3

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	501	N/A	0.0
Offices in U.S.	6	N/A	0.0

1987 billings by U.S. office

Office, city	Billings
Earle Palmer Brown, Atlanta	32.4
Earle Palmer Brown, Washington	125.4
Earle Palmer Brown, Chicago	4.2
Earle Palmer Brown, Richmond, Va.	N/A
Earle Palmer Brown & Spiro, Philadelphia	86.6
Earle Palmer Brown, Newark	N/A

Source: All data from agency reports. Year-to-year comparisons are constant.

Annual Review

Acquisitions of Burton-Campbell, Atlanta, and KKB, Atlanta, both integrated in the Atlanta office under the name Earle Palmer Brown Cos., Atlanta, and Spiro & Associates, Philadelphia, now called Earle Palmer Brown & Spiro, contributed highly to the increase in 1987 billings. Burton-Campbell brought $22.4 million in billings to EPB figures for 1987, Spiro & Associates $53 million and KKB $10 million. The agency added $13.5 million from new clients, growth from existing business totaled $11.5 million—a composite of increased budgets from Roy Rogers, Scudader Clark & Stevens, Freddie Mac and US Air—and lost business cost the agency $3.8 million. EPB is part of a joint venture that created the new Chicago agency, McConnaughy Barocci Brown.

U.S. accounts

Gained: Pacific Southwest Airlines; Reuben H. Donnelly Corp.; Madison National Bank; Telenet; *Washington Times*; New York City Transit Authority; Certainteed; Metrophone; Newsnet.

Lost: Big Boy National Franchisers Co-op; Sheraton Hotels; Traffic Safety Now.

Officers

Washington: Earle Palmer Brown, chmn; Jeb Brown, pres, coo; Bob Putman, exec vp, cfo; David Frutko, vp, internal consultant; Mark Goldstein, president; Louise Smoak, vp; Mike Turner, vice chmn, chmn-Atlanta; Gail Moore, vp, fin; Nancy Cramer Eller, vp, mis dir; Ann Eggers, vp-operations; Brenda Shierman, vp-human resources; George Woltz, president-Richmond; David Livesay, vp, acct super; Joe Berilgen, Clair Geser, sr vps, acct group dirs; Michael Meyer, exec vp; Monte Newman, exec vp, coo; Steve Ellis, president-Earle Palmer Brown Public Relations; Doug McClatchy, exec vp, exec creative dir. Philadelphia: Joe Carri, exec vp, exec creative dir; George Gunn, vice chmn; Gerry Oakes, exec vp-finance; Bruce Odza, sr exec vp, coo; Howard Rice, vice chmn; Walter A. Spiro, chmn & ceo; Norman Tissian, vice chmn, mgmt super. Newark: Bill Crandall, sr vp, genl mgr. Atlanta: Ron Scharbo, president; Gabe Massimi, vice chmn, creative dir

Phone: (301) 657-6000.

Leo Burnett Co.

RANK 10

Chicago

($ in millions)

Worldwide	1987	1986	% chg
Gross income	369.2	305.2	21.0
Billings	2,461.8	2,061.8	19.4
U.S.	**1987**	**1986**	**% chg**
Gross income	232.5	201.0	15.6
Billings	1,550.0	1,361.6	13.8
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	1,284.6	1,146.0	12.1
Materials & services	212.7	159.9	33.1
Capitalized fees	52.7	55.7	(5.4)

Workforce/facilities

	1987	1986	% chg
Employees w'wide	4,643	4,405	5.4
Employees in U.S.	1,877	1,768	6.2
Offices worldwide	45	43	4.7
Offices in U.S.	5	5	0.0

Source: All data from agency reports.

Annual Review

Continuing its traditional pattern, the agency incurred 95% of its billings growth from increased ad budgets of existing clients. In the U.S., 22 new assignments from eight of its clients were added. The one account gained was from Black & Decker and is worth an estimated $10 million. Three accounts left—Memteck Products ($3 million) and RCA ($15 million) were resigned, and M&M/Mars departed because of conflict with other Burnett client H.J. Heinz.

Internationally, 184 assignments in 38 countries from 11 clients were added, mostly from Kellogg and Procter & Gamble, including their Richardson-Vicks division. New business came from BASF and Abbott Laboratories.

The agency's internal direct marketing unit has done better than expected as it handled eleven clients in 1987. The new in-house hispanic marketing unit is expected to grow more slowly.

U.S. accounts

Gained: Black & Decker Power Tool Division.

Lost: Memtek Products Inc.; RCA; M&M/Mars.

Officers

Hall Adams, chmn, ceo-LB Co.; Richard Fizdale, president, chief creative officer-LB Co.; Jack Kraft, vice chmn-admin & fin; Jack Smith, vice chmn-dir creative svcs worldwide; William Lynch, chmn, ceo-LB USA; Ted Bell, president, dir creative svcs-LB USA; Rob Nolan, vice

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Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

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chmn creative svcs-LB USA; Hank Feeley, chmn, ceo-intl; Michael Conrad, president, dir creative svcs-intl
Phone: (312) 565-5959.

Harold Cabot & Co.

RANK
84

Boston

($ in millions)

U.S.	1987	1986	% chg
Gross income	12.1	10.0	20.3
Billings	80.6	68.0	18.6

U.S. billings

($ in million)	1987	1986	% chg
Media	50.5	47.5	6.3
Materials & services	11.1	7.4	49.9
Capitalized fees	19.0	13.1	45.4

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	156	125	24.0
Offices in U.S.	1	1	0.0

Sources: All data from agency reports.

Annual Review

Execs at Cabot are "bullish" about 1988 following an 18.6% growth in billings in 1987, representing $8.9 million in new business and $3.8 million in new billings from existing clients. Projections are for billings to reach the $100-120 million range based on new business such as the recently won Canadian Paper Co. and several other pitches in which the agency has been shortlisted. No client losses affected 1987 figures, however, one setback, effective January, 1988, was the loss of the $4.1 million New England Apple account.

U.S. accounts

Gained: Harvard Community Health Plan; Northeast Savings Bank; Dbx Audio; Pearl Packing.
Lost: New England Apple Products; Rock-of-Ages.

Officers

William H. Monaghan, president-ceo; Courtney A. Crandall, chmn; Robert P. Linderman, III, exec vp-creative dir; Edmund C. Fitzmaurice, Dale G. Casto, Jr., sr vps; Charles F. Kiefer, III, treas.
Phone: (617) 242-6300.

Campbell-Mithun

RANK
23

Minneapolis

($ in millions)

U.S.	1987	1986	% chg
Gross income	63.9	57.1	11.9
Billings	425.8	380.2	12.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	705	726	(2.9)
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Campbell-Mithun, Minneapolis	277.9
Campbell-Mithun, Chicago	147.9

Sources: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

Growth from current clients of $46 million at this Saatchi network agency was the major contributor to the 12% billings increase. New business at $8.4 million was supplanted by losses of $14.6 million. The agency plans to build up its creative work. It has suffered over the past three years from a 50% turnover in its creative department. C-M has cultivated a reputation as a strong marketing agency.

U.S. accounts

Gained: Dayton Hudson; National Pork Producers; 3M Co., furniture refinishing, new products soap filled, disposable paint brushes; Kroger, Welcome Stores; Control Data, Project ETA; General Mills, Project Plus, Project Grand Slam, Project Yeager, Project Orbit.
Lost: North American Plant Breeders; Poly-Tech Inc.; Computer Depot; Kohler Co.; Quaker Oats; Ashley's; A C Material Handling; Eaton Corp., automation products, electronic drives, industrial control, power distribution.

Officers

William D. Dunlap, chmn-ceo; Dean R. Koutksy, vice chmn; William H. Stein, president-coo; Joseph L. Berner, Madeline Betsch, H. David Francis, Marvin S. Goldsmith, Jordan H. Krimstein, Howard P. Liszt, Bruce T. Sutherland, Gene Zaske, exec vps; David Oium, cfo.
Phone: (612) 347-1000.

Carmichael Lynch

RANK
98

Minneapolis

($ in millions)

U.S.	1987	1986	% chg
Gross income	10.6	9.5	11.6
Billings	70.9	63.5	11.6

✓

U.S. billings

($ in million)	1987	1986	% chg
Media	21.8	21.2	2.8
Materials & services	10.1	9.9	2.3
Capitalized fees	39.0	32.5	20.3

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	165	165	0.0
Offices in U.S.	1	1	0.0

Sources: All data from agency reports.

Annual Review

After eight years averaging 20% annualized growth, business slipped to an 11.6% growth in 1987 and is expected to hit 10% in 1988 because of the "uncertain economic climate." Most of the increase in 1987 came from new business although all existing clients increased ad budgets. New business contributed about $8 million in annualized billings. Accounts lost were all resigned and totaled about $6.4 million in annualized billings.

U.S. accounts

Gained: Pioneer Hybrid Intl; Metropolitan Transit Commission; Mt. Sinai Hospital; AAA of Minnesota; EcoLab Inc.; E.F. Johnson; Minnesota State Fair; McLagan Intl.
Lost: WCCO-TV; WCCO Real Radio; Mercury Marine.

Officers

Lee Lynch, chmn, ceo; Lou Bacig, president; Jerry Stahl, exec vp-client svc officer; Jack Supple, sr vp-exec creative dir.
Phone: (612) 334-6000.

Chiat/Day

RANK
25

Venice, Calif.

($ in millions)

U.S.	1987	1986	% chg
Gross income	52.5	47.1	11.4
Billings	350.0	314.1	11.4

U.S. billings

($ in million)	1987	1986	% chg
Media	239.6	211.3	13.4
Materials & services	42.0	36.6	14.5
Capitalized fees	68.4	66.2	3.4

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	413	333	24.0
Offices in U.S.	3	3	0.0

1987 billings by major office

Office, city	Billings
Chiat/Day Advertising, Los Angeles	140.0
Chiat/Day Advertising, New York	110.0
Chiat/Day Advertising, San Francisco	100.0

Sources: All data from agency reports.

Annual Review

Losing the $28 million Pizza Hut account and the $21 million Porsche business didn't hold down growth at this agency which gained Nissan ($150 million annualized), National Car Rental ($13 million), Reebok ($22 million) and Royal Caribbean Cruise Lines ($15 million). Growth from Pizza Hut ($6.7 million) before its departure, World of Wonder ($18.7 million) and NYNEX ($6.7 million) boosted totals, but spending bottomed out for California Cooler which pared $8 million from its budget. Management changes accommodated new growth. In New York, senior-VP Jane Newman was named exec VP-general manager. In San Francisco, chief operating officer Fred Goldberg was promoted to president-CEO and Matt Crisci went to senior VP-general manager. Bob Wolfe, the New York general manager was named president-CEO of the L.A. office.

U.S. accounts

Gained: Eveready; Fox Broadcasting; La Victoria; Nissan; Collagen; Coopervision; Plantronics; National Car Rental; Reebok; Royal Caribbean Cruises; Very Fine Juices.

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Stephan W. Schulte
Sr. Vice President, Direct Broadcast Development
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Lost: Amblin; Pizza Hut; Porsche; Oral B; Ask Corp.; Fox Broadcasting; Worlds of Wonder; Miles Laboratories.

Officers

Jay Chiat, chmn, ceo; Lee Clon, president, exec creative dir; Fred Goldberg, president ceo-SF; Bob Nolf, president, ceo-LA; Bob Kuperman, exec vp, creative dir-LA; Ross Van Dusen, exec vp, creative dir-SF; Bill Hamilton, exec vp, creative dir-NY; Jane Newman, exec vp, gen mgr-NY; Pete de Vaux, sr vp, cfo; Sharon Stanley, sr vp, admin; Greg Helm, sr vp, gen mgr-LA; Matt Criaci, sr vp, gen mgr-SF.

Phone: (213) 314-5000.

Ted Colangelo Associates

RANK **97**

Greenwich, Conn.

($ in millions)

U.S.	1987	1986	% chg
Gross income	10.7	8.0	32.8
Billings	67.2	49.3	36.3
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	67.2	49.3	36.3
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	69	73	(5.5)
Offices in U.S.	3	3	0.0

Source: All data from agency reports.

Annual Review

Bulk of the healthy 36.3% increase in billings at this sales-promotion subsidiary of D'Arcy Masius Benton & Bowles came from $22.2 million in new business, particularly American Tobacco Co. ($5.7 million annualized) and Hubbell Inc. ($6.1 million). Existing budgets were down $1 million in the aggregate and lost business totaled $3.8 million. The new client base should push up billings by 10% in 1988.

U.S. accounts

Gained: American Tobacco Co.; Hubbell Inc., wiring & marine divs; General Electric, plastics, aerospace, corp. mktg, engineering & mfg, foundation, international, corp. recruitment.

Lost: None were reported.

Officers

Ted Colangelo, chmn; Lou Boroff, president; Dave Quincy, exec vp; Ian Barribal, Jim Fannon, Mike Fine, Pat Mundy, Gerry Osmond, Gene Plotnik, Ed Sochor, sr vps.

Phone: (203) 531-3600.

Cole & Weber

RANK **93**

Seattle

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.0	13.4	(17.9)
Billings	87.1	90.5	(3.8)
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	40.7	44.3	(8.3)
Materials & services	10.3	10.6	(2.5)
Capitalized fees	36.1	35.6	1.5

Workforce/facilities

	1987	1986	% chg
Employees w'wide	147	252	(41.7)
Employees in U.S.	147	204	(27.9)
Offices worldwide	3	7	(57.1)
Offices in U.S.	3	5	(40.0)

1987 billings by U.S. office

Office, city	Billings
Cole & Weber, Seattle	64.0
Cole & Weber, Salt Lake City	10.8
Cole & Weber, Portland	12.2

Source: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

The agency suffered a decline of 3.8% in billings worldwide mainly because of the loss of non-U.S. business from the sale of its Vancouver office to Scali, McCabe, Sloves. Adding to that was the loss of billings from the Los Angeles and San Francisco offices, both of which were sold. The agency further explains decreases as a result of problems affecting all Seattle shops because of a perceived weaker creative image, keen competition from California and Oregon shops and a threatening 7.5% state service ad tax. On the account side, the Apple Commission account ($6 million), held for 26 years, was lost, but C&W picked up three new accounts including Diet Center ($6 million). Clark Kokich resigned as executive VP-general manager of the Seattle office and Jim Capacino, who was hired away from Livingston & Co. as a key senior VP-creative director, resigned months later to freelance.

U.S. accounts

Gained: Diet Center; Emporium Capwell; Weinstock's.

Lost: Washington State Apple Commission.

Officers

Harold A. Newsom, chmn; Harold C. Dixon, dir; Richard G. Hadley, vice chmn; Rene J. Ferran sr vp, treas; William G. Viert, secty; Dale Robley, exec vp, mng dir-Portland; Dave Thomas, exec vp, mng dir-SLC.

Phone: (206) 447-9595.

Cramer-Krasselt Co.

RANK **83**

Milwaukee

($ in millions)

U.S.	1987	1986	% chg
Gross income	12.2	10.3	18.4
Billings	84.6	70.4	20.2
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	64.9	52.3	24.0
Materials & services	9.4	8.2	14.1
Capitalized fees	10.4	9.9	5.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	158	139	13.7
Offices in U.S.	3	3	0.0

1987 billings by U.S. office

Office, city	Billings
Cramer-Krasselt Co., Milwaukee	40.1
Cramer-Krasselt Co., Phoenix	10.1
Cramer-Krasselt Co., Chicago	34.4

Source: All data from agency reports.

Annual Review

Billings continued strong, up 20.2% in 1987, stimulated by $11.8 million in new business and $4.8 million from existing business. New major accounts are Signature Insurance ($3.5 million), Dean Foods ($2 million), Chase Bank of Arizona ($1.4 million), American National Bank ($1.5 million), Michael Reese HMO ($1.3 million) and Rydelle division of S.C. Johnson ($1 million). Losses of $2.4 million came largely from the departure of Blue Cross/Blue Shield of Wisconsin ($2 million). Projections for 1988 include breaking the $100 million billings mark.

U.S. accounts

Gained: Rydelle Labs; Wis-Pak; Signature Insurance; Dean Foods; American Nat'l. Bank; Michael Reese HMO; Chase Bank of Arizona; Long Distance for Less; Coventry Homes, Phoenix.

Lost: Blue Cross/Blue Shield of Wis.; American Appraisal; Armstrong Rose; Coventry Homes, Phoenix.

Officers

Paul S. Counsell; chmn & ceo; Peter G. Krivkovich, president & coo; Rolf G. Normann, exec vp, gen mgr-Phoenix; Philip May, exec vp, gen mgr-direct; William D. Faude, sr vp, secty; Robert J. Bradley, vp, treasurer; Paul M. Bentley, Harry L. Blomgren, Don Brashears, Neil P. Casey, Kenneth R. Lamm, Maureen Moore, Robert Rossiter, Bradley Tips, sr vps.

Phone: (414) 276-3500.

Creswell, Munsell, Fultz & Zirbel

RANK **87**

Cedar Rapids, Iowa

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.4	10.8	5.4
Billings	75.8	71.9	5.4
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	46.2	42.4	9.1
Materials & services	0.0	0.0	0.0
Capitalized fees	29.6	29.6	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	173	174	(0.6)
Offices in U.S.	2	2	0.0

Source: All data from agency reports.

Annual Review

CMF&Z's 5.4% growth came partly from industrial and consumer accounts and partly from its pr division but only nominally from its area of specialization—agribusiness. Restructuring occurred in February, 1988, as three major divisions were formed. They are CMF&Z Cedar Rapids, CMF&Z Des Moines and CMF&Z Public Relations, each headed by newly named presidents. The new setup is designed to enhance service and to create and sustain client business and agency growth.

U.S. accounts

Gained: Cycle Sat Inc.; Grain Processing Corp.; Jacks Stores, Penn-Daniels Inc.

Lost: Teleconnect Co.; Bishops Buffet; DeLong Sportswear Inc.

Officers

E. William Munsell, chmn-CMF&Z, exec vp-Y&R, U.S. Natl Group; Richard D. Meyocks, vice chmn-CMF&Z; Frank C. Baker Jr., president-CMF&Z, Cedar Rapids; William J. Fultz, president-CMF&Z, Des Moines; Richard F. Mayes, president-CMF&Z pr; Marvin L. White, sr vp, chmn-strategy devel committee; James E. Meeks, sr vp, treas, dir-business affairs; Weston R. Ritchie, Ira W. Way, sr vps, acct supers; Gerald L. Anderson, sr vp, assoc creative dir; Robert N. Cline, sr vp, dir-business devel; William H. Fritz, sr vp, exec creative dir; Ransdall L. Thompson, sr vp, mgmt super; Terry J. Stoffer, sr vp, dir-client svcs; Stephen J. Custer, sr vp-mktg svcs; Carol J. Snetzler, sr vp, dir-print production.

Phone: (319) 395-6500.

Dailey & Associates

RANK **66**

Los Angeles

($ in millions)

U.S.	1987	1986	% chg
Gross income	16.9	21.1	(19.8)
Billings	112.8	140.6	(19.8)
✓			

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	189	181	4.4
Offices in U.S.	N/A	N/A	0.0

Source: All data from agency reports.

Annual Review

Dailey had hoped to reach $150 million in billings in 1987, but dropped 19.8% to $112.8 million mainly because of the loss, effective midyear, of Western Airlines ($25 million), which was merged with Delta. This year looks significantly better. New accounts gained included California State Lottery ($30 million) and Naugles Restaurants ($8 million) and budget increases from Beatrice, Carnation and Honda will take effect throughout the year helping to push up billings. The agency also had a small increase in staff despite the poor showing in anticipation of new business presently being pitched.

U.S. accounts

Gained: California State Lottery, Moctezuma Imports, Naugles Restaurants.

Lost: Western Airlines.

Officers

Phillip Joanou, chairman-ceo; Clifford J. Einstein, president-creative dir; Stephen W. Chabre, exec vp-coo.

Phone: (213) 386-7823.

D'Arcy Masius Benton & Bowles

RANK **9**

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	371.3	333.7	11.3
Billings	2,494.3	2,237.6	11.5

U.S.	1987	1986	% chg
Gross income	196.8	189.6	3.8
Billings	1,332.3	1,278.5	4.2
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	1,085.8	1,029.2	5.5
Materials & services	197.2	198.2	(0.5)
Capitalized fees	49.3	51.1	(3.6)

Workforce/facilities

	1987	1986	% chg
Employees w'wide	5,428	5,371	1.1
Employees in U.S.	2,219	2,314	(4.1)
Offices worldwide	19	19	0.0
Offices in U.S.	83	82	1.2

1987 billings by U.S. office

Office, city	Billings
DMB&B, Chicago	113.4
DMB&B, Los Angeles	29.3
DMB&B, St. Louis	177.7
DMB&B, New York	585.0
DMB&B, Bloomfield Hills, Mich.	283.9
DMB&B, San Francisco	13.9
Manning Selvage & Lee, New York	129.2
Medicus Consumer Communications, N.Y.	23.8
Medicus Intercon, New York	60.4
Ted Colangelo Associates, Greenwich	67.2
(Medicus) Science & Medicine, New York	18.6

Source: All data from agency reports.

Annual Review

A worldwide billings growth of 11.5% materialized from an increase of 4.2% on the domestic level and 21.2% overseas. In the U.S., a 9.1% growth in billings from the New York office and 21.2% growth in Detroit offset losses in Chicago, St. Louis and San Francisco. D'Arcy has become P&G's No. 1 agency, as a result of the $35 million newly acquired business overseas from Richardson-Vicks. A 12% increase in billings is forecasted for 1988, buttressed by expansion in overseas operations and new accounts. D'Arcy folds in returns from subsidiaries Medicus International and Manning Selvage & Lee into its totals.

U.S. accounts

Gained: General Motors; American Dairy Assn; Anheuser-Busch; Nat'l Automated Clearing House Assn; Island Pictures; Kings Road Entertainment; Makita; Sea World; Norelco; Hyundai Electronics; Chi Chi's; Waldbaums; *National Enquirer*; Bahamas Ministry of Tourism.

Lost: Budget Rent-A-Car; ShopKo; WBBM-TV, Chicago; National Dairy Board; MCI; Pitney Bowes; RAX; Televideo.

Foreign accounts

Gained: Procter & Gamble's Richardson-Vicks—Australia (Clearasil), Finland (Clearasil), Germany (cold remedies, skin), Italy (cold remedies, skin), Netherlands (Clearasil), Singapore (Clearasil), Sweden (acne prods); Bristol-Myers—Australia (Clairol); Mars—Australia (Uncle Ben's), Austria (Diet petfood), Denmark (Masterfoods), France (Sultan, Thomas), Italy (Skittles), Great Britain (Masterfoods' Tyne and Dolmio brands, and Pedigree Petfood's Pal Dog Biscuits, Bounce Dog food); Europcar—Belgium, France, Germany, Italy, Netherlands, Switzerland, Great Britain; Burger King—Denmark, Great Britain; Fiat—Denmark (Duna), Italy (Tipo), Spain (cars), Switzerland (cars); Procter & Gamble—

Billion-dollar agencies by billings growth

Rank	Agency	Worldwide billings 1987	Worldwide billings % chg	U.S. billings Rank	U.S. billings 1987	U.S. billings % chg	Foreign billings Rank	Foreign billings 1987	Foreign billings % chg	Foreign as % of worldwide 1987	Foreign as % of worldwide 1986
1	HDM	$1,383.6	29.3	(16)	$206.0	(33.3)	(1)	$1,177.6	54.7	85.1	71.1
2	Lintas:Worldwide	2,787.2	24.9	(7)	1,107.9	6.1	(4)	1,679.3	41.4	60.2	53.2
3	McCann-Erickson Worldwide	3,418.5	19.8	(2)	1,078.0	10.1	(10)	2,340.5	24.9	68.5	65.7
4	Grey Advertising	2,462.6	19.4	(4)	1,455.4	7.2	(3)	1,007.2	43.1	40.9	34.1
5	Leo Burnett Co.	2,461.8	19.4	(1)	1,550.0	13.8	(7)	911.8	30.2	37.0	34.0
6	Backer Spielvogel Bates Worldwide	4,068.7	17.6	(12)	1,808.0	(0.3)	(6)	2,260.7	37.5	55.6	47.5
7	Young & Rubicam	4,905.7	17.0	(3)	2,573.0	7.7	(8)	2,332.7	29.4	47.6	43.0
8	Ogilvy & Mather Worldwide	3,663.8	16.1	(9)	1,745.2	4.8	(9)	1,918.6	28.8	52.4	47.2
9	BBDO Worldwide	3,664.5	12.4	(6)	2,244.7	6.5	(12)	1,419.8	23.3	38.7	35.3
10	D'Arcy Masius Benton & Bowles	2,494.3	11.5	(10)	1,332.3	4.2	(13)	1,162.0	21.2	46.6	42.9
11	Bozell, Jacobs, Kenyon & Eckhardt	1,325.0	9.1	(8)	1,150.0	5.5	(5)	175.0	40.0	13.2	10.3
12	Saatchi & Saatchi Advertising	4,609.4	6.6	(5)	2,187.0	7.1	(16)	2,422.4	9.9	52.6	51.9
13	Foote, Cone & Belding	2,298.5	6.7	(11)	1,628.6	0.7	(11)	669.3	24.6	29.1	25.0
14	N W Ayer	1,217.6	6.5	(13)	878.0	(3.9)	(2)	339.7	48.2	27.9	20.1
15	J. Walter Thompson Co.	3,221.8	2.6	(15)	1,620.8	(6.4)	(15)	1,601.0	13.6	49.7	44.9
16	DDB Needham Worldwide	2,603.1	1.8	(14)	1,637.5	(5.2)	(14)	965.6	16.2	37.1	32.5

NOTES: Dollars are in millions. This ranking includes U.S. agencies with worldwide billings of $1 billion or more. Billings given in this table include subsidiary billings listed on Page 4. Previous years' billings, not shown, but used to compute percent change, are all historical.

France (Mansavon), Greece (Crest, Attends), Great Britain (Fairy Toilet Soap); Bayer-France (Delial), Greece (Delial); Tourism Authority of Thailand—Germany, Italy; Burger King—Norway, Singapore; Allied Lyons—Great Britain (Tetley Gold, Tetley One Cup); Budweiser-Great Britain; IBM—Mexico City.

Lost: Budget Rent-A-Car—Australia; Richardson-Vicks—Australia (Oil of Ulan, threat drops, Vidal Sassoon), Netherlands (throat pastilles); Braun, Max Factor—Canada; Bongrain—France (Perreault); Pond's cosmetics—Germany, Greece; CPC's Knorr—Germany; Buitoni—Italy (all products), Great Britain; Mercedes—Spain; Procter & Gamble—Britain; Superior Beer—Mexico.

Officers

John S. Bowen, chmn & ceo; Roy J. Bostock, president-USA div; Peter T.W. Redsell, president-intl div; George J. Simko, president-diversified cos div; Craig D. Brown, exec vp & cfo; Bernard Kanner, exec vp-intl div.

Phone: (212) 758-6200.

Davis, Johnson, Mogul, Colombatto

RANK 59

Los Angeles

($ in millions)

U.S.	1987	1986	% chg
Gross income	18.9	17.3	9.2
Billings	134.2	130.3	3.0
✓			

U.S. billings

($ in million)	1987	1986	% chg
Media	106.6	103.5	3.0
Materials & services	11.9	11.6	3.0
Capitalized fees	15.7	15.2	3.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	228	240	(5.0)
Offices in U.S.	7	6	16.7

1987 billings by U.S. office

Office, city	Billings
DJM&C, San Francisco	25.2
DJM&C, Baltimore	2.3
DJM&B, Portland, Ore.	8.0
DJM&C, Los Angeles	97.7
Ferrar/Ad America, Los Angeles	N/A
Gelman & Gray, Los Angeles	N/A
Gelman & Gray/Lowry, San Francisco	N/A

Sources: All data from agency reports.

Annual Review

The "Mac Tonight" commercial move from regional co-op to national by McDonald's Corp. brought recognition to the agency in 1987. That greater exposure and anticipated new business on the West Coast could push billings up 10% in 1988, says the agency. For 1987, the modest 3% increase in billings largely reflected the loss of the $9.5 million Toyota Dealers Assn. account which resulted in the closing of the Maryland office. Business was stronger on the West Coast where the Los Angeles office increased billings by 12.8% and hispanic subsidiary, Ferrar/Ad America, was opened. New business totaled $5.5 million in 1987 while $7.9 million was gained from existing accounts.

U.S. accounts

Gained: All American SportsClub; Krause's Sofa Factory; Miller's Outpost; Ralph's Giant; Tahiti Tourist Bureau.

Lost: Mid-Atlantic Toyota Dealers' Assn; Northern California Toyota Dealers' Assn.

Officers: Robert M. Davis, Robert J. Colombatto, co-chmn; Brad A. Ball, president; Ronald A. Kojis, Mark D. Davis, exec vps; Peter Coutroulis, exec vp-creative dir; John J. Turner, sr vp, dir of oper; Steven D. Orenstein, sr vp-finance.

Phone: (213) 688-7000.

DDB Needham Worldwide

RANK 12

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	358.5	375.0	(4.4)
Billings	2,603.1	2,557.5	1.8
U.S.	**1987**	**1986**	**% chg**
Gross income	218.0	250.4	(12.9)
Billings	1,637.5	1,726.6	(5.2)
✓			

U.S. billings

($ in millions)	1987	1986	% chg
Media	1,071.9	1,168.0	(8.2)
Materials & services	172.6	219.6	(21.4)
Capitalized fees	393.0	339.0	15.9

Workforce/facilities

	1987	1986	% chg
Employees w'wide	4,322	4,444	(2.7)
Employees in U.S.	2,493	2,605	(4.3)
Offices worldwide	80	87	(8.0)
Offices in U.S.	40	41	(2.4)

1987 billings by U.S. office

Office, city	Billings
Bernard Hodes Advertising, N.Y.	187.2
Cargill Wilson & Acree/T-L, Atlanta	N/A
DDB Needham, Chicago	434.5
DDB Needham, Denver	7.6
DDB Needham, McLean, Va.	29.2
DDB Needham, San Francisco	29.8
DDB Needham, Rancho Cordova, Calif.	17.2
DDB Needham, New York	422.0
DDB Needham, Los Angeles	108.6
DDB Needham, Detroit	146.4
Fletcher/Mayo/Associates, St. Joseph, Mo	11.9
Fletcher/Mayo/Associates, Chicago	4.9
Fletcher/Mayo/Associates, Atlanta	0.9
Kallir, Philips, Ross, New York	123.9
Kresser Craig/D.I.K., Los Angeles	32.5
Milici Valenti Park & Gabriel, Honolulu	20.8
Rapp & Collins USA, Dallas	64.6
Rapp & Collins USA, New York	34.8
York Alpern, Los Angeles	N/A

Sources: All data from agency reports, except some billings by office, which are AA estimates. Cargill Wilson & Acree merged into Tracy-Locke on Jan. 1, 1988. Figures in box for 1986 are historical.

Annual Review

Worldwide billings climbed 1.8% in 1987, the agency's first full year of operation, heavily weighted toward overseas business. Non-U.S. billings rose 26.9% compared with a decline of 5.2% domestically. Strength overseas came from favorable conversion rates, a combination of major agency consolidations in Europe and Asia-Pacific, acquisition of additional interests in Italy and Australia and new business wins including Bayer, Cote D'Or, Euromarche and Reebok. Domestically, new business measured $55.5 million and increased budgets another $171.4 million, however, $260.8 million resulted in lost business, much of it related to conflicts arising out of the merger of Doyle Dane Bernbach Group and Needham Harper Worldwide. Three divisions were formed in 1987, each with its own president. Girvin, Conrad & Girvin was acquired and the DDB Needham Retail Network was established with this agency as its core. Healthy growth overseas should continue in 1988 due to new business.

U.S. accounts

Gained: DDB Needham California—Epilady; Liquor Barn; Telecake; Flecto Co. DDB Needham Chicago—Clorox Co., new prods; Dial Corp., new prods; Frito-Lay, new prods; General Mills, new prods; Maybelline USA; National Dairy Promotion & Research Board; Ralston-Purina, new prods; Rubbermaid Inc., new prods; Eveready Battery Co., new prods. DDB Needham Denver—KRXY. DDB Needham Washington—GTE Spacenet; Luray Caverns; Manor Healthcare Nurse Recruitment; Oliver Carr Co.; Silver Institute. DDB Needham New York—NEC Home Electronics USA; NEC Corp.; Ortho Pharmaceutical, birth control pills; House of Seagram Lord Calvert, new prods. Milici Valenti Park & Gabriel, Hawaii—GTE Mobilnet; Hawaii Prince Hotel.

Lost: California—Naugles; Sea World. Chicago—GMI, Minnetonka div. Denver—M.J. Brock; GTE Communication Systems. New York—Liz Claiborne; Intergold. Washington—WRQX; WJLA. Hawaii—NAPA Distribution Center; Pacific Resources.

Foreign accounts

Gained: Cote D'Or—France, Greece, Italy, Spain. Johnson Wax—Germany, Spain, U.K. Mobil—Greece, Italy, Netherlands, Spain, U.K. Bayer—Germany, Greece, Spain. American Airlines—Spain, Switzerland, U.K.

Lost: Singer; Citizen Watches; Alitalia—Australia. Twinings—Austria. Otto; Grundig Rasierer—Germeny. Texaco—Greece. Idet—Netherlands; HPN/Molinera; Mercamadrid—Spain. Luxor AB, SAAB—Sweden. Meyers Rum, Chivas—Switzerland. Seagrams; Reckitt & Coleman; Boots; Hasbro; Bass—U.K.

Officers

Corporate—Keith Reinhard, chmn & ceo; John Bernbach, president & coo; John Bradstock, president-intl; Gerald Germain, exec vp-cfo; Lloyd Highbloom, exec vp, dir business devel; Lou Tripodi, exec vp, corp dir-public affairs; Ruth Ziff, exec vp, exec dir-rsch & mktg svcs.

If you're looking for food sales, there's a market in Michigan that'll make your mouth water.

If you're hungry for an appetizing market, here's a place you can sink your teeth into–Booth, Michigan. By consuming over $2.5 billion worth of groceries per year, we make up America's 18th largest food market. Detroit papers only reach 11% of the Booth market. A market whose food sales have grown nearly 5 times faster than Detroit's in the last five years. And we've got impressive numbers in other markets, too. We're America's 15th largest retail market. And number nine in general merchandise sales. If you and your clients are looking for numbers that are easy to swallow, phone Booth Newspapers at (313) 540-5600. You get 8 newspapers at a 15% discount with just one call. One order. One bill. Represented nationally by Newhouse Newspapers.

newspapers booth

Ann Arbor News • Bay City Times • Flint Journal • Grand Rapids Press • Jackson Citizen Patriot • Kalamazoo Gazette • Muskegon Chronicle • Saginaw News

Source: Survey of Buying Power 7/86. Circulation 86-87.

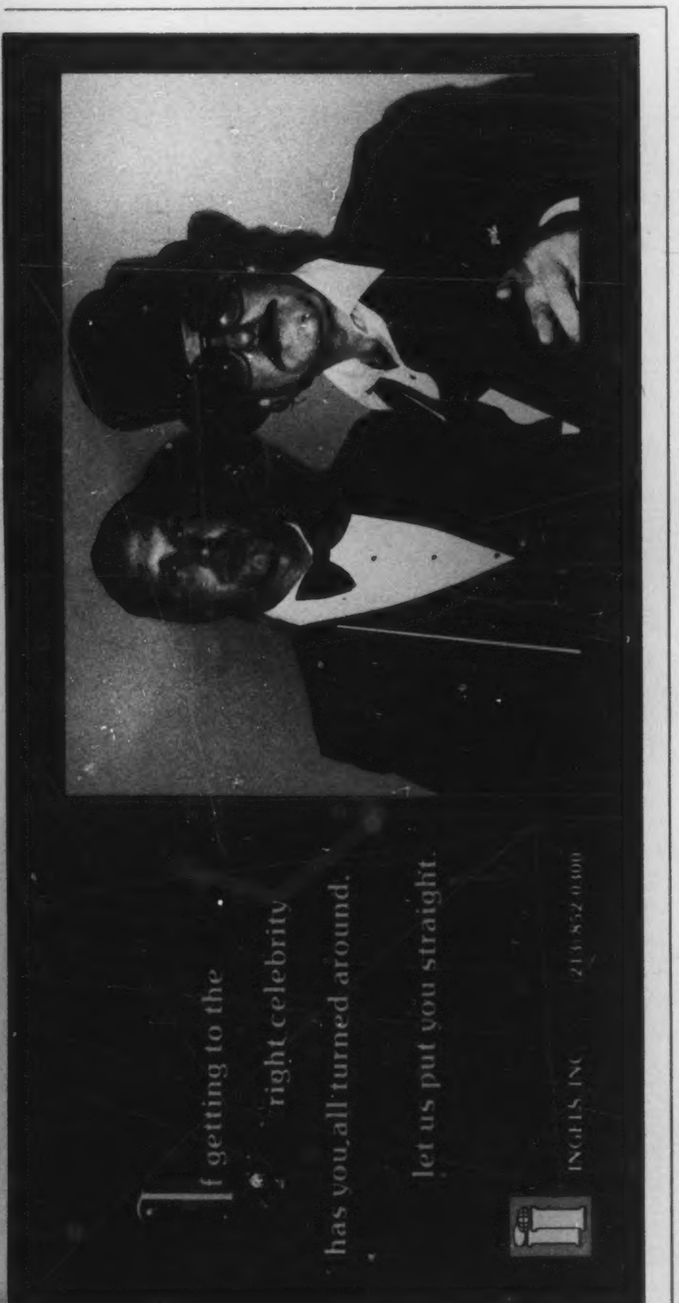
Top 10 U.S. agencies in newspaper billings

Rank	Agency	Newspaper billings 1987	Newspaper billings 1986	U.S. billings 1987	U.S. billings 1986
1	J. Walter Thompson Co.	171.3	178.7	1,554.3	1,665.5
2	Nationwide Advertising Service	133.6	86.7	157.2	102.0
3	Bernard Hodes Advertising Group	123.8	97.6	180.3	138.7
4	Bozell, Jacobs, Kenyon & Eckhardt	119.2	104.2	1,150.0	1,090.0
5	Grey Advertising	110.2	96.8	1,455.4	1,358.0
6	Young & Rubicam	100.6	82.0	2,031.1	1,871.2
7	Wells, Rich, Greene	99.5	73.2	765.0	665.2
8	Doremus & Co.	90.1	98.3	297.4	282.6
9	Saatchi & Saatchi Advertising	84.0	N/A	1,678.4	1,638.7
10	D'Arcy Masius Benton & Bowles	78.6	57.5	1,162.3	1,146.8

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

New York—Peter Falcone, president; Lawrence Iannuzzelli, Rein Luik, David Sklaver, Peter Tate, exec vps-business unit heads; Robert Freeman, Roy Lancaster, sr vps-business unit heads; Robert Mackall, Jack Mariucci, exec vps-exec creative dirs; Page Thompson, exec vp-media dir. Chicago—Al Wolfe, president, US Div; Joel Hochberg, president; Susan Gillette, exec vp-dir of creative svcs; William D. Wells, exec vp-dir mktg svcs; John D. Hetherington, sr vp-bus mgr; Kathie McKirdy, sr vp-dir human resources/admin; James Crimmins, sr vp, rsch dir; Michael S. White, sr vp, dir media dept; David J. Zola, sr vp, dir fin svcs. Detroit—Brian Bowler, president; Peter J. Farago, sr vp-coo; Bonnie Folster, sr vp-creative dir; Timothy W. Hart, sr vp-mgmt super; Robert A. Mancini, sr vp-media dir; Christian von Glasow, sr vp-mgmt super. Washington—Joseph P. Landy, president; Dean Bastian, sr vp-creative dir; Christopher B. Shead, sr vp-dir client svcs; Richard L. Rogers, sr vp-acct grp dir. California—Western Region, Alan O. Pando, president; Martin Michael, vice chmn. Los Angeles—Dave Park, president; Pacy Markman, exec vp-creative dir; Jeri Moore, exec vp-client svcs, strategic planning; Vickie Gilbert, sr vp-dir of media; Murielle Schulze, sr vp-fin; Candy Deemer, Neil Naroff, Robert Saffell, sr vps-mgmt supers; Stan Jones, sr vp-assoc creative dir. San Francisco—Alan O. Pando, president; Brian Barnes, exec vp-creative dir; Rob Maywood, sr vp-mgmt super; Lorrie Perry, sr vp-media dir. Retail—Dick Girvin, president; Martin Michael, chmn; Al Neish, exec vp. Denver—Jack Giesen, president; Jack Thomas, sr vp-creative dir. Hawaii—Frank Valenti, president; Tom Gabriel, president-coo; Norm Blackburn, exec vp-mgmt super; Nancy Yamaguchi, sr vp-fin; Lou Ann Benenatti, sr vp-acct svcs; Gloria Garvey, Art Richardson, sr vps-acct svcs.

Phone: (212) 415-2000.



Della Femina, Travisano & Partners

RANK 39

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	34.3	30.3	13.1
Billings	283.6	212.9	33.2
✓			

U.S. billings

($ in millions)	1987	1986	% chg
Media	179.3	112.4	59.5
Materials & services	30.8	27.9	10.1
Capitalized fees	73.6	72.5	1.4

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	359	267	34.5
Offices in U.S.	3	3	0.0

1987 billings by U.S. office

Office, city	Billings
DFT&P California, Los Angeles	90.2
DFT&P New York, New York	193.4
DFT&P Georgia Service Ofc, Atlanta	N/A

Source: All data from agency reports.

Annual Review

The New York office, with billings more than doubling and staff increasing by 65%, pushed up overall billings 33.2%. New business accounted for $31.5 million but existing clients—American Isuzu Motors, Chemical Bank, Carl's Jr., Beck's, Dow Chemical and Raytheon—spent $49.2 million more in 1987 than in the prior year. Losses came to $10 million. Based on the strong new business success in 1987, the agency expects a 21% growth in 1988.

U.S. accounts

Gained: A&W Squirt; Bausch & Lomb; Dr. Scholl's; Fairfax Publishing, *Ms.*, *Sassy*; Hasselblad; Laura Ashley; Sheraton East Coast; Sunshine Biscuits; Texas Commerce Bank; *Self Magazine*; Sheraton Western Region; Time/Design, Inc.; K-Swiss Sport Shoes.

Lost: Antonovich; Great Adventure; Ansell America; PSA.

Officers

Jerry Della Femina, chmn, ceo; Louise McNamee, president, coo; Peter Stranger, president, L.A.; Mike Robertson, exec vp-creative dir; Ed Tedeschi, exec vp-dir acct svcs; Simon Bax, sr vp-dir fin svcs; Bill Keeshan, sr vp-mgmt dir; Carl Kotheimer, exec vp-dir mktg & media svcs; Dennis Remsing, sr vp-mgmt dir; Jim Smith, exec vp.

Phone: (212) 421-7180.

Direct Marketing Group

RANK 46

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	25.6	23.7	8.0
Billings	149.8	138.7	8.0

U.S. billings

($ in millions)	1987	1986	% chg
Media	0.9	0.8	8.1
Materials & services	0.0	0.0	0.0
Capitalized fees	148.9	137.9	8.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	698	625	11.7
Employees in U.S.	688	618	11.3
Offices worldwide	7	7	0.0
Offices in U.S.	6	6	0.0

Source: All data from agency reports.

Annual Review

Billings growth leveled off at 8% after a 37% increase in 1986 which largely reflected the purchase of Response Communications. New business, highlighted by The Travelers, Wells Fargo Bank, American Express, First National Bank and U.S. Navy Resale Services, pushed up billings $8.6 million. Increases from Bell Atlantic, First Fidelity Bank and Prudential Insurance played a major role in producing an $8.5 million increase from existing clients. A negative $6 million was attributed to the loss of Sitmar Cruises and Bambergers accounts.

U.S. accounts

Gained: The Travelers; Wells Fargo Bank; 1st Nationwide Bank; U.S. Navy Resale Operations, merchandizing; American Express, travel services.

Lost: Sitmar Cruises; Bambergers.

Foreign accounts

Gained: National & Provincial Building Society, financial services; Chase Manhattan Bank; Pitney Bowes; Prime Health; Service 800.

Lost: None.

Officers: John A. De Pasquale, chmn; Donald J. White, exec vp; Meredith Altman, Theodore C. Krismann, Suti Prakash, Randee Rubin, sr vps; Paul R. Nelson, president, DMG-2; Robert Pinsky, president, Response Communications Inc.; John W. Booth, mng dir, Europe.

Phone: (212) 355-2530.

W.B. Doner & Co.

RANK 33

Southfield, Mich.

($ in millions)

Worldwide	1987	1986	% chg
Gross income	40.6	36.3	11.7
Billings	270.1	238.2	13.4

U.S.	1987	1986	% chg
Gross income	37.6	32.6	15.3
Billings	247.2	210.1	17.7

U.S. billings

($ in millions)	1987	1986	% chg
Media	171.9	157.9	8.9
Materials & services	47.1	39.3	19.9
Capitalized fees	28.3	13.0	117.8

Workforce/facilities

	1987	1986	% chg
Employees w'wide	520	523	(0.6)
Employees in U.S.	501	488	2.7
Offices worldwide	8	9	(11.1)
Offices in U.S.	6	7	(14.3)

1987 billings by U.S. office

Office, city	Billings
W.B. Doner & Co., Los Angeles	8.2
W.B. Doner & Co., Detroit	109.3
W.B. Doner & Co., St. Petersburg, Fla.	22.8
W.B. Doner & Co., Baltimore	77.7
W.B. Doner & Co., Chicago	13.0
W.B. Doner & Co., Cleveland	16.2

Source: All data from agency reports.

Annual Review

The agency reported a 17.7% increase in U.S. billings, which includes the acquisition of Chicago agency, Lou Beres & Associates. The big Detroit office grew by 8.2%, while Baltimore came in at 17.5%. A decrease of 18.5% in non-U.S. billings resulted from the loss of Zeller stores account estimated at $10.7 million, but the agency opened an office in London to service the B.P. Oil International account estimated at $30 million. New accounts with estimated billings include Budget Rent-A-Car ($3.5 million), Red Roof Inn ($5 million), Western Auto Supply Co. ($3 million), Culbro Snack Foods ($3 million) and Baltimore-Washington D.C. Kentucky Fried Chicken Co-op ($1.5 million). Lost accounts included Little Caesar Enterprises ($7 million), Philips Home Products ($3.5 million), Coast Savings & Loans ($5 million) and Mainstreet ($2.5 million). A new hispanic advertising division was started and Isaac Lasky was named VP in charge of it.

U.S. accounts

Gained: American Greetings; B.P. Oil International Ltd.; IAMS Pet Food; Prudential Insurance Co. of America; Greater Michigan Ford Dealers; Arby's; Budget Rent-A-Car; Red Roof Inns; Southland Corp.; Western Auto Supply Co.; Culbro Snack Food, *Chicago* magazine; Baltimore-Washington D.C. Kentucky Fried Chicken Co-op.

Lost: Little Caesar Enterprises; Philips Home Products, Genie, Schick; United Fruit Co.; PACCAR Sales N. America; *Los Angeles Herald Examiner*; Coast Savings & Loan, Mainstreet stores.

Foreign Accounts

Lost: Zellers Stores.

Officers

W.B. Doner, chmn exec commitee; H.D. Fried, chmn; Michael Shapira, president, Detroit; William Hooper, president, Baltimore; James Dale, vice-chmn, corp creative dir.

Phone: (313) 354-9700.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

Doremus & Co.

RANK 28

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	45.4	43.1	5.4
Billings	304.1	288.8	5.3

U.S.	1987	1986	% chg
Gross income	44.6	42.4	5.2
Billings	297.4	282.6	5.2
✓			

U.S. billings

($ in millions)	1987	1986	% chg
Media	131.6	142.0	(7.3)
Materials & services	0.0	0.0	0.0
Capitalized fees	165.8	140.6	17.9

Workforce/facilities

	1987	1986	% chg
Employees w'wide	634	540	17.4
Employees in U.S.	525	535	(1.9)
Offices worldwide	10	10	0.0
Offices in U.S.	9	9	0.0

1987 billings by U.S. office

Office, city	Billings
Doremus Porter Novelli, New York	N/A
Doremus & Co., Boston	17.8
Doremus & Co., Chicago	17.8
Doremus & Co., New York	240.9
Doremus & Co., Los Angeles	6.7
Doremus & Co., San Francisco	7.7
Doremus & Co., Washington	6.4

Source: All data from agency reports, except billings by office, which are AA estimates. Doremus restated 1986 figures to include Doremus Porter Novelli (public relations).

Annual Review

Domestic billings for 1987 were up 5.3%, or $14.8 million which included $8 million in new business, $10 million more from existing clients, and less—about $3.2 million—from lost business. Doremus & Co. sees 1988 as a good year for a business-to-business, financial and corporation-investor relations advertising—areas of its specialization. Doremus is in the Diversified Agency Services division at Omnicom Group. Its billings are included in those of BBDO Worldwide.

U.S. accounts

Gained: California Society of Plastic Surgeons; Houlihan Lawrence; ITW Hi-Cone; The Nutrasweet Co., Canada; Secure Horizons; Sherwood Group; Southern California Presbyterian Homes.

Lost: E.F. Hutton.

Foreign accounts

Gained: Banker's Trust Redemption; Chase Redemption.

Lost: None.

Officers:

Curtis R. Troeger, chmn-ceo; John H. Porter, vice chmn; W. Dean Genge, sr vp-ad & new business; Carl J. Anderson, sr vp-cfo; John E. Eckelberry, president-Doremus Financial Adv; John Garre, sr vp-creative dir; Charles E. Cay, Jeanne Lee McDonald, Andrew J. Quinn, Stanley Rygor, Philip C. Sievers, Raymond E. Zipko, sr vps-adv; John Howard, sr vp-mktg dir; Robert J. Mallin, sr vp-assoc creative dir.

Phone: (212) 964-0700.

Eisaman, Johns & Laws

RANK 71

Los Angeles

($ in millions)

U.S.	1987	1986	% chg
Gross income	14.9	13.4	11.8
Billings	102.2	89.3	14.5
✓			

U.S. billings

($ in millions)	1987	1986	% chg
Media	87.3	79.1	10.3
Materials & services	8.2	5.5	48.8
Capitalized fees	6.7	4.6	44.6

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	168	158	6.3
Offices in U.S.	3	3	0.0

1987 billings by U.S. office

Office, city	Billings
Eisaman, Johns & Laws, Los Angeles	56.3
Eisaman, Johns & Laws, Houston	26.7
Eisaman, Johns & Laws , Chicago	19.1

Source: All data from agency reports.

Annual Review

Billings growth of 14.5% came largely from increased spending from existing accounts—mainly Neutrogena, Pennzoil and Price Pfister. New accounts added $2.2 million, with Hiram Walker the largest.

Only $900,000 was lost—from resigned account Fujitsu Ten, and from Olga Co., removed after its corporate buyout by Warnaco. Anticipated new brand assignments from Hiram Walker and growth from the new Giorgio Perfume account that was re-assigned from new owner Avon Products, bode well for 1988.

U.S. accounts

Gained: Hiram Walker; Giorgio Perfumes.

Lost: Olga Co.; Fujitsu Ten.

Officers

J.R. Eisaman, chmn; Robert F. Laws, corp president; Dennis R. Coe, Dean R. Laws, presidents-divisional; Richard J. Westman, president-SW div, Houston; Michele (Mike) de Maio, exec vp, genl mgr-Chicago; James F. Benson, exec vp, exec creative dir; Jack L. Leener, exec vp, mgmt super; Adrienne Hall, vice chmn.

Phone: (213) 469-1234.

RANK

William Esty Co. 38

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	38.0	75.0	(52.0)
Billings	315.0	510.0	(38.2)

U.S. billings

($ in millions)	1987	1986	% chg
Media	269.0	458.0	(41.3)
Materials & services	38.0	42.0	(9.5)
Capitalized fees	8.0	N/A	N/A

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	N/A	N/A	N/A
Offices in U.S.	N/A	N/A	N/A

Source: All data from agency reports. Figures for 1986 are historical.

Agency Review

The agency, which became part of Saatchi & Saatchi PLC when its parent, Ted Bates Worldwide, was purchased in late 1986, used its Saatchi connections to gain the Jeep/Eagle account and a Detroit office in 1987 that kept billings from dropping by a precarious 55%. Later when AMC merged with Chrysler, Chrysler elected to retain Esty for the Jeep/Eagle div business. As it was, billings nosedived 38.2%. The agency, now under the leadership of Joseph O'Donnell, who was ousted from J. Walter Thompson Co. in January, 1987, when he proposed a management buyout of JWT, got the Detroit account from Saatchi & Saatchi Compton N.Y. when that agency merged with DFS Dorland Worldwide, a big Toyota agency (Lexus). Other big losses included Nissan ($140 million annualized), MasterCard ($40 million), which it resigned rather than compete in an agency review, and Chesebrough-Pond's ($50-$75 million), which Procter & Gamble which employs many of the Saatchi network agencies. Movement is expected to be upward in 1988 especially with the $100 million annualized billings from Jeep/Eagle and Brown & Williamson($35 million).

U.S. accounts

Gained: Brown & Williamson; Chrysler Motor Corp., Jeep/Eagle div and Jeep/Eagle Dealer Groups.

Lost: Chesebrough-Pond's, Genessee Brewing, MasterCard, Nissan.

Officers

Joseph O'Donnell, ceo; Marvin Honig, chmn; David Welch, vice chmn & ceo-Detroit; Laurence Wassong, president; Richard Johnson, exec vp-president-Detroit; Donald Martin, exec vp-cfo.

Phone: (212) 692-6290.

RANK

Evans Communications 53

Salt Lake City

($ in millions)

U.S.	1987	1986	% chg
Gross income	22.8	21.8	4.8
Billings	152.0	145.0	4.8

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	83.6	84.0	(0.5)
Materials & services	25.9	21.0	23.3
Capitalized fees	42.5	40.0	6.3

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	342	345	(0.9)
Offices in U.S.	10	10	0.0

1987 billings by U.S. office

Office, city	Billings
Evans Communications, Salt Lake City	21.0
Evans/Atlanta, Atlanta	4.5
Evans/Dallas, Dallas	15.0
Evans/Denver, Denver	12.0
Evans/Kraft, Anchorage, Portland	46.0
Evans/Los Angeles , Los Angeles	22.0
Evans/Phoenix, Phoenix	13.5
Evans/San Francisco , San Francisco	18.0

Source: All data from agency reports.

Annual Review

New business worth $18 million and growth from existing clients helped to offset $11 million in lost business as the agency turned in a 4.8% increase in billings in 1987. Added to the client list were Pizza Hut for Arizona, New Mexico & Nevada ($2 million), Aristech Chemical Corp. ($1.7 million), Viacom Cable ($1.5 million), National Honey Board ($1.5 million) and Larsen Beef ($1 million). Account losses came from Pilgrims Pride Inc. ($2.6 million), Straw Hat Pizza ($3 million), Vail Associates ($1.5 million) and AMC Cooperatives ($1.5 million), the latter lost as a result of AMC's merger with Chrysler. Only a 5% net growth in billings is expected for 1988, largely because of poor economic conditions in key markets. And full-year returns from acquisitions in San Francisco (Busse & Cummins, 1988), Alaska (Bean Marriott, 1987) and Dallas (AFSC, 1987) should more than balance out the closing this year of the Atlanta office.

U.S. accounts

Gained: Aristech Chemical Corp.; Pizza Hut, Arizona, New Mexico, Nevada; National Honey Board, Viacom Cable; Lesher Communications; Larsen Beef Co.

Lost: Straw Hat Pizza; Pilgrims Pride Chicken; Darigold; Utah Business & Economic Development Division; Vail Associates; Cellular One; Scottsdale Sheraton; AMC Cooperatives.

Officers

Jon L. Johnson, president & ceo; L. Glen Snarr, chmn; Charles R. Bartholomew, president-Salt Lake City; Donald B. Kraft, president-Evans, Kraft; M. Terrence Lynch, president-San Francisco; Thomas A. Weinberg, president-Los Angeles; Philip A. Motta, president-Phoenix; R. Webb Sherrill, president-Dallas.

Phone: (801) 364-7000.

RANK

Fahlgren & Swink 61

Parkersburg, W. Va.

($ in millions)

U.S.	1987	1986	% chg
Gross income	17.8	14.1	25.7
Billings	118.6	113.9	4.1

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	45.9	44.7	2.5
Materials & services	10.4	10.8	(4.3)
Capitalized fees	62.4	58.4	6.8

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	303	304	(0.3)
Offices in U.S.	7	7	0.0

1987 billings by U.S. office

Office, city	Billings
F&S/Midwest, Columbus, Ohio	66.3
F&S/Southeast, Atlanta	52.3

Source: All data from agency reports.

Annual Review

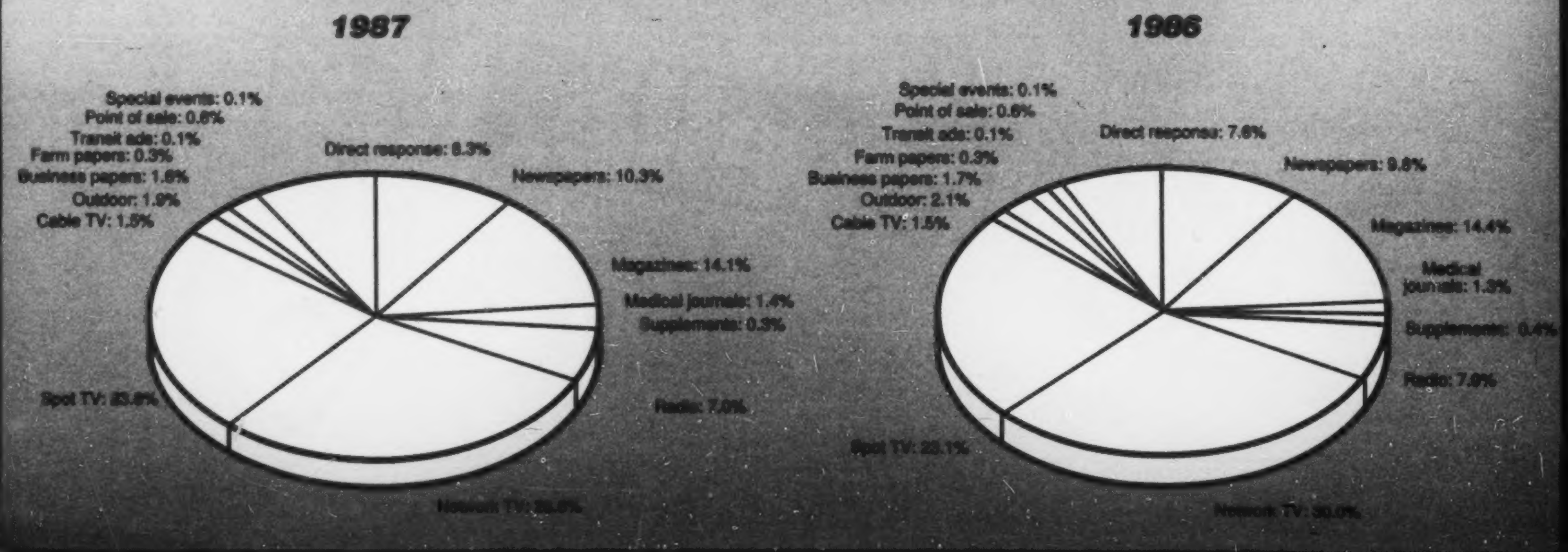
Experiencing a modest 4.1% growth in billings, increases came almost entirely from the Southeast division. New business totaled $4.7 million, while existing business, largely from NAPA, Bank ONE, Elanco, Drumstick and McDonald's, grew by $5.9 million—a total matched by lost business. Growth from a 10% billings increase projection in 1988 will come

Domestic billings by 15 major media

	Top 25 agencies					Top 100 agencies					Top 500 agencies*		
	U.S. billings			$ as % of top 442 agencies' billings		U.S. billings			$ as % of top 442 agencies' billings		U.S. billings		
Media	1987	1986	% chg	1987	1986	1987	1986	% chg	1987	1986	1987	1986	% chg
Newspaper	$1,341	$1,215	10.3	45.4	44.9	$2,332	$2,064	13.0	78.9	76.2	$2,956	$2,707	9.2%
Magazine	2,499	2,488	0.4	61.5	62.2	3,395	3,367	0.8	83.6	84.2	4,061	3,998	1.6
Medical journal	90	69	30.6	22.0	18.9	236	206	14.8	57.7	56.3	409	365	12.0
Supplement	51	56	(8.5)	50.6	53.3	69	77	(10.8)	68.5	74.0	101	104	(3.6)
Radio	1,111	1,045	6.4	55.2	54.2	1,586	1,492	6.3	78.8	77.4	2,013	1,928	4.4
Network TV	6,595	6,686	(1.4)	79.9	80.4	7,894	7,948	(0.7)	95.7	95.6	8,250	8,312	(0.7)
Spot TV	4,116	3,864	6.5	60.0	60.2	5,859	5,455	7.4	85.4	85.0	6,861	6,416	6.9
Cable TV	284	275	3.3	66.9	68.1	373	355	5.2	87.8	87.8	425	404	5.1
Outdoor	360	346	4.1	64.6	58.7	482	508	(5.1)	86.5	86.2	557	589	(5.4)
Business papers	65	58	12.3	13.8	12.2	227	223	1.8	48.0	47.0	472	474	(0.4)
Farm papers	18	21	(12.0)	21.9	23.4	41	42	(3.5)	49.3	47.9	83	88	(6.1)
Transit ads	7	7	8.6	26.0	21.6	18	20	(9.2)	63.8	63.3	29	32	(9.9)
Point of sale	86	74	15.0	47.7	42.7	111	109	1.9	61.9	62.6	179	174	3.0
Special events	7	7	2.2	26.8	27.7	14	13	11.7	53.3	50.5	27	25	5.7
Direct response	1,115	956	16.6	46.9	45.5	1,870	1,620	15.5	78.7	77.1	2,378	2,101	13.2
TOTAL	17,745	17,167	3.4	61.6	61.9	24,507	23,497	4.3	85.1	84.8	28,801	27,718	3.9

NOTES: Dollars are in millions. See Page 45 for a breakout of direct response categories. *Totals include billings reported by 442 agencies of the 500.

U.S. media billings by category



Top 10 U.S. agencies in magazine billings

Rank	Agency	Magazine billings		U.S. billings	
		1987	1986	1987	1986
1	Saatchi & Saatchi Advertising	251.9	N/A	1,678.4	1,638.7
2	Leo Burnett Co.	200.9	165.9	1,550.0	1,361.6
3	Ogilvy & Mather Worldwide	196.0	193.0	1,424.2	1,366.8
4	Bozell, Jacobs, Kenyon & Eckhardt	186.8	165.1	1,150.0	1,090.0
5	J. Walter Thompson Co.	180.0	190.9	1,554.3	1,665.5
6	Young & Rubicam	174.4	178.7	2,031.1	1,871.2
7	BBDO Worldwide	155.2	165.0	1,179.4	1,126.7
8	Grey Advertising	155.1	187.2	1,455.4	1,358.0
9	DDB Needham Worldwide	143.7	199.2	1,283.3	1,394.2
10	N W Ayer	142.3	139.9	878.0	672.0

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

from existing packaging goods accounts and a full year's worth of billings from recently acquired accounts. New business opportunities for Fahlgren & Swink in the Southeast look good as Quaker State Oil assigned the agency major regional projects.

U.S. accounts

Gained: Warner Cable Communications; Sunnyland Foods and Field Packing Co.; Cellular One cellular telephones; Great Northern Nekoosa Corp., packaging division, corrugated packing; McDonald's, Cincinnati.

Lost: Georgia Federal Bank; McDonald's, Raleigh co-op; Dollywood; Sandusky Foundry.

Officers

H. Smoot Fahlgren, chmn-ceo; C. Richard Fisher, president, creative dir; James W. Swearingen, vice chmn-coo; Vincent J. Backley, William W. Kight, vice chmn; William J. Farson, treas-cfo; Robert F. Guirlinger, secy; Blaine E. Gutermuth, chmn exec committee; Alf Nucifora, president, gen mgr, Atlanta; R. Daniel Dahlen, sr vp, dir client svcs; Richard M. Imes, president, Toledo; John Ferry, president, Parkersburg; Tim Seifert, president-Cincinnati; Rodney B. Stegall, exec vp, corp creative svcs; Regis Napolitano, sr vp, dir mktg & media svcs.

Phone: (304) 424-3591.

Fallon McElligott

RANK
75

Minneapolis

($ in millions)

U.S.	1987	1986	% chg
Gross income	13.8	11.2	20.9
Billings	142.5	93.3	52.7

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	78.1	33.1	135.9
Materials & services	17.8	13.7	30.3
Capitalized fees	46.6	46.6	0.1

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	127	108	17.6
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

The acquisition of the Federal Express, Timex and Porsche accounts as well as growth from US West, Continental Bank and Lee Jeans highlighted 1987's performance resulting in a 52.7% increase in billings and 18% increase in staff. Major account losses came from Heath candy and Med Centers. Although the loss of the US West account in early 1988 will cause decreases, billings from new accounts acquired in late 1987 are expected to balance that, and lead to 5% to 10% growth in 1988.

U.S. accounts

Gained: Timex Co.; Porsche; USA Life; Godfather's Pizza; Federal Express Corp.

Lost: Medcenters; ITT Life; Heath; USW Information Systems.

Officers

Pat Fallon, chmn; Irv Fish, cfo; Fred Senn, vp-acct svcs dir; Tom McElligott, vp-creative dir; Steve Sjoblad, president.

Phone: (612) 333-9319.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

Thomas G. Ferguson Associates

RANK
79

Parsippany, N.J.

($ in millions)

U.S.	1987	1986	% chg
Gross income	12.9	9.7	33.1
Billings	84.1	61.8	36.1

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	0.4	3.0	(86.0)
Materials & services	8.5	7.9	7.6
Capitalized fees	75.2	50.9	47.8

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	100	70	42.9
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Healthy returns from both new business and growth from existing clients gave this medical agency a billings boost of 36.1% and staff increase of 43%. Major contributors to the $10 million in new business were Alza Corp., McNeil Pharmaceutical, Ortho Biotech, Ortho Derm, Sandoz and Schering-Plough. Major growth came from Rorer Pharmaceutical, Miles Laboratories and Warner-Lambert. The agency projects another 30% growth year but notes it could be significantly higher if FDA approval is finalized for products of a number of clients.

U.S. accounts

Gained: Alza Corp.; Arm & Hammer Div, Church & Dwight; McNeil Pharmaceutical, Tolectin Line; Ortho Biotech Div, Ortho Dermatological Div; Primedica Inc.; O'Brien Pharmaceuticals; Sandoz Pharmaceutical Corp., headache line; Schering Corp., domestic, Claritin; Warner-Lambert Intl Group, new prods.

Lost: Brad Urological Div, C.R. Bard Inc.

Officers

Thomas G. Ferguson, chmn-president; John F. Zweig, exec vp, coo; Pamela A. Rossetti, sr vp, cfo-admin; Robert P. Muratore, Maria Spellman, Marne Weaver, Edward J. Gorzalski, Elena Secula, vps; Edward Sapp, gen mgr, health tech grp; John P. Szlasa, sr vp-gen mgr pro/com; Thomas G. Higgins, M.D., dir med & scientific svcs; Phillip Brody, PhD, dir clinical pharmacology; German Bustos, sr vp-dir creative svcs; Elena Secula, vp, dir-creative admin.

Phone: (201) 884-2200.

Foote, Cone & Belding Communications

RANK
13

Chicago

($ in millions)

Worldwide	1987	1986	% chg
Gross income	344.6	323.0	6.7
Billings	2,298.5	2,154.5	6.7

U.S.	1987	1986	% chg
Gross income	244.2	242.4	0.7
Billings	1,628.6	1,616.7	0.7

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	1,077.6	942.5	14.3
Materials & services	0.0	0.0	0.0
Capitalized fees	550.9	674.2	(18.3)

Workforce/facilities

	1987	1986	% chg
Employees w'wide	5,674	5,907	(3.9)
Employees in U.S.	2,972	3,300	(9.9)
Offices worldwide	101	96	5.2
Offices in U.S.	26	23	13.0

1987 billings by U.S. office

Office, city	Billings
A. Frank-G. Law, New York	53.5
A. Frank-G. Law, San Francisco	2.4
Foote, Cone & Belding, San Francisco	221.0
Foote, Cone & Belding, Los Angeles	259.0
FCB/Leber Katz Partners, New York	400.0
Foote, Cone & Belding, Chicago	499.0
Lewis, Gilman & Kynett, Philadelphia	128.0
VICOM/FCB, Philadelphia	17.9
VICOM/FCB, San Francisco	30.9
VICOM/FCB, New York	26.2

Source: All data from agency reports.

Annual Review

Agency growth came from non-U.S. operations which increased 24.6% in billings compared with a 0.7% growth in U.S. billings. Overall billings growth measured in at 6.7%. Consolidated figures in 1987 did not include three subsidiaries that reported in 1986—North Castle & Partners, Carl Byoir & Associates and Deutsch, Shea & Evans, all of which were sold. Agency business in 1988 is expected to grow 12% domestically, stimulated by full-year returns from the acquisition of Krupp/Taylor USA, merged into FCB Direct in the fourth quarter, and from anticipated growth from existing clients.

U.S. accounts

Gained: New York—Corbin Ltd. Chicago—Coors Winterfest; Coors Herman Joseph's; Beecham Cosmetics. Los Angeles—Mattel Pre-School Toys; Mary Kay Cosmetics; MCA Universal Studios-Florida. San Francisco—Mervyn's; Travelers Health Network; Holland America Lines; Teledyne Water Pik.

Lost: New York—*Self* magazine; Doubleday Literary Guild. Chicago—Radisson Hotels; Harris Corp. Los Angeles—Carnation. San Francisco—Supercuts.

Foreign accounts

Gained: Zenith—Italy, U.K. (data systems). Gillette—Norway, Spain. Diners Club—U.K., Norway. Belgium—Sandoz. France—Mercedes Benz, cars & trucks, Pernod. Germany—Gard's Men Toiletries (Colgate), Beiersdorf Nivea Sun Cream. Hong Kong—Campbell Soup. Italy—Panasonic, Air Italia. Spain—RJR Tobacco. Sweden—Philip Morris, Chiquita/United Brands. Brazil—Firestone. Venezuela—Nestle. Australia—Laminex. New Zealand Brewers.

Lost: Italy—Grundig. Spain—Telefunken. Sweden—Richardson-Vicks. U.K.—Heinz, Cadbury, Pizza Hut. Australia—Milton Bradley, Computerland.

Officers

Norman W. Brown, chmn-ceo; Abbott C. Jones, president-coo; Stanley H. Katz, vice chmn, chmn-FCB/Leber Katz Partners; Craig Wiggins, chmn & ceo-FCB/Continental Europe; Len Sugarman, vice chmn-coo, chmn & ceo-FCB/U.K. group; Antonio S. Beja, chmn-FCB Latin America, Pacific, Africa; W. Bruce Mason, chmn-FCB Central; Thomas F. Randolph, chmn-FCB West; Charles H. Gunderson Jr., sr vp, secy, treas; Dale F. Perona, sr vp, controller.

Phone: (312) 751-7000.

Geer, DuBois

RANK
63

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	17.3	15.8	9.2
Billings	115.0	105.0	9.5

U.S. billings

($ in millions)	1987	1986	% chg
Media	115.0	105.0	9.5
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	170	150	13.3
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

With a 9.5% increase in billings and a 13% increase in staff, 1987 showed considerable improvement over a static 1986. New business added $9 million and growth from existing business another $4 million. The only loss was Time Inc.'s *Life* ($3 million).

U.S. accounts

Gained: World Gold Council; B. Dalton; Alliance Capital Management Corp; Information Builders.

Lost: Time Inc., *Life*.

Officers

Peter Geer, president; John Allen, exec vp, dir-client svcs; Steve Olderman, exec vp, agency creative dir; Doria Steedman, exec vp, dir-agency opers; James Adair, sr vp, exec art dir; Rea Brown, sr vp, group creative super; Joseph Bruce, Michael Garcia, Kenneth Heidleberg, Timothy O'Leary, sr vps, mgmt supers; Diane Dennis, sr vp, dir-personnel, office svcs; Fred Irwin, sr vp, mgmt super; David Idema, Robert Kilzer, Marce Mayhew, sr vps, group creative dirs; Edward Parella, treas; Thomas Pearse, sr vp, dir-print productions; Joy Sliwa, sr vp, media dir; Rona Yohalem, sr vp, dir-mktg.

Phone: (212) 741-1900.

Grey Advertising

RANK
11

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	369.2	309.1	19.4
Billings	2,462.6	2,061.7	19.4

U.S.	1987	1986	% chg
Gross income	218.2	203.6	7.2
Billings	1,455.4	1,358.0	7.2

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	1,360.0	1,278.6	6.4
Materials & services	0.0	0.0	0.0
Capitalized fees	95.4	79.4	20.2

Workforce/facilities

	1987	1986	% chg
Employees w'wide	4,460	4,725	(5.6)
Employees in U.S.	2,165	2,238	(3.3)
Offices worldwide	155	145	6.9
Offices in U.S.	5	5	0.0

1987 billings by U.S. office

Office, city	Billings
Grey Advertising, New York	1,202.4
Grey Chicago, Chicago	65.0
Grey Orange County, Fountain Valley	N/A
Grey Western Division, Los Angeles	131.7
Grey Western Division, San Francisco	56.3

Source: All data from agency reports.

Annual Review

Grey returned another year of healthy growth—up 19.4% worldwide, largely fueled by a 43.1% increase overseas as Grey continues to enlarge its network of specialized communications services and overseas agencies in order to offer clients an intergrated marketing program. Domestic billings were boosted mostly from additional assignments from BankAmerica Corp., Borden's Pasta Group, General Foods, Panasonic, P&G and Stroh's. New business was healthy and losses were comparatively minor. The agency sold Grey Chicago in December, 1987, to GGK Holding, Basel, Switzerland, and its name was changed to HCF & Lois/GGK. The Chicago figures are included in Grey totals. Grey does not consolidate totals for subsidiaries not 100% owned. The agency is hesitant to forecast 1988 because of what it terms the uncertain economic climate in the U.S. This includes two big subsidiaries, Gross Townsend Frank Hoffman and Levine, Huntley, Schmidt & Beaver.

U.S. accounts

Gained: New York—Color Tile; Corning Glass Works; Kohler Co.; Levolor Lorentzen; Nora Beverages; The Sugar Assn; Thompson Medical Co.; Western Div—Kraft Refrigerated Products; Lucky Stores; Merle Norman Cosmetics; Seagram Classics Wine Co.

Lost: New York—Bristol-Myers, Ban Deodorant; Holly Farms; Humana; Procter & Gamble, Duncan Hines Cookies; Revlon, Flex & Jontue; 3M Video Tape & Buf-Puf; Timex; Toys 'R' Us; Chicago—Venture Stores; Western—Catalina; Church's Fried Chicken; Vons Grocery.

Foreign accounts

Gained: Nike—Argentina, Belgium; Heublein Ltd.—Austria, Belgium; Beecham—Belgium, Japan; Richardson-Vicks—Belgium, Colombia, France, Germany, Italy, Mexico, Spain, Switzerland, U.K.; Samsonsite—Belgium, France, Germany, Netherlands, U.K.; U.S. Mint—Belgium, Netherlands, Singapore, Switzerland; Mars—Canada, Italy, Netherlands; Hallmark—France, Japan, Spain; Dunkin' Donuts—Malaysia, Taiwan; 3M—Argentina; Hallmark—Australia; Jim Beam—Austria; EEC—Belgium; Avis, Mister Donut, Sheraton Hotels, Squibb, Upjohn—Canada; Canada Dry—Chile; Honda—France; Rothmans—Malaysia; Wrigley's—Philippines; Allied—South Africa; Bayer, Estee Lauder—Spain; Visacard—Switzerland; Tiffany's—Thailand; General Motors—Venezuela; Procter & Gamble—Colombia; Pirelli—Turkey.

Lost: Uniroyal Goodrich—Argentina, Japan; Toshiba—Australia; BankAmerica—Austria, Venezuela; Columbia Pictures, Honda—Canada; Ciba-Geigy—Chile, Thailand; United Biscuit—France; Olivetti—New Zealand; Wrangler—Peru; Sanyo—Philippines; Carlsberg, GE—Singapore; Shell—South Africa; Chesebrough-Pond's, Pioneer—Switzerland; 3M—Venezuela.

Officers

Edward H. Meyer, president, chmn; Robert L. Berenson, exec vp-admin; Alan B. Fendrick, exec vp-treas, secy; Barbara S. Feigin, exec vp-dir of mktg & strategic devel; Richard M. Karp, exec vp-dir creative svcs; Alec Gerster, exec vp-dir media & programming; Stephen A. Novick, exec vp-dir of bcst prod.

Phone: (212) 546-2000.

Griffin Bacal

RANK
55

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	21.2	18.5	14.6
Billings	165.7	142.3	16.4

U.S.	1987	1986	% chg
Gross income	20.5	18.5	10.8
Billings	160.4	142.3	12.7

U.S. billings

($ in millions)	1987	1986	% chg
Media	134.2	120.4	11.5
Materials & services	26.2	21.9	19.6
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	211	175	20.6
Employees in U.S.	200	175	14.3
Offices worldwide	2	1	100.0
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Growth is projected at 15% in billings in 1988, on par with the worldwide increase of 16.4% in 1987, a year in which no accounts were lost. New business in 1987 totaled $14.8 million, including Commodore Business Machines ($7.8 million) and Stride Rite ($3 million). A new London shop that opened to service international accounts for Hasbro and Playskool added $5.3 million. Existing accounts grew by $8.6 million. Projections are high for 1988 because of $20 million in new business from Milton Bradley and Hasbro effective Jan. 1, new assignments from Keystone Camera and Miles Laboratories' S.O.S. brands, and growth from the U.K. sector.

U.S. accounts

Gained: Keystone Camera Corp.; Commodore Business Machines; Stride Rite Corp.; N.Y. Festival of the Arts.

Lost: None.

Foreign accounts

Gained: Hasbro Toys; Playskool; Craft Computers; Ranier Foundation; Crystal Palace; Kent Police Force.

Lost: None.

Officers

Thomas Griffin, president; Joe Bacal, exec vp, dir-creative svcs; Paul Kurnit, exec vp, coo; Arthur Heller, exec vp, dir-media; Lenny Leokum, exec vp, creative dir; Christopher Mill, exec vp, dir-new business; William Beihl, sr vp, cfo; Robert Horne, Marsha Badanes, sr vps, group dirs; Robert Fudge, sr vp, sr art dir; Robert Darcy, vp, treas; Mary Sue Robinson, Janice Figueroa, David Biebelberg, Norman Hajjar, vps, mgmt supers; Heidi Kahme, vp, dir-broadcast; Hildy Travis, Alysia Dworin, vp—media planning supers; Ed Torton, Lois Sandberg, Maurice Mahler, vps, assoc creative dirs; Gordon Hunt, vp mng dir-London.

Phone: (212) 337-6442.

Brits tap LCF&L

Laurence, Charles, Free & Lawson was bought by Lowe Howard—Spink & Bell PLC from Mickelberry Corp. in late 1987, adding to the British holding company's U.S. presence that includes 30% ownership of Lowe Marschalk.

GSDM

RANK **76**

Austin, Texas

($ in millions)

U.S.	1987	1986	% chg
Gross income	13.5	10.5	28.5
Billings	103.0	85.1	21.0

U.S. billings

($ in millions)	1987	1986	% chg
Media	103.0	85.1	21.0
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	135	N/A	0.0
Offices in U.S.	4	6	(33.3)

1987 billings by U.S. office

Office, city	Billings
GSDM Inc., Austin, Texas	73.0
GSDM Inc., San Antonio, Texas	N/A
GSDM Inc., Houston	10.0
GSDM Inc., Dallas	20.0

Source: All data from agency reports.

Annual Review

GSDM had one of its best years ever—up 21% in billings—despite pulling up stakes in Houston and Dallas. The agency gained Coors Regular ($40 million annualized), Extra Gold ($10 million), Wal-Mart ($6 million), Sea World ($5 million) and Gibraltar First Texas ($4 million). About $14 million from those accounts was spent in 1987. This existing business is expected to help boost billings by 15% in 1988. Clients in the Houston office (billing $10 million in 1987) are now being serviced out of Austin. Only client to make the trip south from the Dallas shop (billing $20 million in 1987) was Gibraltar. Dallas management bought the shop at year-end and changed the name to Larkin Meeder & Schweidel.

U.S. accounts

Gained: Adolph Coors (regular, Extra Gold); Wal-Mart; Sea World of San Antonio; Gibraltar First Texas Savings.

Lost: University Savings.

Officers

Steven Gurasich, chmn; Roy Spence, president; Tim McClure, exec creative dir; Judy Trabulsi, media dir; Carl Larkin, president-Dallas; Robert Lansdome, president-Houston.

Phone: (512) 327-8810.

HBM/ Creamer

RANK **32**

Boston

($ in millions)

U.S.	1987	1986	% chg
Gross income	40.9	40.1	2.0
Billings	272.0	267.0	1.9

U.S. billings

($ in millions)	1987	1986	% chg
Media	272.0	267.0	1.9
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	485	558	(13.1)
Offices in U.S.	4	5	(20.0)

1987 billings by U.S. office

Office, city	Billings
HBM/Creamer, Boston	149.0
HBM/Creamer, Chicago	23.0
HBM/Creamer, Pittsburgh	100.0

Source: All data from agency reports.

Annual Review

New business worth $23.6 million in annualized billings has put this agency subsidiary of WCRS PLC, London, back on the growth track following only 1.9% growth in 1987. Gains are expected to push billings up 10% in 1988. Spending by existing clients, specifically Nestle, Parker Brothers, Titleist, CVS and Allied Aftermath, was strong at $15 million, but was overridden by $16 million in lost accounts paced by CM Alliances ($3 million) and Price Chopper ($4 million). The Providence, R.I., office was closed in the third quarter, 1987. Financial figures include HBM/Creamer Direct and Heller Breene Inc.

U.S. accounts

Gained: McDonald's of Maine; Kinney Shoe Corp.; Steinlager New Zealand Beer, Martlet Importing Co.; Just Pants; Hazel & Cardinal, Jostens; AZ Computer Centers; Office World; Wetterau, Charleston, S.C., Butler, Pa.; Bayer, USA.

Lost: Keds; CM Alliance; Price Chopper; PPG; Chef Pierre; Carlisle Syntec.

Officers

Edward Eskandarian, chmn-ceo. Pittsburgh—William E. Sprague, chmn; John F. Waldron, president & creative dir; Richard J. Weber, Howard S. Gittins, exec vps; Stanley Muschweck, Lester E. Gallagher, Richard Grinberg, John O'Leary, sr vps. Boston—Mary E. Moore, president & creative dir; Richard L. Britton, Michael H. Reingold, Ronald M. Lawner, exec vps; Nola Anderson, William Boch, John Hersey, John Hurlbut, Charles Matzell, John McNamara, sr vps. Chicago—Albert Jay Rosenthal, chmn; John A. Wiegand, vice chmn; Sy Dordick, president; Geoffrey Charlton-Perrin, exec vp & creative dir. Hartford—Alan E. Cole, sr vp, mgr.

Phone: (617) 723-7770.

HDM

RANK **14**

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	204.0	156.7	30.2
Billings	1,383.6	1,070.1	29.3
U.S.	**1987**	**1986**	**% chg**
Gross income	27.4	43.7	(37.3)
Billings	206.0	308.8	(33.3)

✓

Workforce/facilities

	1987	1986	% chg
Employees w'wide	2,256	2,241	0.7
Employees in U.S.	353	510	(30.8)
Offices worldwide	50	44	13.6
Offices in U.S.	4	4	0.0

1987 billings by U.S. office

Office, city	Billings
HDM, Chicago	53.7
HDM, Los Angeles	51.5
HDM, New York	94.2
HDM Direct, Los Angeles	6.5

Source: All data from agency reports, except billings by office which are AA estimates.

Annual Review

HDM (Havas Dentsu Marsteller) resulted from the marriage, July, 1987, of DYR, owned equally by Young & Rubicam and Tokyo-based Dentsu, and HCM (Havas Conseil Marsteller), owned 51% by Paris-based Eurocom and 49% by Y&R. The merger was a result of Y&R's desire to cut expenses of expanding separate global networks. HDM unites basically a European and American network (HCM) with an Asian/Pacific partner (DYR). Continued expansion to better serve clients outside the U.S. is a major priority in 1988. In the U.S., both merging agencies had down years. DYR, in fact, closed its New York shop not long after Canon, its big client there, pulled its business out of DYR. A major management realignment took place in Los Angeles operations, where the DYR office was merged with the HCM office, and in Chicago where HCM, merged with Dawson Johns & Black in March, 1987, becoming HDM Dawson Johns & Black. Chairman of the management team heading HDM is Alain de Pouzelhac, a director of Paris-based Eurocom. He was head of HCM Europe. Tim Pollack, who took over as head of DYR after Alexander Brody left, became ceo. Shinzo Ueno is area director in southeast Asia as he was for DYR, and Alain Rousset remains cfo as he was at HCM.

U.S. accounts

Gained: New York—Colgate-Palmolive; Absorba, infant clothing; Alfred University; LaRosa Foods. Chicago—Gilbey, gin, vodka; Old Grand Dad, bourbon. Los Angeles—Westin, St. Francis, Arizona Biltmore; All American Gourmet. Los Angeles Direct—Suzuki; Community Dental Centers; S.I. Video; Hertz Car Sales.

Lost: New York—Singer. Chicago—BlueCross/Blue Shield; Spiegel; R.T. French. Los Angeles—Clarion. Los Angeles Direct—Inland Health Plan; Targeted Marketing; National Education Corp.; Security Pacific.

Foreign accounts

Gained: Japan—Philips, corporate. Germany—Kleber; Toshiba. Spain—Bayer; Gordon Gin. Switzerland—Electrolux. U.K.—F.W. Woolworth; Harvey Nichols; Toshiba. Netherlands—Sphinx. Singapore—Toyota. DS&H Tokyo—Mitsubishi Chemicals. Philippines—Toshiba. Kuala Lumpur—Casio. China—Shanghai Volkswagen; DuPont. Thailand—Mr. Donut; Volvo. Italy—Henkel; Kleber. France—3M; Henkel; Olympic Committee. Belgium—Yamaha; Henkel. Hong Kong—Kentucky Fried Chicken; Ricoh; Waterford; S.C. Johnson; Konica; L'Oreal.

Lost: Singapore—Mazda. Kuala Lumpur—Natvest. Philippines—Silahis Hotel. Belgium—Minolta; Loterie Nationale. Switzerland—Koenig. Netherlands—FGH Bank. Austria—Johnson & Johnson. Italy—Hanorah; Lovable. UK—Candy. Spain—Mahov. France—Air France Intl; Arthur Martin.

Officers

Alain de Pouzihac, chmn, Paris; Tim Pollack, ceo, N.Y.; Shinzo Ueno, sr exec vp, Tokyo; Alain Rousset, sr vp-cfo.

Phone: (212) 408-2100.

Henderson Advertising

RANK **100**

Greenville, S.C.

($ in millions)

U.S.	1987	1986	% chg
Gross income	10.6	12.0	(11.9)
Billings	70.6	80.1	(11.9)

U.S. billings

($ in millions)	1987	1986	% chg
Media	43.5	59.8	(27.4)
Materials & services	8.8	11.3	(22.0)
Capitalized fees	18.3	9.0	103.7

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	101	120	(15.8)
Offices in U.S.	1	1	0.0

Sources: All data from agency reports.

Annual Review

Billings were down 11.9% because of significant reductions from major clients totaling $10.9 million. Lost business measured in at $3.4 million mostly from the elimination of ad budgets on imported beer and wines caused by the falling value of the dollar. The agency also reduced its staff by 16%. New business amounted to $4.8 million, and should help boost 1988 billings a conservative 5%.

U.S. accounts

Gained: SouthernNet; Dow New Ventures; Phyton Direct; Amcom Corp.

Lost: "21" Brands; Carlton Importing; Murray Chris Craft.

Officers

Ralph W. Callahan Jr., chmn; Robert J. Jones, vice chmn, exec creative dir; James F. Brandhorst Jr., president; John J. Kennedy Jr., exec vp, cfo; Mike Daly, Beverly Grant, Lyda Mathis, Gordon McDonald, Bruce Mitchell, Gregory Rathjen, Mike Wilson, Mike Zeller, sr vps.

Phone: (803) 271-6000.

SSC&B title erased

SSC&B, once Sullivan, Stauffer, Colwell & Bayles, fell off the SSC&B:Lintas nameplate last year when it merged with sister Interpublic agency, Campbell-Ewald, to form Lintas:Worldwide. It had been shortened in 1967 when it hooked up with Lintas.

Hill, Holliday, Connors, Cosmopulos

RANK **29**

Boston

($ in millions)

Worldwide	1987	1986	% chg
Gross income	43.4	39.4	10.3
Billings	289.6	262.5	10.3
U.S.	**1987**	**1986**	**% chg**
Gross income	36.7	31.7	15.9
Billings	245.0	211.4	15.9

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	38.5	37.9	1.8
Materials & services	4.7	5.2	(9.1)
Capitalized fees	201.8	168.3	19.9

Workforce/facilities

	1987	1986	% chg
Employees w'wide	512	487	5.1
Employees in U.S.	391	350	11.7
Offices worldwide	4	6	(33.3)
Offices in U.S.	2	2	0.0

Source: All data from agency reports.

Annual Review

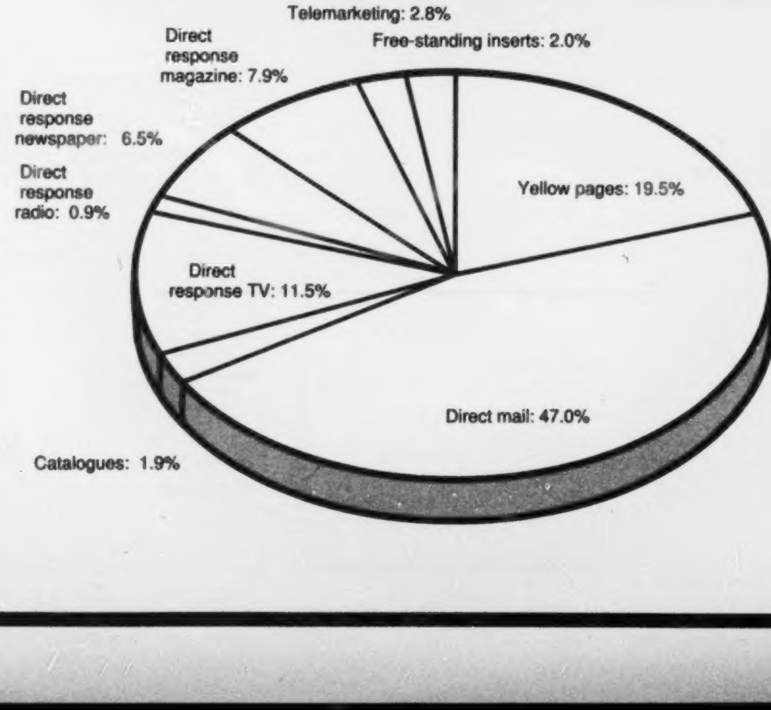
The agency's 10.3% worldwide billings growth came entirely from the domestic side as non-U.S. billings actually dropped 12.7%. New business totaled $37.5 million and included Bank of England ($18 million annualized), R.C. Cola ($18 million), Hyatt Hotels ($16 million), Massachusetts Div of Tourism ($5 million), Field Publications ($4.7 million), Labatts Canada ($16 million), Rolling Rock ($3.2 million) and Gillette ($1.5 million). Growth from existing clients came from Revlon, 7-Eleven, Wang, Hancock Insur-

Direct response billings by category

	Top 25 agencies		Top 100 agencies		500 agencies*
Media	Billings 1987	$ as % of 500 total	Billings 1987	$ as % of 500 total	billings 1987
Yellow pages	$194	41.8	$404	87.0	$464
Direct mail	509	45.6	803	71.9	1,117
Catalogues	3	6.6	14	30.9	45
Direct response TV	168	61.4	251	91.6	274
Direct response radio	11	51.4	16	77.4	21
Direct response newspaper	99	63.7	132	85.2	155
Direct response magazine	126	67.2	174	93.1	187
Telemarketing	4	6.0	55	82.1	67
Free-standing inserts	1	2.5	21	44.3	47
Total direct response	1,115	46.9	1,870	78.7	2,378

NOTES: Dollars are in millions. See Page 4 for footnotes. *Totals include billings by 442 agencies of the 500.

Direct response categories as % of $2.4 billion total



Top 10 U.S. agencies in medical journal billings

Rank	Agency	Medical journal billings 1987	Medical journal billings 1986	U.S. billings 1987	U.S. billings 1986
1	McCann-Erickson Worldwide	55.0	N/A	1,078.0	979.3
2	William Douglas McAdams	45.5	46.2	101.9	103.7
3	Lavey/Wolff/Swift	36.0	30.0	72.2	59.7
4	Klemtner Advertising	33.4	28.2	70.0	60.0
5	Vicom/FCB	32.2	21.3	75.0	49.5
6	Young & Rubicam	29.5	12.8	2,031.1	1,871.2
7	Dorritie & Lyons	23.0	24.0	45.0	40.0
8	Barnum Communications	22.7	22.2	41.3	40.5
9	Kallir, Philips, Ross	16.8	16.9	123.9	113.0
10	Paul A. DeJesse Inc. Advertising	15.2	12.8	19.0	16.0

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

ance and NYNEX. Losses totaled $33.3 million. The agency does not break out billings by office since major accounts and resources are split between its two offices in New York and Boston.

U.S. accounts

Gained: Royal Crown Cola; Hyatt Hotels; Mass. Tourism; Bank of New England; Field Publications; Rolling Rock and Gillette, new prod; Labatts Canada, new prods.

Lost: Lotus Talbots; LJN Toys; Oppenheimer and *N.Y. Newsday*.

Foreign accounts

Gained: Mass. Tourism, Malaysian Tourist Board; Muscular Dystrophy; Blue Cross; Arthur Andersen; Berni, Chef & Brewer; Sunyong-ICL Intl; BT Intl, BY Yellow Pages; Food From Britain; Metal Box, Royal Insurance; Newbury Data; Multitone; Thirdwave.

Lost: AST; Help for the Aged; Max Factor; G Plan; Pontins; Chelsea Building Society.

Officers

George J. Hill III, chmn-worldwide creative dir; John M. Connors Jr., president, ceo; Dick Pantano, vice chmn, creative dir; Jack Sansolo, vice chmn-mktg & corp devel; Joseph E. Norberg, cfo, treas; Jennifer Laing, grp chmn-ceo, London; Tony Angotti, Charles Decker, Don Easdon, William Hester, Christine Miller, Joseph O'Neill, exec vps; Pat Casale, Mary Ellen Argentieri, Scott Cheyne, Carolyn Clark, Herb Coughlan, Arthur Eisenbach, Dennis Farrington, Ann Finucane, Justin Harrington, Casey Jones, Macy Jones, Felice Kincannon, Chuck Kushell, Mike Lescarbeau, John F. Mills, Peter Nichols, Paul Regan, John Sasso, Lynn Seid, Susan Smith, sr vps.

Phone: (617) 437-1600.

Bernard Hodes Advertising Group

RANK 44

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	28.1	21.4	31.2
Billings	180.3	138.7	30.0

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	173.8	133.6	30.1
Materials & services	6.4	5.1	25.9
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	424	367	15.5
Employees in U.S.	401	348	15.2
Offices worldwide	26	27	(3.7)
Offices in U.S.	23	23	0.0

Source: All data from agency reports.

Annual Review

Specializing in recruitment and classified advertising, this Omnicom Group agency that is part of Diversified Agency Services had a 30% billings increase in the U.S. and added $2.9 million in billings from its three non-U.S. offices. The agency, which has 23 offices in the U.S., anticipates a much quieter 1988 with estimates set at 3% to 4% growth because of a decline in billings from financial services clients, its bread and butter. Agency figures are consolidated in totals for DDB Needham Worldwide.

Officers

Bernard Hodes, president; Alan Schwartz, coo-cfo; Marion Starr, Jo Bredwell, Steve Petersen, Bruce Skillings, regional branch mgrs; Barry Siegel, regional branch mgr-BHA; Dave Dwyer, branch mgr; Pat Howard, dir of new business devel; Roger Verduin, dir of systems & operations; Steve Wills, president-BHA, Canada; Laurie Duskwick, mng dir; Lee Mathews, president-BHTMS; Harold Weissenberger, vice chmn-WYPSCO; Barbara Poston, president-WYPSCO; Mike Dowling, president, Walking Fingers; Bud Freedman, exec vp-RES.

Phone: (212) 935-4000.

Ingalls, Quinn & Johnson

RANK 57

Boston

($ in millions)

U.S.	1987	1986	% chg
Gross income	20.3	17.6	15.0
Billings	135.0	117.4	15.0

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	106.3	92.4	15.0
Materials & services	12.3	10.7	15.0
Capitalized fees	16.5	14.3	15.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	242	273	(11.4)
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Growth of 15% in billings disguises the fact that in 1986 only 10 months of returns were recorded for Ingalls, bought by Quinn & Johnson that year. A full year of returns from Ingalls would put growth at less than 1%. Current accounts added $8.3 million in billings, including $1.2 million from Nissan Dealers Assn., $2.4 million from Converse and $3.4 million from TJ Maxx. New business grew by $14.7 million, including $7.3 million from Ocean Spray Cranberries ($16 million annualized) and $2.6 million from Arkwright. Losses of $11.2 million came from Massachusetts Division of Tourism ($4.5 million annualized) and Zayre Corp. ($14.8 million). The agency would not project billings growth for 1988, but reported budgets from existing clients were on the upswing. IQ&J is part of Diversified Agency Services at Omnicom Group.

U.S. accounts

Gained: Ocean Spray, non-cranberry; Arkwright; Westin-Plaza.

Lost: Massachusetts Div of Tourism; Zayre Corp.

Officers

S. Joseph Hoffman, chmn & ceo; Richard C. Garrison, president; Edwin P. Carboni, exec vp; Bruce L. Kelley, exec vp, dir-acct svcs; Brendan P. Kelley, Harvey Gabor, exec vps, creative dirs; Paul Coleman, sr vp, cfo; John Reed, sr vp, media dir; Jerry Swerling, sr vp, dir-pr; William Myers, sr vp, dir-direct response.

Phone: (617) 437-7000.

Jordan, McGrath, Case & Taylor

RANK 34

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	38.4	32.7	17.3
Billings	280.0	240.0	16.7

U.S. billings

($ in millions)	1987	1986	% chg
Media	215.1	199.7	7.7
Materials & services	20.2	8.3	143.4
Capitalized fees	44.7	32.0	39.7

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	310	285	8.8
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Growth was spurred by $31 million in new accounts and $11 million from existing accounts, the latter from Quaker Oats, Borden Wise and Tonka. Major new accounts gained with annualized billings were Quaker Hot Cereals ($25 million), Sega Video Games ($11 million), American Home Foods ($15 million) and Lehn & Fink ($8 million). Partner Burt Manning's return to J. Walter Thompson as chairman-ceo after a year at Jordan produced yet another name change for the agency.

U.S. accounts

Gained: Quaker-hot cereals; Sega Video Games; American Home Foods; Lehn & Fink-Personal Products.

Lost: Upjohn-Haltran.

Officers

James J. Jordan Jr., chmn; Patrick J. McGrath, president; John L. Taylor, Eugene Case, exec vps; Malcolm Macdougall, vice chmn.

Phone: (212) 326-9113.

Kallir, Philips, Ross

RANK 67

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	16.1	13.9	15.2
Billings	137.0	124.2	10.3

U.S.	1987	1986	% chg
Gross income	13.9	12.3	13.1
Billings	123.9	113.0	9.7

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	16.8	16.9	(0.5)
Materials & services	14.7	14.3	2.8
Capitalized fees	92.3	81.7	13.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	225	190	18.4
Employees in U.S.	185	155	19.4
Offices worldwide	3	3	0.0
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

This Omnicom Group medical agency had a 10.3% growth in worldwide billings mainly from increases of overseas operation, Paling-Ellis/KPR, fueled by healthy account acquisitions in its two offices-London and Brussels. Domestically, an 9.7% billings increase broke out to 30% from new business—all from divisions of Johnson & Johnson (Ethicon, McNeil, J&J Dental Care)- -and 70% from growth in existing accounts. The agency expects 12% growth in 1988. KPR totals are consolidated in those of DDB Needham Worldwide.

U.S. accounts

Gained: Ethicon; McNeil Specialty; J&J Dental Care.

The agency did not list accounts lost.

Foreign accounts

Gained: Euromedia; K Creation; Medical Trends; AD Studio; Abbott; Monsanto; UGB; Madaus; Wyeth; Ciba-Geigy; Parke-Davis; Relax; Wish; Flu Vaccine Project; Vistakon; Hoechst.

The agency did not list foreign accounts lost.

Officers

John Kallir, chmn-ceo; Warren Ross, Gerald M. Philips, vice chmn; Norman Cooper, president-coo; Richard Grossman, exec vp-copy; Leo Palmer, exec vp-client svcs/mktg; John Geryak, exec vp-art; John Racik, exec vp-OTC div.

Phone: (212) 878-3700.

Keller-Crescent Co.

RANK 49

Evansville, Ind.

($ in millions)

U.S.	1987	1986	% chg
Gross income	23.5	20.3	15.7
Billings	114.5	108.9	5.2

U.S. billings

($ in millions)	1987	1986	% chg
Media	22.1	21.2	4.2
Materials & services	43.2	34.7	24.7
Capitalized fees	49.2	53.0	(7.2)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	561	560	0.2
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Keller-Crescent, Evansville, Ind.	92.1
Keller-Crescent, Dallas	22.4

Source: All data from agency reports.

Annual Review

Billings grew 5.2%, as new business and current accounts contributed equally to growth. The overall billings gains came from the Evansville office. By contrast, the Dallas office suffered a billings loss and a 26% drop in employment. Miles D. Jackson, formerly with The Pitluk Group, San Antonio, joined the agency as senior-VP responsible for strengthening new business activities in both cities.

U.S. accounts

Gained: EJA Group; Fruit of the Loom; Monterey House; L.S. Heath & Sons; York International Corp.; Magnivision; McCain Citrus; Roma Corp.; Brooks Foods.

Lost: A&H Truck Line; Haas Cabinet Co.; Brock Hotel Corp.; Acme Boot Co.; Heckethorn Mfg Co.; Union Underwear Co.; Rent-A-Center; Weaver Popcorn Co.; SRX Inc.; Kanawha Valley Bank; Chippewa Shoe Co.; Bexor Polymers; Snacktime; Lewis Bakeries; Trane, Clarksville; Modern Welding Co.; WEHT-TV; Peer Service; North American Green; West Kentucky Gas Co.; D-Patrick; OEC Diasonics; Systems Center.

Officers:

Tom Smythe, president; Robert Hampel, sr exec vp; Al Samuelson, exec vp, dir creative svc; Del Graham, exec vp, prod & oper svc; Fred Kitch, exec vp, mktg & sales; Jack Cohen, exec vp, client svc; Richard Wittgen, sr vp client svc; Ben Fitzpatrick, Frank Ferrara, Ron Edwards, grp vps-client svc; Ron Lucas, Dave Painter, Ronald B. Watkins, Gene Hacker, Ray Canafax, Gary McCamment, Kay Fitzpatrick, Hank Zunk, Pete Quinlan, Don Minton, Paul Huttlin, Dennis Sanner, vps, acct supers; Jim Weitzel, vp-mktg svc; Gerald Ulrich, Betty Chaffin, Pat Fagan, vps-creative dirs; Allen Mounts, vp-human resources; Bob Ubelhor, vp-A/V oper; Eugene Stevens, vp-creative prod svc; Thomas M. O'Connor, mng dir—Dallas; Dick Thomas, exec vp, creative dir—Dallas; Shirley Weiss, vp-media dir—Dallas.

Phone: (812) 426-7777.

Ketchum Advertising

RANK 19

Pittsburgh

($ in millions)

Worldwide	1987	1986	% chg
Gross income	88.1	75.3	16.9
Billings	660.0	528.5	24.9

U.S.	1987	1986	% chg
Gross income	85.1	69.3	22.8
Billings	610.0	488.5	24.9

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	393.5	324.3	21.3
Materials & services	56.7	30.8	84.3
Capitalized fees	159.8	133.4	19.8

Workforce/facilities

	1987	1986	% chg
Employees w'wide	1,207	1,110	8.7
Employees in U.S.	1,157	905	27.8
Offices worldwide	17	18	(5.6)
Offices in U.S.	12	12	0.0

1987 billings by U.S. office

Office, city	Billings
Ketchum Advertising, Sunnyvale, Calif.	12.8
Ketchum Advertising, San Francisco	137.3
Ketchum Advertising, Washington	10.4
Ketchum Advertising, New York	119.0
Ketchum Advertising, Pittsburgh	89.1
Ketchum Advertising, Los Angeles	69.5
Ketchum Advertising, Atlanta	6.1
Ketchum Advertising, Chicago	45.8
Ketchum Advertising, Rockville, Md.	32.9
Ketchum Advertising, Louisville	9.8
Ketchum Advertising, Dallas	N/A
Ketchum Advertising, Philadelphia	77.5

Source: All data from agency reports.

Annual Review

Even without billings from acquisitions—Mandabach & Simms, folded into the Chicago office, and Hicks & Griest, merged into the New York unit—growth was 13%. With acquisitions, growth ballooned by 25%. Growth of 14% is estimated for 1988, with over half that coming from existing accounts. Major management changes included the move of Edward L. Graf to vice chairman-cfo from executive VP-cfo, and Herbert D. Gordon became executive-VP of Ketchum Communications from president-Ketchum Yellow Pages. John Fitzgerald moves from president to chairman of the Pittsburgh office and Robert Kroyer from ceo to president of the San Francisco office.

U.S. accounts

Gained: Rust-Oleum, consumer banking; American Electric; Product Partners; Conair; Blue Cross of Western Pennsylvania; Berkey Marketing Co.; Chemical Bank, private banking; Schering, Lotromin; Medlantic Healthcare Group; British Telecom & DuPont Technologies; Rabbit Software; DuPont, Hytrel, packaging polymers, imaging systems; Cyromed; Chicago Board of Trade; Quaker Oats, cereal-foodsvc, Aunt Jemima-foodsvc, Ardmore-foodsvc, foodsvc-new prods; Procter & Gamble, cleaning prods, coin vend, janitorial; Henry House; DHL Airways; Beef Industry Council, Mississippi; Micropro; Shasta Export; Dankin, Inc.; Beatrice, Hunt-Wesson, Fisher Nuts, Rosarita Mexican Foods, tomato—new prods; John Muir Hospital; *Los Angeles Examiner*; Security Pacific Bank.

Lost: PA Tourism-state; Pennsylvania Dept of Commerce; Gardena; Tri-State Acura; Epirotiki Lines; Four Seasons; American Olean Tile; Melitta Inc.; Cooper Cheese; Zartic; St. Joseph Hospital; May & Speh; Bloomfield Industries; Jacobs Suchard/Brach; W.N. Lane; Pillsbury; Perche No! (Princeton Group); Crown Zellerbach; Flecto; Georgia Beef Board; Bank of America; Intl Banana Assn; National Food Processors.

Foreign accounts

Gained: France—British Telecom & DuPont; IDE; Loeul & Piriot; Rabbit. Germany—British Telecom & Du Pont; Ministry of Women & Health; Pronuptia de Paris; Superposter. Hong Kong—Melitta; Regal Hotels Intl. Japan—Blue Nun; Gordon's gin; Seiko Epson, computers; Sonia Rykiel, cosmetics; Tanqueray, gin. Singapore—Avon; Batam Vuew Hotel; Bausch & Lomb; Dr. Payot; Nubret Intl; Singapore Government anti-smoking campaign.

Lost: France—Star. Germany—Dr. Schieffer. Hong Kong & Japan—Alfred Dunhill Ltd. Singapore—Great Pacific Finance; Wisma & Forum.

Officers

William H. Genge, chmn & ceo; Gerald J. Voros, president & coo; Edward L. Graf, vice chmn & cfo; Joseph M. Coogle, exec vp-Ketchum Specialized Communications; John H. Mather, exec vp-info & rsch; Paul Alvarez, president-Ketchum Specialized Communications; David Drobis, ceo-Ketchum PR; Herbert D. Gordon, exec vp; Thomas J. Smith, president-Ketchum Intl; John Fitzgerald, chmn-Ketchum Adv, USA; Robert W. Kroyer, president-Ketchum Adv, USA; J. Craig Mathiesen, president-Ketchum Adv, Los Angeles; Thomas R. Miller, president-Ketchum/Hicks & Greist, N.Y.; Gerald S. Grosso, president-Ketchum Adv, Philadelphia; Irwin Simms, president, Ketchum/Mandabach & Simms, Chicago; Hank Seiden, ceo-Ketchum/Hicks & Greist, N.Y.; Charles Skoog, chmn-Ketchum/Hicks & Greist, N.Y.; James Larkin, exec vp-Ketchum Adv, USA.

Phone: (412) 456-3500.

Keye/Donna/Pearlstein

RANK 85

Los Angeles

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.9	9.5	25.5
Billings	79.4	63.3	25.5

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	69.6	52.6	32.4
Materials & services	5.7	6.1	(6.6)
Capitalized fees	4.2	4.7	(9.9)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	105	103	1.9
Offices in U.S.	4	3	33.3

Top 10 U.S. agencies in supplement billings

Rank	Agency	Supplement billings 1987	Supplement billings 1986	U.S. billings 1987	U.S. billings 1986
1	Foote, Cone & Belding Communications	13.0	12.9	1,369.7	1,389.2
2	Young & Roehr	9.5	7.9	16.2	13.5
3	Brouillard Communications	9.3	6.3	66.5	66.6
4	Leo Burnett Co.	7.8	16.3	1,550.0	1,361.6
5	BBDO Worldwide	6.5	5.4	1,179.4	1,126.7
6	Campbell-Mithun	6.4	5.7	425.8	380.2
7	N W Ayer	6.2	N/A	878.0	672.0
8	Ross Roy Group	5.2	4.0	475.3	416.0
9	Tatham-Laird & Kudner	4.7	3.0	241.6	238.5
10	TBWA Advertising	3.8	3.1	125.9	104.7

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

1987 billings by U.S. office

Office, city	Billings
Keye/Donna/Pearlstein, Los Angeles	79.4
Keye/Donna/Pearlstein, New York	N/A
Keye/Donna/Pearlstein, Chicago	N/A
Keye/Donna/Pearlstein, Atlanta	N/A

Source: All data from agency reports.

Annual Review

Healthy billings growth of 25.5% in 1987 is expected to continue through 1988. Foundation for growth is increased spending from existing clients, particularly Suzuki of America Dealers through new product introduction, and Coast Savings & Loan. Increases in 1987 were split between new business at $12.5 million and existing business at $12 million, which more than compensated for losses of $8.5 million. The agency added a one-man service office in Chicago.

U.S. accounts

Gained: Coast Savings & Loan Associations; Suzuki of America Dealer's Associations.

Lost: American Hawaii Cruises, Tomy Corp.; VLI Corp.

Officers

Leonard Pearlstein, president & ceo; Paul Keye, chmn, creative dir; Mario Donna, principal; William Bragg, exec vp; Steven Koskela, vp, cfo; Timothy Braybrooks, Paul Decker, Jeff Roll, vps, assoc creative dirs.

Phone: (213) 477-0061.

Kobs & Brady Advertising

RANK 80

Chicago

($ in millions)

U.S.	1987	1986	% chg
Gross income	12.8	12.0	6.5
Billings	85.3	81.0	5.3

U.S. billings

($ in millions)	1987	1986	% chg
Media	18.8	16.8	11.9
Materials & services	4.9	4.3	15.3
Capitalized fees	61.6	59.9	2.7

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	149	141	5.7
Offices in U.S.	3	3	0.0

1987 billings by U.S. office

Office, city	Billings
Kobs & Brady, San Francisco	3.2
Kobs & Brady, Chicago	42.1
Kobs & Brady, New York	40.1

Source: All data from agency reports.

Annual Review

Growth narrowed to 5.3% for this direct marketing-oriented agency which falls under the Backer Spielvogel Bates wing of the Saatchi & Saatchi PLC organization. That was down from 15.2% and 35.2% in 1986 and 1985, respectively, but K&B predicts 15% growth in 1988 as closer ties are forged with Saatchi. New business worth $3 million came from Paramount Pictures Corp. ($1 million) and U.S. Mint ($2 million); existing business added $2 million, all from Home Box Office; and losses ran $1 million, traced to the departure of Ameritech Mobile Communications.

U.S. accounts

Gained: Harrah's Marina; Perrier Group; Polaroid; Life Fitness; Playboy Home Video; The Signature Group; United States Mint; FHP Inc.; Paramount Pictures Corp.

Lost: North American Philips; American Express Life Assurance; Ameritech Mobile Communications; Allstate Insurance Co.

Officers

Jim Kobs, chmn; Howard Draft, president; Tom Brady, Roy Beauchamp, exec vps; Sandy Toback, Dan Ginsburg, Sid Liebenson, Lynn Fantom, Glenn Peters, Sandy Moltz, Amelia Capriulo, Larry Blank, sr vps; Richard Meyers, vp-dir fin.

Phone: (312) 944-3500.

Kornhauser & Calene

RANK 74

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	13.8	13.2	4.5
Billings	122.0	120.0	1.7

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	118.0	117.0	0.9
Materials & services	1.0	1.0	0.0
Capitalized fees	3.0	2.0	50.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	115	107	7.5
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Even though billings increased only 2% in 1987, K&C forecasts major growth in 1988 reflecting the impact of a full year's worth of spending from new clients and mid-1987 developments in the agency's creative that included bringing onboard Dennis Barham as the new creative director from Wells, Rich, Greene. New business was led by GAF Building Materials Corp. ($5 million in annualized billings), First Jersey National Bank ($4 million) and Palmolive Labs ($3 million).

U.S. accounts

Gained: GAF Building Materials Corp., Timberline, Woodline, Slateline, Royal Sovereign, GAFGlas; Palmolive Labs, div of Colgate-Palmolive, New Again, Just Me, Teen Clean; First Jersey National Bank; Boyle-Midway, Sani-Flush. The agency did not lose any accounts.

Officers

Henry Kornhauser, chmn-ceo; Dennis Barham, vice chmn, creative dir; Neve Savage, vice chmn, acct mgr; William Nicholson, coo, corporate secy; Robert Palmer, exec dir-media mgmt committee; Stanley Turk, Ralph Hirsch, Alan Yarnoff, Kenmore Emerson, exec vps; Bob Ballerini, Marvin Davis, Vincent McKenna, Larry Nunno, sr vps-acct dirs; Robert Snyder, Lisa DuBose, sr vps-exec creative dirs; Ron Ross, Albert Feldman, sr vps-creative dirs; Pamela Maythenyi, sr vp-dir of bcst prod; Robert DeStefan, sr vp-print prod; Gary Faver, sr vp-media dir; Paul Schneller, sr vp-rsch dir.

Phone: (212) 490-1313.

Lally, McFarland & Pantello

RANK 69

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	15.2	9.7	57.4
Billings	67.6	43.3	56.2

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	6.0	3.8	59.8
Materials & services	0.0	0.0	0.0
Capitalized fees	61.6	39.5	55.9

Workforce/facilities

	1987	1986	% chg
Employees w'wide	80	70	14.3
Employees in U.S.	78	70	11.4
Offices worldwide	2	2	0.0
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Billings shot up 56% as LM&P in 1987 and are expected to cool off to a lower 25% in 1988. Billings totals for new business and existing business grew $12 million each. There were no losses. The agency concentrates on medical and direct mail.

U.S. accounts

Gained: Procter & Gamble, Folgers Decaf coffee, Citrus Hill Plus Calcium Orange Juice; Adria Labs, Nitrol Ointment, Adriamycin; Norwich Eaton Pharmaceuticals, Didronel; Serono, Fibrel.

Lost: None.

Foreign accounts

Gained: SR/Rhone Poulenc Pharma.

Lost: None.

Officers

Ronald G. Pantello, president; John M. Lally, vp, creative dir-copy; James R. McFarland, vp, creative dir.

Phone: (212) 532-1000.

Laurence, Charles, Free & Lawson

RANK 31

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	41.5	39.4	5.3
Billings	302.0	287.0	5.2

U.S. billings

($ in millions)	1987	1986	% chg
Media	269.5	254.5	5.9
Materials & services	16.5	16.5	0.0
Capitalized fees	16.0	16.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	322	317	1.6
Offices in U.S.	4	4	0.0

1987 billings by U.S. office

Office, city	Billings
LCF&L, Bloomfield Hills, Mich	N/A
LCF&L, Indianapolis	N/A
LCF&L, New York	302.0
LCF&L, Milwaukee	N/A

Source: All data from agency reports.

Annual Review

Mickelberry Corp. sold this agency for $23 million to Lowe Howard-Spink & Bell of London which separately owns 30% of Interpublic's New York-based Lowe Marschalk. LCF&L will be aligned with London-based Allen Brady & Marsh, the agency Lowe Howard-Spink bought in June, 1986. Billings were up 5.2% at LCF&L in 1987, and included increased spending from existing clients Bristol-Myers and Thompson Medical. The National Distiller liquor account was lost after the division was purchased by American Brands.

U.S. accounts

Gained: Bristol-Myers, Ban Antiperspirant; Dial Corp., Armour Dial div-new products; Drackett Co., Behold; Thompson Medical-new products; McDonald's Co-ops, Green Bay/Upper Peninsula, Southern Wisconsin/Northern Illinois Owner-Operators Assn.

Lost: National Distillers.

Officers

Charles Goldschmidt, chmn-exec committee; Thomas E. Lawson, president, ceo; Laurence D. Dunst, chmn; F. William Free, Martin Smith, vice chmn; Alfred L. Evans Jr., Frank Macina, Alfred Magnane, Paul Hodges, Samuel Alfstad, Todd Middleton, Fred Turdik, Janice Clements, exec vps; Dan Franklin, Douglass Bomeisler, Robin Koval, Richard Goldschmidt, Jody Wiethoff, Robert Adler, Paul Hiromura, Ellen Goldschmidt, Jack Mitnick, sr vps.

Phone: (212) 213-4646.

English agency actually retreats

Geers Gross was originally founded in London. More recently the agency entered the New York market to build up a strong U.S. billing's base of $170 million. In a *roll-reversal it retreated to Britain following* the buyout of its U.S. shop by McCann-Erickson, part of the Interpublic Group of Companies.

Lavey/Wolff/Swift

RANK 95

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	10.8	8.9	20.9
Billings	72.2	59.7	20.9

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	0.0	0.0	0.0
Materials & services	0.0	0.0	0.0
Capitalized fees	72.2	59.7	20.9

Workforce/facilities

	1987	1986	% chg
Employees w'wide	72	112	(35.7)
Employees in U.S.	72	112	(35.7)
Offices worldwide	6	5	20.0
Offices in U.S.	4	3	33.3

Source: All data from agency reports.

Annual Review

The agency reported a 20.9% increase in billings—60% from budget growth from existing clients and the rest from new business. No accounts were lost. Although the agency has two overseas offices, all billings are credited to U.S. offices. A new office was opened in Beverly Hills, Calif., and serves as an additional office for PRISM International, its pr division. Returns for the agency are included in those of BBDO Worldwide, an Omnicom Group unit.

U.S. accounts

Gained: Burroughs Wellcome; Rich Foods; Wellcome Diagnostics; Schmid Labs.

Lost: None.

Officers

John F. Swift, president & ceo; Kenneth H. Lavey, chmn, creative dir; Charles A. Rockefeller, exec vp; Al Gerstein, sr vp, assoc creative dir; Ronald J. Furedi, Jeremy S. Lee, Robert P. Smith, sr vps, acct group supers.

Phone: (212) 593-3630.

Al Paul Lefton Co.

RANK 99

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	10.6	10.5	1.0
Billings	70.8	70.0	1.1
U.S.	**1987**	**1986**	**% chg**
Gross income	10.4	10.3	1.0
Billings	69.6	68.8	1.2

U.S. billings

($ in millions)	1987	1986	% chg
Media	55.0	55.2	(0.4)
Materials & services	4.9	4.4	11.4
Capitalized fees	9.7	9.2	5.4

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	180	185	(2.7)
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Al Paul Lefton Co., Philadelphia	37.1
Al Paul Lefton Co., New York	33.7

Source: All data from agency reports.

Annual Review

A mixture of $3.2 million in new business, reduced spending of $1.3 million from existing clients, lost business totaling $1.1 million, and static activity overseas led to a 1.5% growth in billings. Growth of 10.8% is projected for 1988, reflecting a restoration of 1987 budget cuts, full-year returns from new clients, and new business from Accu-Sort and Laventhol & Horwath added in January, 1988. The pr ($1.7 million in 1987) and direct marketing divisions and Lefton Design Studio, established in November, 1987, should stimulate growth. James W. North was promoted from executive-VP to general manager of the New York office upon the retirement of Grayson F. Lathrop early last year.

U.S. accounts

Gained: Harrah's Marina Hotel Casino; Rouse & Associates.

Lost: Pitney Bowes Credit Corp.; Chrysler Plymouth Dealers, Upstate Pa.

Officers

Al Paul Lefton Jr., president; James W. North, exec vp; Norman Lewis, cfo.

Phone: (215) 923-9600.

Levine, Huntley, Schmidt & Beaver

RANK 45

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	26.9	18.8	43.5
Billings	181.8	125.2	45.2

U.S. billings

($ in millions)	1987	1986	% chg
Media	138.7	85.9	61.4
Materials & services	15.2	11.8	29.1
Capitalized fees	28.0	27.6	1.5

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	225	208	8.2
Offices in U.S.	6	4	50.0

1987 billings by U.S. office

Office, city	Billings
LHS&B, San Antonio, Texas	N/A
LHS&B, Boca Raton, Fla.	N/A
LHS&B, Lancaster, Pa.	N/A
LHS&B, Sacramento, Calif.	N/A
LHS&B, New York	181.8
LHS&B, Irvine, Calif.	N/A

Source: All data from agency reports.

Annual Review

This subsidiary of Grey Advertising recorded a 45.2% growth in billings, compared with a 43.3% growth in 1986, and predicts a similar pattern in 1988, primarily because of new business being pitched. Existing business highlighted by Subaru of America, General Foods and Citizen Watches contributed to the bulk of the increase. New business contributed $33.9 million in billings, while lost business was substantial at almost $40 million.

U.S. accounts

Gained: Genesee Brewing; US Healthcare; Oscar Mayer; Beneficial Corp.; Panasonic; Chase Manhattan Bank.

Lost: Management Science America; Telecom Plus Intl; Knoll Intl; Wataburger.

Officers

Robert H. Schmidt, chmn, president & ceo; Harold Levine, chmn-exec committee; Allan Beaver, vice chmn, dir-creative svcs; Terry Bonaccolta, James Dragoumis, Raymond J. Marione, Jane Pack, Donald A. Peppers, sr vps, group dirs; Matthew R. Bud, sr vp-fin; Alan Chalfin, Anthony DeGregorio, Lee Garfinkel, G. Jay Taub, sr vps, creative dirs; Robert A. Nelson, sr vp, exec producer; Tod M. Seisser, sr vp, creative dir; Philip Sklar, John T. Wheaton, sr vps, mgmt supers; Leonard Sternbach, sr vp-oper.

Phone: (212) 557-0900.

Lewis, Gilman & Kynett

RANK 58

Philadelphia

($ in millions)

U.S.	1987	1986	% chg
Gross income	19.2	18.3	4.9
Billings	128.0	122.0	4.9

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	82.0	78.8	4.1
Materials & services	12.4	11.2	10.7
Capitalized fees	33.6	32.0	5.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	275	280	(1.8)
Offices in U.S.	3	3	0.0

Source: All data from agency reports.

Annual Review

New business contributed 83% of the billing's growth at this FCB subsidiary, with major contributions from Keystone Health Plan East, Atlantic Financial Federal and Panasonic. Existing business added another $2 million, largely from Bell Atlantic, Marriott and AMP, and lost accounts deducted $1 million. Increased spending by existing clients will anchor growth in 1988. No major shift in the budget mix between media and sales promotion is expected.

U.S. accounts

Gained: Hercules-Aqualon; Keystone Health Plan East; Panasonic; Atlantic Financial Federal; United Engineers & Constructors; National Liberty Insurance, special projects.

Lost: Iveco; Germantown Savings.

Top 10 U.S. agencies in radio billings

Rank	Agency	Radio billings 1987	Radio billings 1986	U.S. billings 1987	U.S. billings 1986
1	Saatchi & Saatchi Advertising	100.7	N/A	1,678.4	1,638.7
2	Bozell, Jacobs, Kenyon & Eckhardt	97.8	93.5	1,150.0	1,090.0
3	Young & Rubicam	96.9	77.5	2,031.1	1,871.2
4	J. Walter Thompson Co.	87.0	93.7	1,554.3	1,665.5
5	McCann-Erickson Worldwide	66.0	N/A	1,078.0	979.3
6	Ogilvy & Mather Worldwide	65.0	54.0	1,424.2	1,366.8
7	Backer Spielvogel Bates Worldwide	64.1	N/A	983.7	1,036.0
8	D'Arcy Masius Benton & Bowles	63.8	87.5	1,162.3	1,146.8
9	Grey Advertising	62.6	48.0	1,455.4	1,358.0
10	Wells, Rich, Greene	61.2	46.6	765.0	665.2

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

Officers

Robert G. Wilder, chmn; John K. Kaiser, president, ceo; Robert G. Genello, exec vp; Peter J. Keenan, sr vp-fin & admin; Jacqueline P. Lowell, sr vp-exec creative dir; John R. Trumbore, sr vp-dir of corp. planning & rsch; Joseph F. Barone, Michael A. Loprete, Phillip R. Pegg, sr vps-grp mgmt supers; Edward Mahlman, A. Thomas Tebbens, vp-grp mgmt supers.

Phone:(215) 568-3775.

Lintas: Worldwide

RANK **8**

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	417.9	324.6	28.7
Billings	2,787.2	2,231.7	24.9

U.S.	1987	1986	% chg
Gross income	166.1	156.6	6.1
Billings	1,107.9	1,044.2	6.1

✓

Workforce/facilities

	1987	1986	% chg
Employees w'wide	5,364	4,887	9.8
Employees in U.S.	1,390	1,494	(7.0)
Offices worldwide	N/A	N/A	0.0
Offices in U.S.	N/A	N/A	0.0

1987 billings by major office

Office, city	Billings
Lintas:Campbell-Ewald, Los Angeles	25.3
Lintas:Campbell-Ewald, Dallas	N/A
Lintas:Campbell-Ewald, Warren, Mich.	493.0
Lintas:Campbell-Ewald, Chicago	2.7
Lintas:Campbell-Ewald, Miami	17.2
Lintas:Campbell-Ewald, Atlanta	N/A
Lintas:New York, New York	569.8

Sources: 1987 data from agency reports. 1986 data is historic.

Annual Review

Parent Interpublic joined SSC&B:Lintas with Campbell-Ewald to form Lintas:Worldwide in October, 1987. The new group is comprised of two divisions —Lintas:International and Lintas:USA. U.S. offices of Lintas:USA also bear the Campbell-Ewald tag, except in New York. There were no client conflicts in the merger. The only offices actually merged were in New York where Campbell-Ewald had a minor presence. Interpublic felt that this larger network could better serve client needs. New business included MasterCard ($51 million), Vistakon ($15 million), Vintners Intl ($8 million) and G.H. Bass & Co. ($5 million). Added expenditures came from Chevrolet ($17 million) and Carnation ($12 million). Losses included Mennen ($16 million), National Car Rental ($10 million), Tenneco ($8 million) and Timberland ($4 million).

U.S. accounts

Gained: Lintas:New York (including VOS Direct): Leading Hotels of the World, Vintners Intl, MasterCard, I.E.I. (Imperial Enterprises), Cook Publishers. Lintas:CECO Communications: Communique (telecommunications). Lintas:Campbell-Ewald: Lionel toys, William Beaumont Hospital.

Lost: Lintas:New York (including VOS Direct): Speedy Muffler, Timberland Shoes. Lintas:Campbell-Ewald: National Car Rental, Mennen.

Foreign accounts

Gained: Beiersdorf—Austria (band-aids), Chile (Tesa tape); Minolta copier-Austria, Belgium, Denmark, England, Germany, Italy; Nestle—France (Friskies, Chambourcy Yogurt), Switzerland (petfood/media); Sterling Drug—France (Valda lozenges), Australia (media), Hong Kong (Panadol), Taiwan (Winthrop Laboratories), Thailand (Eye Mo, Carglo polish); Quaker-Italy (Gatorade, cereals, petfood), Taiwan (oatmeal); Computer Management Group—England, Netherlands; Bayer-Netherlands (Satina), Brazil (Delial); Royal Caribbean Cruise Lines—Switzerland, Norway; Unilever—Australia (media/Chesebrough Pond's), Thailand (hair care, Pepsodent), Singapore (Lipton tea).

Lost: Alfa Romeo cars—Austria, Belgium, France, Germany, Netherlands, Switzerland; Unilever—England (Mentadent toothpaste), Spain (Vim detergent); Philips—Argentina, Japan (corporate); Coca-Cola—Canada (Classic), Mexico (Fanta, Cappy).

Officers

Lintas:Worldwide—William V. Weithas, bd chmn-ceo; Kenneth Robbins, deputy bd chmn, chmn-ceo Lintas:Intl; bd members—Eugene P. Beard, Andre M.R. Bernard, Francis J. DeVito, Kamthorn Kamolvarinthip, Lawrence E. Lamattina, Anthony W. May, R.A.H. McLaren, Mark J. Penney, Spencer Plavoukos, Manolo Ramiro, Kenneth L. Robbins, Rolando Sainz de la Pena, John P. Sweeting, Enrique Tejerina, William V. Weithas, Gerald Wright, Ingo Zuberbier. Lintas:USA—Richard D. O'Connor, vice chmn, Lintas:USA, chmn-ceo, Lintas:Campbell-Ewald; Spencer Plavoukos, vice chmn, Lintas:USA, chmn-ceo, Lintas:New York; bd members—William V. Weithas, Spencer Plavoukos, Francis J. DeVito, F. Stone Roberts, Lawrence E. Lamattina, Richard D. O'Connor, Patrick A. Dow, Sean K. Fitzpatrick, Robert H. Schirmer, Louis M. Schultz. Lintas:New York—Spencer Plavoukos, chmn-ceo; Francis J. DeVito, president-dir creative svcs; William A. Overlock, exec vp-fin & admin; F. Stone Roberts, group exec vp; Louis M. Schultz, exec vp-dir media svcs, Lintas:USA; Jan T.L. Homan, exec vp-dir strategic plng & rsch, Lintas:USA. Lintas:Campbell Ewald—Richard D. O'Connor, chmn-ceo; Peter A. Dow, president-coo; Robert P. Roselle, exec vp, chief fin & admin officer; Sean K. Fitzpatrick, vice chmn, exec dir creative svcs; Robert H. Schirmer, exec vp, dir client svcs; Eugene F. Taylor, exec vp, asst to chmn; Ronald W. Mitchell, exec vp, dir agency plng; Louis M. Schultz, exec vp, dir media svcs, Lintas:USA; Jan T.L. Homan, exec vp, dir strategic plng & rsch, Lintas:USA. Lintas:CECO—James I. Bernardin, chmn-ceo; Frank E. Hoag Jr., president-coo. Lintas:VOS Direct—Thomas J. Turner, chmn-ceo; Lewis M. Smith Jr., exec vp, dir creative svcs.

Phone: (212) 605-8000.

Lord, Geller, Federico, Einstein

RANK **41**

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	31.8	29.4	8.3
Billings	221.3	212.2	4.3

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	169.4	159.5	6.2
Materials & services	33.3	26.0	28.1
Capitalized fees	18.6	26.7	(30.2)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	325	314	3.5
Offices in U.S.	1	1	0.0

Sources: All data from agency reports.

Annual Review

Billings increased 4.3% in 1987 with three-quarters of that increase from existing business—mainly IBM, which consolidated its U.S. advertising at the agency in 1987. Lost business amounted to $7.5 million. The existing client base will be the major force behind a projected 15% increase in billings for 1988 as four new clients joined the agency late in the year.

U.S. accounts

Gained: *The New Yorker*; Prince Manufacturing; *The Wall Street Journal*; IBM, Marketing Image, Sector Solutions; Crowthers Ltd., Ford Beckman.

Lost: Northrop Corp.; Analog & Digital Systems; F. Schumacher & Co. VHA/Partners.

Officers

Richard J. Lord, chmn, ceo; Norman Geller, Gene Federico, Edward D. Yaconetti, vice chmn; Arthur W. Einstein Jr., president; C. Ray Freeman, exec vp, gen mgr; Kevin B. O'Neill, exec vp, creative dir; J. William Wardell, Bruce L. Albert, sr vps, mng dirs; Marianne Caponnetto, sr vp, dir of media svc; John P. Curran, sr vp, dir of network radio/tv pgm; Jean-Claude Kaufmann, sr vp, dir bdcst prod; Lewis E. Eichenholtz, sr vp-cfo, dir-agency operations.

Phone: (212) 421-6050.

Lowe Marschalk

RANK **27**

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	45.6	49.0	(7.0)
Billings	304.2	326.9	(7.0)

✓

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	461	512	(10.0)
Offices in U.S.	N/A	N/A	0.0

1987 billings by U.S. office

Office, city	Billings
Lowe Marschalk, New York	230.3
Lowe Marschalk, San Francisco	17.7
Lowe Marschalk, Houston	16.0
Lowe Marschalk, Cleveland	41.0

Sources: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

Lost accounts and average budget cutbacks of 12.5% led to the 7% decrease in billings in 1987. Lost accounts were Gorham ($5 million), Royal Viking ($5.5 million), Bob Evans ($5.5 million), Gillette ($3 million), Parker Pen ($2 million) and Chesebrough-Pond's ($5 million). However, new business totaled an annualized $72 million. This new business along with increases anticipated from Johnson & Johnson and Exxon will provide a base for growth in 1988. The agency continues a strong new business push noting that over 50% of all accounts sought were gained in 1987. Lowe Marschalk is the U.S. side of Lowe Marschalk Worldwide. The U.S. agency is 70% owned by Interpublic and 30% by Lowe Howard-Spink & Bell PLC, London.

U.S. accounts

Gained: New York: Mennen, Antonovich Furs. San Francisco: DEP (Lavoris, Topol, Cuticara soap, Porcelana.

Lost: New York: Gillette (shaving, appliances), Unilever's Chesebrough-Pond's Q-Tips, Gorham. Cleveland: Bob Evans sausages. San Francisco: Royal Viking Lines.

Officers

Michael S. Lesser, chairman-ceo; Andrew J. Langer, president; Richard Villante, exec vp, genl mgr; Barry R. Linsky, Craig D. Johnson, exec vps; Eric J. Einhorn, exec vp, acct mgmt; Stuart J. Agres, exec vp, dir strategic plng; James D. Johnson, exec vp, mng dir, Marketing Group; Stephen M. Segal, exec vp, media dir; Andrew Aliprandi, exec vp, fin & admin; John L. Oliver, sr vp, acct mgmt; Kenneth I. Roffe, exec vp, ceo-Cleveland; Jeffrey Adams, exec vp, ceo-San Francisco.

Phone: (212) 708-8800.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

MARCOA DR Group

RANK **60**

Chicago

($ in millions)

U.S.	1987	1986	% chg
Gross income	17.8	16.4	8.5
Billings	119.2	110.1	8.3

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	119.2	110.1	8.3
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	177	173	2.3
Offices in U.S.	4	4	0.0

1987 billings by U.S. office

Office, city	Billings
MARCOA DR Group, Newport Bch., Cal.	N/A
MARCOA DR Group, Chicago	56.2
MARCOA DR Group, New York	36.0
MARCOA DR Group, Boston	23.0

Sources: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

This direct marketing agency, part of the BBDO Worldwide network in the Omnicom Group, was formed by a merger of three shops in December, 1986. The billings mix producing growth of 8.3% in 1987 was $16 million in billings from five new accounts, $12 million from the loss of five clients, and $5 million from expanded budgets of existing business, particularly Motorola, Bank of Boston, Ashton Drake, Fingerhut and Sears. Growth for 1988 is expected to hit 10% to 15%.

U.S. accounts

Gained: Disney Channel; Gillette; U.S. Navy; Save the Children Foundation; Uptown Federal.

Lost: Field Publications; Mary Kay Cosmetics; Alfred J. Dunhill; Sybervision; Encyclopaedia Britannica.

Officers

C. James Schaefer, chmn; David Hefter, president-corp; George J. Zahka, chmn-exec committee; Ronald T. Perrella, president-Chicago; David L. King exec vp, chmn-finance committee; Carmen Baez, exec vp-Boston; Marshall Barrett, exec vp-N.Y.; Lloyd Kieran, exec vp, genl mgr-Newport Beach; Arthur Wilson, Michael Seymour, exec vps-N.Y.

Phone: New York: (212) 951-7200; Chicago: (312) 454-0660; Boston: (617) 482-7300.

Martin Agency

RANK **68**

Richmond, Va.

($ in millions)

U.S.	1987	1986	% chg
Gross income	15.4	13.5	13.5
Billings	102.6	90.3	13.5

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	102.6	90.3	13.5
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	N/A	N/A	0.0
Offices in U.S.	N/A	N/A	0.0

Sources: All data from agency reports.

Annual Review

Ending its first full year as a subsidiary of Scali, McCabe, Sloves, the agency managed a moderate $12.3 million growth in billings with $7.3 million of that from new accounts. Major new players with estimated annualized billings were Blue Cross/Blue Shield of Florida ($10.4 million), *Standard Register* ($3 million), Virginia Division of Tourism ($3.[illegible] million) and Mash's Inc. ($1 million). Growth from existing clients of $6 million included Alcatel ($2 million), Virginia Power ($2 million) and Signet Bank ($2.4 million). Lost business totaled only $1 million. Because of an active plan to acquire new business, the projected billings increase for 1988 is 20%.

U.S. accounts

Gained: Blue Cross/Blue Shield of Florida; Virginia div of Tourism; *Standard Register*; Mash's Inc.

Lost: Student Loan Marketing Assn; Consolidated Minerals.

Officers

David Martin, chmn, exec committee; Harry Jacobs, chmn; Donald Just, president; James Hughes, vice chmn; John B. Adams, exec vp-acct svcs; Ralph J. Thompson, exec vp-admin; Thomas Robinson, Paul McKee, sr vps-acct svcs; Dale Brown, sr vp-agency svcs; Jerry Torchia, sr vp-creative; Thomas Weatherly, controller; Morty Baran, sr vp-dir bcst production.

Phone: (804) 254-3400.

William Douglas McAdams

RANK **70**

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	15.2	15.6	(2.3)
Billings	101.9	103.7	(1.7)

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	65.0	66.0	(1.5)
Materials & services	0.0	0.0	0.0
Capitalized fees	36.9	37.7	(2.1)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	159	165	(3.6)
Offices in U.S.	1	1	0.0

Sources: All data from agency reports.

Annual Review

This medical agency suffered a 2% decline in billings and was rescued from greater losses by the acquisition of the General Nutrition Corp. account ($1.3 million). The agency lost $300,000 with the departure of the Block Drug account and had declines from existing clients just under $3 million, mainly from Pfizer and Glaxo. Growth for 1988 is dependent on product introductions by clients awaiting FDA approval of new product applications.

U.S. accounts

Gained: General Nutrition Corp.

Lost: Block Drug Co.

Officers

Irwin C. Gerson, chmn-ceo; William M. Wolf, vice chmn; Anthony J. D'Onofrio, president, coo; Joseph G. Carobene, Howard A. Mandelbaum, Ronald J. Vignone, exec vps; Victor Trasoff, sr vp-exec art dir; Thomas Haynes, Walter Scott, sr vps-art; Claire Anderley, sr vp-copy; Barnett Mennen, David Zackson, sr vps-medical dirs; Brian Boyle, treas, cfo; Eugene Fine, sr vp-mgmt super.

Phone: (212) 698-4000.

McCaffrey & McCall

RANK **30**

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	42.1	31.0	35.8
Billings	308.9	203.7	51.6

Workforce/facilities

	1987	1986	% chg
Employees w'wide	N/A	N/A	0.0
Employees in U.S.	N/A	N/A	0.0
Offices worldwide	N/A	N/A	0.0
Offices in U.S.	N/A	N/A	0.0

Sources: All data from agency reports.

Annual Review

Under the Saatchi & Saatchi PLC umbrella, M&M expanded to include Rumrill-Hoyt's New York office ($60 million annualized) and Fairfax Advertising ($40 million)—both S&S units. The agency converted Fairfax to McCaffrey & McCall National Offices, with offices in Atlanta, Indianapolis and Irvine, Calif., and merged Fairfax, New York, into the main M&M office. The R-H linkup also gave M&M a Toronto office to handle Burroughs-Wellcome and Bacardi, two R-H clients. Seven other field offices were founded to service new client, Mercedes-Benz Dealer Program. Including 1986 billings from the merged S&S units in M&M totals, M&M had actual 1987 growth of about 5.1% based on restated 1986 billings of $293 million. Increased spending from existing clients, mainly T. Rowe Price, Chase Manhattan Bank and Hartford Insurance Group, produced the gain. New accounts basically cancelled

Top 10 U.S. agencies in network TV billings

Rank	Agency	Network TV billings 1987	Network TV billings 1986	U.S. billings 1987	U.S. billings 1986
1	Leo Burnett Co.	675.4	591.9	1,550.0	1,361.6
2	Saatchi & Saatchi Advertising	638.0	N/A	1,678.4	1,638.7
3	Young & Rubicam	636.0	657.0	2,031.1	1,871.2
4	Backer Spielvogel Bates Worldwide	598.6	N/A	983.7	1,036.0
5	J. Walter Thompson Co.	509.2	618.0	1,554.3	1,665.5
6	Grey Advertising	507.2	534.7	1,455.4	1,358.0
7	D'Arcy Masius Benton & Bowles	461.0	443.6	1,162.3	1,146.8
8	Ogilvy & Mather Worldwide	391.0	376.0	1,424.2	1,366.8
9	DDB Needham Worldwide	342.1	406.1	1,283.3	1,394.2
10	McCann-Erickson Worldwide	320.0	N/A	1,078.0	979.3

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

out losses as Ciba Vision ($5 million annualized), Mercedes dealers ($17 million) and Western Union ($4 million) were added to replace Norelco ($12 million) and Hiram Walker ($8 million), the latter resigned in order to keep Bacardi, inherited from R-H. M&M expects 1988 to be flat primarily because of the economy.

U.S. accounts

Gains: Ciba Vision; Mercedes-Benz Dealer Program; Western Union (direct marketing).

Losses: Norelco; Hiram Walker.

Officers

David B. McCall, chmn, exec committee; Robert H. Cherins, chmn, ceo; Paul Goldsmith, vice chmn; Bruce P.G. McCall, vice chmn-chief creative dir; Gary Landis, president; Exec vps: Ralph H. Cohen, dir client svcs-M&M Direct Marketing; Linden A. Davis Jr., rsch; John Reese, creative dir-M&M Direct Marketing; Norman S. Freedman, William J. Vieser, acct mgmt; Michael Quinn, cfo; H. Thomas Wilson, media.

Phone: (212) 421-7500.

McCann-Erickson Worldwide

RANK 6

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	512.5	427.7	19.8
Billings	3,418.5	2,852.7	19.8
U.S.	**1987**	**1986**	**% chg**
Gross income	161.6	146.8	10.1
Billings ✓	1,078.0	979.3	10.1

Workforce/facilities

	1987	1986	% chg
Employees w'wide	7,941	7,412	7.1
Employees in U.S.	1,780	1,661	7.7
Offices worldwide	N/A	N/A	0.0
Offices in U.S.	N/A	N/A	0.0

1987 billings by U.S. office

Office, city	Billings
McCann Healthcare, Morristown, N.J.	23.0
McCann Healthcare, Chicago	46.0
McCann-Direct, New York	54.6
McCann-Erickson, New York	520.0
McCann-Erickson, Los Angeles	70.3
McCann-Erickson, San Francisco	113.4
McCann-Erickson, Louisville	18.5
McCann-Erickson, Seattle	22.8
McCann-Erickson, Houston	64.5
McCann-Erickson, Detroit	98.0
McCann-Erickson, Dallas	16.5
McCann-Erickson, Atlanta	24.0

Source: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

The agency returned a 19.8% worldwide increase in billings. Gains from new business and existing clients matched each other. Some $100 million departed in lost business with $20 million of that from U.S. accounts. Acquisitions included offices in Taiwan, Germany, a healthcare agency in New Jersey-Bogart Delafield Ferrier—and Geers Gross Advertising's U.S. business. Domestic growth was fueled by a 17% increase in the New York office, which did not include about $130 million in billings to be gained from the Geers Gross buyout. McCann purchased the U.S. part of Geers Gross at yearend. Projections for the New York office include breaking the $1 billion mark by 1992. Both home and abroad, M-E plans to enter new markets in 1988 through acquisition. McCann also expects healthy growth from new business.

U.S. accounts

Gained: Atlanta—Banksouth, TVA, Tru Green, Equicor. Detroit—various dealers. Houston—FilmDallas, McDonald's New Orleans Co-op, Allercreme cosmetics, ECI. Los Angeles—Columbia Pictures. Louisville—Conna Bantam Supermarkets, Twinz Potato Chips. New York—Unilever's Chesebrough-Pond's new prods, United Merchants (Etienne Aigner and Villae Apparel). San Francisco—Washington State Apple Commission, Vipont Laboratories (Viadent Oral Hygiene), Datacopy. Seattle—Ranier Bancorporation, Washington State Apple Commission, Darigold milk, Nalley's Fine Foods (snacks, chips). McCann Direct—Government of India, L'Oreal (Warner Fragrances). McCann Healthcare, Chicago—Squibb (Fungizone), Minnetonka Medical (Tran-Versal), Nestle (infant nutritionals), Vipont (Viadent Plaque Removers). McCann & Harrod & Merlin, Canada—California Cooler, Unilever's Chesebrough-Pond's, B.C. Packers. Puerto Rico—P.R. Food & Beverage (India Beer).

Lost: Atlanta—Dunlop sporting goods. New York: American Home Products' Sani-Flush, Haagen Dazs. Seattle—Peoples Bank, Pacific Coca-Cola Bottler. McCann Direct—American Express Platinum Card. McCann Healthcare, Chicago—Sandoz, Bristol Labs, Boehringer Ingleheim.

Foreign accounts

Gained: Olivetti—Austria, England, France, Germany, Greece, Italy, Spain, Switzerland; Buitoni—Belgium, Germany, Argentina, Brazil; Nestle—Denmark (Nescafe, Maggi), Finland, Italy (Friskies); Unilever's Chesebrough-Pond's—England, Greece, Argentina, Brazil; Gillette—England (Braun shaver), Thailand (Liquid Paper, Oral B); Warnaco lingerie—England, France; Sony—Greece (tv), Italy, Portugal; Stefanel—Austria (fashion store), Italy; American Express (Gold Card)—Spain, Sweden, Jamaica (travellers checks, credit card), Trinidad; Time Inc.'s *Time*—Venezuela, Brazil; Columbia Pictures—Sweden, New Zealand, Australia; Schering-Plough—Singapore, Thailand (Coppertone), Hong Kong; Goldcorp Australia (nuggets)—Singapore, Hong Kong.

Lost: Certina watches—Austria (Schmidt), Switzerland; Ebauche watches—Belgium; IBM computers—Finland; Levi Strauss jeans—France; Henkel—France (Teraxdyl toothpaste); Lorenz—Italy; Unilever's CP—Spain (face creams); Citibank/Citicorp—Ecuador; Heublein—El Salvador (Smirnoff); Gillette—Mexico (Soft 'n Dry); Reckitt & Colman—Malaysia, New Zealand.

Officers

Robert L. James, chmn-ceo; John J. McNamara, president-coo; Barry L. Day, John F. Bergin, vice chmn; Eugene H. Kummel, chairman emeritus. Exec vps/worldwide, regional dirs—Gianni Cottardo; Max Cusnir, Asia-Pacific; Michael C. Ferrier; Jens Olesen, Latin America; William J. Shively. Exec vps/worldwide—Bohdan I. Kurylko; Marcio M. Moreira; Michael Sennott; [illegible]ter Hamilton.

Phone: (212) 697-6000.

McKinney & Silver

RANK 64

Raleigh, N.C.

($ in millions)

U.S.	1987	1986	% chg
Gross income	17.2	15.5	11.0
Billings	114.7	103.2	11.2

U.S. billings

($ in millions)	1987	1986	% chg
Media	97.2	N/A	N/A
Materials & services	9.5	N/A	N/A
Capitalized fees	8.0	N/A	N/A

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	135	126	7.1
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Existing business grew by $11.6 million highlighted by increased spending from Norwegian Caribbean Lines, Piedmont Airlines and Federal National Mortgage. Overall growth of 11.2% was affected by the loss of two accounts resigned late in the year with $6.8 million in annualized billings between them. Charles C. McKinney, chairman-CEO, predicts a "very good year" in 1988 partly because of billings from Bacardi Foods Group, acquired in November.

U.S. accounts

Gained: Bacardi Foods Group.

Lost: Pinkerton Tobacco Co.; Valley Natl Bank.

Officers

Charles C. McKinney, chmn & ceo; Robert Doherty, president; Lloyd Jacobs, exec vp; John Russo, Michael Winslow, Charlie Ashby, Larry Bennett, sr vps-creative; Donald Heineman, James DeVos, Rick Myracle, David Johnston, sr vps, mgmt supers; Janice Hunter, sr vp, media dir; Lee Wellman, sr vp, production/traffic; Toni Jordan, sr vp, controller.

Phone: (919) 828-0691.

Medicus Intercon International

RANK 42

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	31.7	24.6	28.9
Billings	237.8	182.9	30.0
U.S.	**1987**	**1986**	**% chg**
Gross income	11.8	9.6	22.4
Billings ✓	102.7	82.4	24.8

U.S. billings

($ in millions)	1987	1986	% chg
Media	16.6	10.1	63.3
Materials & services	12.3	16.0	(23.0)
Capitalized fees	73.9	56.2	31.4

Workforce/facilities

	1987	1986	% chg
Employees w'wide	421	397	6.0
Employees in U.S.	136	127	7.1
Offices worldwide	20	19	5.3
Offices in U.S.	3	3	0.0

1987 billings by U.S. office

Office, city	Billings
Medicus Consumer Com., New York	23.8
Medicus Intercon, New York	60.4
(Medicus) Science & Medicine, New York	18.6

Source: All data from agency reports.

Annual Review

This DMB&B subsidiary posted a 30% increase in worldwide billings, including $12 million in new business, $24 million from existing business, only $2 million in lost accounts and a sizable exchange rate differential. A 12% increase is predicted for 1988 based on new product assignments and continued growth overseas where billings grew 34% in 1987. Particularly strong contributions came from Japan (up 26%), U.K. (up 18%) and Spain (up 57%). Medicus Consumer Communications, the agency's newest U.S. division, increased billings 107% which helped produce a U.S. billings increase of 24.8%.

U.S. accounts

Gained: Ayerst Intl.

Lost: Lakeside Pharmaceuticals, Nicorette.

Foreign accounts

Gained: Canada—Bristol Labs, Ciba-Geigy; Germany—Eli Lilly, Roussel; Hong Kong—Sanofi; Italy: Bayer; Japan—Eli Lilly, Merrell Dow; Spain—Boehringer Ingelheim; U.K.—Boots, Degussa, Rorer Intl.

Officers

Lawrence J. Lesser, chmn & ceo; Hartwig Ellmer, vice chmn; William G. Castagnoli, president; Nicholas F. Maiale, Wilhelm Rall, exec vps, group dirs-intl; Gary A. Elman, sr vp, corp controller; Geoffrey J.D. Bush, vp, intl controller; Jay M. Cohen, exec vp, mng dir-U.S.; Stephen P. King, exec vp, dir-creative svcs, U.S.; Robert E. Gengenbach, Melissa Gryczka, John P. Ibelli, sr vps, dirs-client svcs; Kenneth F. Benjamin, sr vp, dir-mktg & media; Ralph Jacobsen, sr vp, medical dir; Joseph L. Davis, exec vp, mng dir-consumer; Gerald S. Weinstein, exec vp, creative dir-consumer; Robert M. Ross, president-science & medicine; Johannes Aarden, president-Canada.

Phone: (212) 826-0760.

Meldrum & Fewsmith

RANK 78

Cleveland

($ in millions)

Worldwide	1987	1986	% chg
Gross income	13.0	13.5	(3.7)
Billings	80.2	90.0	(10.9)
U.S.	**1987**	**1986**	**% chg**
Gross income	12.4	11.9	4.2
Billings	73.0	82.8	(11.8)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	149	149	0.0
Offices in U.S.	2	2	0.0

Source: All data from agency reports.

Annual Review

Divestiture of the Chicago office ($12 million in billings) largely contributed to the 10.9% decrease in overall billings. Remaining U.S. clients boosted their budgets 2%. International activity, mainly entailing special projects for Ford Motor Co., remained static. The Southfield, Mich. office was closed and billings were divided between the Cleveland office and the new Holland, Pa., office. Expectations for 1988 are good, reports the agency, because of full-year spending from new accounts acquired late in 1987.

U.S. accounts

Gained: Mr. Coffee, Cedar Wood Village Developers.

Officers

Chris N. Perry, chmn & ceo; Robert Iredell, exec vp, genl mgr; Robert P. Huddilston, sr vp-sec/treas.

Phone: (216) 241-2141.

Miller Advertising Agency

RANK 90

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.1	8.9	24.6
Billings ✓	76.3	59.2	28.9

U.S. billings

($ in millions)	1987	1986	% chg
Media	61.5	52.0	18.3
Materials & services	1.5	1.2	25.0
Capitalized fees	13.3	6.0	121.7

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	180	150	20.0
Offices in U.S.	4	4	0.0

Source: All data from agency reports.

Annual Review

New business of $9.1 million, growth from existing clients of $8 million and no major account losses contributed to a healthy 28.9% growth in billings. Staff increased 20%. Solid growth for the past three years is the basis for Miller's 12% to 15% growth forecast in 1988.

Accounts

The agency did not report accounts lost or gained in 1987.

Officers

Leonard Miller, chmn; Robert Miller, president; Walter Hadrigan, vp-controller; Andrew Miller, vp; Nicole Miller, treas.

Phone: (212) 929-2200.

Muir Cornelius Moore

RANK 94

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	10.9	9.5	14.8
Billings ✓	72.5	63.1	14.8

U.S. billings

($ in millions)	1987	1986	% chg
Media	72.5	63.1	14.8
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	125	125	0.0
Offices in U.S.	1	2	(50.0)

Source: All data from agency reports.

Annual Review

After a billings decrease in 1986, the agency reversed that in 1987 with a 14.8% gain. The turnaround is credited to the introduction of the IBM Personal System and the restructuring of sales promotion operations. There was growth of $3.5 million from new accounts and $6.3 million in increased client budgets, particularly IBM, Long Island Savings Bank and Citibank.

U.S. accounts

Gained: Boeing Sikorsky LHX Team; Citibank, business and professional svcs, personal banking group; Continental Insurance Agency Group; Eberstadt Fleming; Apollo Sports.

Lost: Northeast Savings.

Officers

William P. Muir, chmn, ceo; James Cornelius, vice chmn, chief admin officer; Richard Moore, vice chmn, chief creative officer; Peter P. Post, president, MCM Advertising; Sanford H. Ross, Lowell O. Roberts, Vincent M. McQueeney, Randall Hensley, sr vps.

Phone: (212) 463-7715.

Nationwide Advertising Service

RANK 50

Cleveland

($ in millions)

U.S.	1987	1986	% chg
Gross income	23.5	15.3	53.6
Billings	157.2	102.0	54.1

U.S. billings

($ in millions)	1987	1986	% chg
Media	157.2	102.0	54.1
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	358	358	0.0
Offices worldwide	36	35	2.9
Offices in U.S.	31	30	3.3

1987 billings by U.S. office

Office, city	Billings
NAS, Los Angeles	N/A
NAS, Boston	N/A
NAS, Cincinnati	N/A
NAS, Dallas	N/A
NAS, Columbus, Ohio	N/A
NAS, Chicago	N/A
NAS, Columbia, Md.	N/A
NAS, Houston	N/A
NAS, Ft. Lauderdale	N/A
NAS, Albuquerque	N/A
NAS, Denver	N/A
NAS, Cleveland	157.2
NAS, Baltimore/Washington	N/A
NAS, Kansas City	N/A
NAS, Atlanta	N/A
NAS, Detroit	N/A

Source: All data from agency reports.

Annual Review

This recruitment agency serving personnel departments of client companies experienced billings growth of 54.1% in 1987, which it credited to continued growth in its markets and an aggressive new business-acquisition effort. The agency added a new office in Canada bringing the total to six there. Nationwide has 30 offices in the U.S.

U.S. accounts

The agency did not report accounts gained or lost.

Officers

George Gund, Gordon Gund, co-chmns; John W. Graham, vice chmn, coo & treas; Thomas A. Richey, president & coo.

Phone: (216) 579-0300.

Ogilvy & Mather Direct Response

RANK 20

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	84.0	68.0	23.5
Billings	560.0	454.0	23.3
U.S.	**1987**	**1986**	**% chg**
Gross income	39.0	36.0	8.3
Billings ✓	260.0	240.0	8.3

U.S. billings

($ in millions)	1987	1986	% chg
Media	260.0	240.0	8.3
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	1,200	1,100	9.1
Employees in U.S.	495	490	1.0
Offices worldwide	43	43	0.0
Offices in U.S.	9	9	0.0

Sources: All data from agency reports.

Annual Review

Reporting a 23.3% increase in worldwide billings, this Ogilvy Group direct marketing subsidiary had gains of $20 million in the U.S. and a strong $86 million increase in non-U.S. billings. Growth came largely from existing clients, highlighted by American Express and AT&T. New business gains were healthy but were reduced significantly by decreases from lost business. The agency predicts a more conservative 5%-10% growth for 1988. The agency includes subsidiaries, A. Eicoff & Co., Chicago, and Targeted Communications, McLean, Va., in its totals.

U.S. accounts

Gained: Abbott Laboratories; New England Business Systems; I.G. Ventures; Aircraft Owners & Pilots Assn.; HBO Video; Diet Center; Ryder.

Lost: Zales; Kindercare.

Foreign accounts

Gained: Ford; Abbott Laboratories; Compaq.

Officers

Jerome W. Pickholz, chmn, ceo; Stanley Winston, vice chmn-exec creative dir; William Morrissey, president-coo; Rochelle Lazarus, sr vp, gen mgr-NY; Ron Bliwas, president, A. Eicoff Co.; Robert Smith, president, Targeted Communications; Pam Reese, sr vp, mgr-Yellow Pages.

Phone: (212) 340-3500.

Ogilvy & Mather Worldwide

RANK 5

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	528.6	459.6	15.0
Billings	3,663.8	3,154.6	16.1
U.S.	**1987**	**1986**	**% chg**
Gross income	261.6	249.7	4.8
Billings	1,745.2	1,665.3	4.8

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	1,745.2	1,665.3	4.8
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	7,686	7,449	3.2
Employees in U.S.	2,863	2,840	0.8
Offices worldwide	264	244	8.2
Offices in U.S.	47	46	2.2

1987 billings by U.S. office

Office, city	Billings
Ogilvy & Mather, Los Angeles	86.0
Ogilvy & Mather, Atlanta	39.0
Ogilvy & Mather, Chicago	139.0
Ogilvy & Mather, Detroit	2.0
Ogilvy & Mather, Houston	87.0
Ogilvy & Mather, Dallas	12.0
Ogilvy & Mather, New York	733.0
O&M Direct Response, New York	222.0
Ogilvy & Mather Promotions, New York	53.0
Other	372.0

Sources: All data from agency reports.

Annual Review

Overseas expansion—aided by the establishment of 19 new offices and favorable exchange rates—was the major contribution to worldwide billings growth of 16.1% in 1987 for this largest unit of Ogilvy Group. U.S. billings increased by only 4.8%, despite billings infusion from new clients, Beecham and Ford ($80 million), the latter resulting in the opening of a Detroit office. Major accounts lost were CBS Inc. and Columbia Pictures. The addition of the Chesebrough-Pond's account ($55 million) and Ford significantly helped boost billings internationally. Kenneth Roman moved up to chairman-ceo, Norman Berry, former creative head and president-N.Y., became president-creative and Alexander Brody came over from DYR to become president-international.

U.S. accounts

Gained: Ford U.S., parts and services; Beecham; Equal; Criterion; LTV; Centers for Disease Control; AT&T International; C&S Bank of South Carolina.

Lost: CBS; Columbia Pictures; Bowery Savings Bank; Health Corporation of America; *Chicago Tribune*

Foreign accounts

Gained: American Express—Colombia, Ecuador, South Africa, Uruguay; BAT—Guatemala, South Africa; Beecham—Austria, Portugal, Netherlands; Boeing—Ecuador, Mexico, Spain; British Tourist Authority—Ireland, Switzerland; Chesebrough-Pond's—Argentina, Canada, Chile, China, Colombia, Greece, Hong Kong, Malaysia, Netherlands, New Zealand, Portugal, South Africa, Spain, Switzerland; Compaq—China, Denmark, Germany, Italy, Spain, Sweden, Finland, Hong Kong; Ford—Austria, Belgium, France, Ireland, Italy, Netherlands, Norway, Spain, Switzerland, Venezuela; General Foods—Ecuador, U.K., Philippines; Guinness—Spain, Taiwan; Kimberly-Clark—El Salvador, Guatemala, Germany; Olivetti—Austria, Denmark, France, Germany, Italy, Spain, Switzerland, Venezuela; PepsiCo—Pakistan, Taiwan; Polaroid—Ecuador, Paraguay, Korea; Rolex—Hong Kong, Indonesia; Seagram—Mexico, Uruguay; Shell—Pakistan, Portugal, Paraguay; 3M—Austria, Belgium, El Salvador, France, Germany, Greece, Italy, Norway, Portugal, Spain, U.S.; Unilever—Costa Rica, China, El Salvador, Greece, Guatemala, Pakistan, Taiwan, Uruguay, Venezuela; Xerox—

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The key to a competitive edge? It's fundamental, yet often overlooked: *the image quality and stopping power of your display prints or backlit transparencies.*

Is the color rich, vibrant, truly arresting? Is the image clean and sharp? Is there optimum contrast? All the compelling facets and details of the original—are they there?

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Leading companies demand Cibachrome products

Successful exhibiting companies share these two things in common: they want maximum stopping and selling power in their displays; and they insist on Cibachrome products.

In large-scale trade shows, superb Cibachrome colors, contrast and sharpness make exhibits stand out in visually cluttered settings. Brilliant Cibachrome prints and display films make all the difference when, as research shows, visitors spend as little time as seven seconds deciding to attend your exhibit—or not.

And within your exhibit, Cibachrome quality helps gain customer interest, extends the visit and focuses attention on your sales message.

In consumer-oriented exhibits, as in a bank or airport, Cibachrome vibrancy captures busy customers who might otherwise pass you by.

In retail applications, you can achieve lovely flesh tones and natural, appealing contrast for glamorous fashion an[illegible]smetic displays. Or you can pr[illegible]ce bold, larger-than-life colors a[illegible] contrast for effective jewelry, food, automotive and appliance displays. All by specifying Cibachrome products from your designer and photo lab.

And Cibachrome clients continue to find new display applications. One major retailer used Cibachrome print materials to display a new tool kit rather than risk pilferage of over 100 small components. Sales were good and theft was eliminated. Many clothing retailers use Cibachrome backlit transparencies instead of mannequins. Their clothing looks more dynamic and their sales areas appear more inviting.

Commercial interior designers, museum directors and gallery exhibitors also rely on Cibachrome products. Our materials retain their brilliance for years longer—even under constant, strong lighting.

The Cibachrome process

Cibachrome quality comes from the unique chemical compatibility of our materials and process. Other types of materials generate dyes with silver dye couplers. In the ILFORD Cibachrome Process P-3, pure and highly stable azo dyes are already present in our unique process; they're then *selectively* bleached away. The result is a richer, more saturated and more permanent image.

What's more, all Cibachrome products are direct-positive for printing directly from your original transparencies. Because no internegative is ever required, you get far more accurate color rendition and unrivaled, first-generation sharpness.

The Cibachrome selection

You can select from a full range of Cibachrome products to suit your needs precisely.

CIBACHROME II PRINT MATERIAL, DELUXE GLOSSY SURFACE (CPS.1K)—for a brilliant surface, intense color saturation and dramatic contrast. The strong yet flexible polyester base provides durability for portable displays plus easy mounting, grommeting and splicing.

CIBACHROME II PRINT MATERIAL, DELUXE GLOSSY SURFACE (CF.1K)—our newest print material offers all the superb properties of CPS.1K but with a lower contrast range. It produces outstanding prints from high-contrast originals without extensive and costly masking.

CIBACHROME II DISPLAY FILM, TRANSLUCENT BASE (CL.F7)—our backlit display material, with a semi-opaque, translucent base, eliminates the need for built-in diffusors in light boxes and panels, making exhibit/display hardware easier to transport. Same long lasting high quality as our transparent-base film.

CIBACHROME II DISPLAY FILM, TRANSPARENT BASE (CTD.F7)—backlit display material with brilliant color, outstanding sharpness and show-stopping contrast. For light boxes with built-in diffusors.

Make the brilliant choice

Ask yourself this: are your photographic materials merely adequate—or do they give an extra competitive edge to your entire exhibit or display?

If your answer is "merely adequate," you should discover the new dimensions in stopping and selling power that Cibachrome display print materials and films can provide. We can help you do just that.

To contact your ILFORD Cibachrome representative, or a nearby professional Cibachrome color lab with exhibit and display experience, call us at **1-800-631-2522.**

And by the way, if you or your company are just beginning in the exhibit/display medium, we'll be happy to work with you from the planning stage through installation.

Cibachrome display print materials and films. You'll find they're one brilliant choice that's easy to make.

CIBACHROME
DISPLAY PRINT MATERIALS AND FILMS.
THE BRILLIANT CHOICE

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Photos by Joe Morello.

Belgium, Finland, Germany, Italy, Spain; Bulgari—France, Switzerland; Concord Watch—Germany, Switzerland; Cotton Council Intl—France, Italy, Japan, Korea, U.K.; Imperial Tobacco, Spain, U.K.; Merck, Germany, Spain; Timex, Canada, U.K.

Lost: BAT—Germany, Mexico; California Prune Board—Germany, Norway, Spain, Sweden, U.K.; Mercedes Benz—Austria, France; Northern Feather—Germany, Sweden; Parker Pen, Brazil, South Africa; Richardson-Vicks—Austria, France, Germany, Hong Kong, India, Malaysia, Singapore, Switzerland; TWA—Belgium, Denmark, France, Germany, Greece, Hong Kong, Italy, Spain, Switzerland, U.K.

Officers

Kenneth Roman, chmn & ceo; Charles Walsh, cfo; Alexander Brody, president-international; Norman Berry, president-creative; Graham Phillips, chmn-U.S.

Phone: (212) 907-3400.

Rapp & Collins USA

RANK **72**

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	14.9	12.1	23.1
Billings ✓	99.4	81.6	21.5

U.S. billings

($ in millions)	1987	1986	% chg
Media	12.5	18.7	(33.2)
Materials & services	18.9	13.7	38.0
Capitalized fees	68.0	49.4	37.7

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	130	110	18.2
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Rapp & Collins USA, Dallas	64.6
Rapp & Collins USA, New York	34.8

Sources: All data from agency reports.

Annual Review

This direct marketing subsidiary of DDB Needham Worldwide was formed by a merger of Rapp & Collins USA, New York, and Direct Response Group, Dallas-both bought and merged by DDB in 1986. Billings jumped 21.5%, strongly influenced by $16.3 million in increased spending from existing clients. Major contributors were Showtime ($2 million), and Bristol-Myers ($4.7 million). New business generated $8.7 million, much of that from Hyatt Hotels ($5.4 million in annualized billings), although accounts lost took with them $7.4 million. Billings growth for 1988 is estimated at 15%, mostly from anticipated new business and continued growth from the current roster.

U.S. accounts

Gained: Hyatt Hotels; Pryor Resources; Black & Decker.

Lost: Save the Children, fund-raising.

Officers

James E. Dunne III, president & ceo; Stan Rapp, chmn; Robert Mohr, president-Dallas office; Emily Soell, exec creative dir; David Scholes, exec vp; Steve Judge, creative dir-Dallas; Doug Kramer, sr vp-cfo.

Phone: (212) 725-8100.

Richards Group

RANK **77**

Dallas

($ in millions)

U.S.	1987	1986	% chg
Gross income	13.4	12.2	9.9
Billings	89.1	82.4	8.1

U.S. billings

($ in millions)	1987	1986	% chg
Media	27.0	12.4	118.2
Materials & services	12.4	12.7	(2.0)
Capitalized fees	49.7	57.4	(13.3)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	149	157	(5.1)
Offices in U.S.	1	1	0.0

Sources: All data from agency reports.

Annual Review

The 8.1% jump in billings is credited to the acquisition of new accounts—VHA Hospital, Murata Business Systems, Partners National Healthplan and Hibernia National Bank—which together carried total billings of $8.8 million for the year ($15.5 million annualized). Existing accounts—Motel 6, El Chico, Grandy's and American Catfish Institution accounts—added another $1.3 million. Lost business amounted to $2.4 million. Projections for the agency call for another year of growth at 8%, traced to new business gained in 1987 and continued growth in the level of media placement activity of larger accounts.

U.S. accounts

Gained: VHA Hospitals; Hibernia National Bank; Partners National Healthplan; Metrocel Cellular Telephones; Murata Business Systems; Hogan Systems; VCR Enterprises; Dallas Partnership.

Lost: Autry Industries; OTASCO; Aerobics Corp. of America.

Officers

Stan Richards, president; Jim McGhee, Brad Todd, Rod Underhill, mgmt supers; Scot Dykema, cfo; Gary Gibson, Doug Rucker, Glenn Dady, Mike Malone, Ray Redding, Grant Richards, Dick Mitchell, Steve Miller, creative group heads; Cormac Ryan, Tave Campbell, Jeff Upshaw, Scott Crockett, mktg group supers; Michael Leonard, media director; Mark Cunningham, director-rsch & creative planning.

Phone: (214) 891-5700.

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Top 10 U.S. agencies in spot TV billings

Rank	Agency	Spot TV billings 1987	Spot TV billings 1986	U.S. billings 1987	U.S. billings 1986
1	Saatchi & Saatchi Advertising	520.5	N/A	1,678.4	1,638.7
2	Young & Rubicam	356.0	304.9	2,031.1	1,871.2
3	J. Walter Thompson Co.	353.4	358.2	1,554.3	1,665.5
4	Grey Advertising	330.4	269.3	1,455.4	1,358.0
5	D'Arcy Masius Benton & Bowles	280.1	236.0	1,162.3	1,146.8
6	Backer Spielvogel Bates Worldwide	224.5	N/A	983.7	1,036.0
7	DDB Needham Worldwide	211.6	241.2	1,283.3	1,394.2
8	Leo Burnett Co.	210.2	163.9	1,550.0	1,361.6
9	BBDO Worldwide	209.8	210.5	1,179.4	1,126.7
10	McCann-Erickson Worldwide	190.0	N/A	1,078.0	979.3

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

Hal Riney & Partners

RANK 52

San Francisco

($ in millions)

U.S.	1987	1986	% chg
Gross income	23.0	14.4	59.7
Billings	200.0	125.0	60.0

U.S. billings

($ in millions)	1987	1986	% chg
Media	200.0	125.0	60.0
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	185	135	37.0
Offices in U.S.	4	3	33.3

1987 billings by U.S. office

Office, city	Billings
Hal Riney & Partners, Los Angeles	10.0
Hal Riney & Partners, Chicago	40.0
Hal Riney & Partners, New York	25.0
Hal Riney & Partners, San Francisco	125.0

Sources: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

Hal Riney & Partners joined the ranks of E&J Gallo Winery predecessor agencies when it dropped the vintner from its roster. That $80 million account loss in December. 1987, will be felt in 1988. Meanwhile, the agency had a whopping 60% increase in billings from major accounts picked up in its expanding regional offices, including the newly opened one in New York.

U.S. accounts

Gained: Blue Cross/Blue Shield of Ill.; Bob Evans Restaurants; Security Pacific Bank; Sterling Auto; Alamo Rental Cars.

Lost: E&J Gallo Winery.

Officers

Hal Riney, chmn-ceo; James D. Travis, president, coo; John Yost, sr vp, gen mgr-S.F.; Tom Sharp, sr vp, gen mgr-Chicago; Peter Murphy, sr vp, exec creative dir-S.F.; Bruce Campbell, Jerry Andelin, sr vps, creative dirs-S.F.; Ron Hawkins, sr vp, creative dir-Chicago; Jim Weller, sr vp, creative dir-L.A.; Lyn Dangel, vp, creative dir-N.Y.

Phone: (415) 981-0950.

Ross Roy Group

RANK 22

Bloomfield Hills, Mich.

($ in millions)

U.S.	1987	1986	% chg
Gross income	71.3	62.4	14.3
Billings	475.3	416.0	14.3

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	180.3	164.0	9.9
Materials & services	42.8	30.0	42.7
Capitalized fees	252.2	222.0	13.6

Workforce/facilities

	1987	1986	% chg
Employees w'wide	871	811	7.4
Employees in U.S.	771	728	5.9
Offices worldwide	12	10	20.0
Offices in U.S.	10	8	25.0

1987 billings by U.S. office

Office, city	Billings
Calet, Hirsch & Spector, Clearwater, Fla.	N/A
Calet, Hirsch & Spector, New York	76.6
Dilorgio, Wergeles, New York	N/A
Gray & Kilgore, Troy, Mich.	6.9
Griswold Inc., Columbus, Ohio	N/A
Griswold Inc., Cleveland	45.9
Lerner Scott Corp., Chicago	N/A
Ross Roy Inc., Bloomfield Hills, Mich.	335.0

Sources: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

The Inc. in the Ross Roy name was dropped for Group now that the agency has emerged as a two-divisional entity with a communications division functioning separately from advertising. The Group, including returns from subsidiary agencies, had a 14.3% increase in billings in 1987, and anticipates growth of about 12% in 1988 based on new business estimates and growth from existing clients such as K mart.

U.S. accounts

Gained: La-Z-Boy Chair Co., contract div; Stroh's All-Natural High Five Soda; Blue Care Network; Rorer Consumer Pharmaceuticals, Myoflex; Clairol Inc., Currents, Basic Sensations, Logics, Footchargers; Toshiba Corp., corp adv; Toshiba America, consumer electronics div; K mart Corp., Martha Steward Campaign, footwear; Cleveland Coca-Cola Bottling Co.; Gerber Products Co.; Taxi & Limo Commission, N.Y.

Lost: Harris Graphics Corp.; Upjohn's Mycatracin & Unicap; Osborn Mfg; Standard Register.

Foreign accounts

Gained: Bausch & Lomb, Canada.

Lost: None.

Officers

Glen W. Fortinberry, chmn & president; John S. Pingel, vice chmn; John L. Frakes, exec vp, exec creative dir-adv; Joseph M. McNeil, exec vp, exec creative dir-communications; Joseph G. Schulte, exec vp, dir-automotive; Peter C. Vetowich, exec vp, dir-retail opers; Bruce S. Wagner, exec vp, dir-client svcs; Richard C. Ward, exec vp, genl mgr-communications group; Harry W. Mellen, dir; Albert H. Acker, Lance L. Aldrich, James C. Gorman, Sidney P. Houghton, sr vps, creative dirs; Steven W. Butterman, Bruce W. Miller, John J. Fox, sr vps, mgmt supers; Francis M. Dattilo, Michael L. Labiak, sr vps, group creative dirs; Roy W. Edmonds, sr vp, exec producer-broadcast; David G. Garfield, sr vp, dir-rsch & strategic planning; Chris A. Lawson, sr vp-fin & admin, treas; Gerald M. Moody, sr vp, dir-media; R. John Oliver, sr vp, genl mgr-Ross Roy Productions; P. James Quigley, Donald C. Scheich, Byron K. Shaffer, Roger F. Sherman, Richard L. Simmons, James V. Vehko, Michael P. Webster, sr vps, mgmt supers; Frank D. Wilberding, sr vp, dir-mktg planning.

Phone: (313) 433-6600.

Rubin Postaer & Associates

RANK 62

Los Angeles

($ in millions)

U.S.	1987	1986	% chg
Gross income	17.6	15.1	16.8
Billings	125.5	109.0	15.1

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	105.9	89.6	18.1
Materials & services	17.9	18.8	(4.8)
Capitalized fees	1.7	0.6	176.6

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	151	156	(3.2)
Offices in U.S.	3	4	(25.0)

1987 billings by major office

Office, city	Billings
Rubin Postaer & Associates, San Diego	N/A
Rubin Postaer & Associates, Los Angeles	125.5

Sources: All data from agency reports.

Annual Review

Billings in 1987 edged past the agency's 15% projection for last year as existing clients, led by American Honda Motors and New Century/Vista Film Co., boosted billings by $21 million. New clients brought in another $7 million, while lost business totaled $12 million. Growth in 1988 is projected at 10%, mostly from a mixture of increased spending from the current account lineup and new business. The agency, which closed its Sacramento and New York service offices at year-end, traces its lineage to the former Needham Harper/LA office, which its principals purchased in a management buyout in October, 1986.

U.S. accounts

Gained: Bugle Boy Industries; Magliaro & McHaney; Ma Maison Sofitel; Price Stern Sloan, Questron Products.

Lost: California State Lottery; Las Vegas & San Diego McDonald's Owner/Operator Assn; The Chargers; Major Video; Rabbit Computer Corp.; Sharp Health Systems.

Officers

Gerrold R. Rubin, president; Larry Postaer, exec vp-dir creative svc; Bob Coburn, Gary Yoshida, sr vps-assoc creative dirs; Bill Hagelstein, sr vp-grp acct dir; Tom Somerset, sr vp-dir media resources; Gary Wenzel, sr vp-dir acct planning; Julie Boston, vp-acct super; Stan Botello, Jackie Ulery, vps-assoc medis dirs; Bill Cummins, vp-dir rsch; Joan Egan, vp-acct super; Ken Jacobs, Carol Ogden, vps-assoc creative dirs; Tom Kirk, vp-mgmt rep; Vincent Mancuso, vp-dir of fin & admin; Chuck Valentine, vp-acct dir.

Phone: (213) 208-5000.

Saatchi & Saatchi Advertising

RANK 2

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	693.6	610.1	13.7
Billings	4,609.4	4,246.0	8.6

U.S.	1987	1986	% chg
Gross income	328.1	310.6	5.6
Billings	2,187.0	2,042.1	7.1

Workforce/facilities

	1987	1986	% chg
Employees w'wide	N/A	N/A	N/A
Employees in U.S.	1,635	N/A	N/A
Offices worldwide	N/A	N/A	N/A
Offices in U.S.	3	N/A	N/A

1987 billings by U.S. office

Office, city	Billings
Cochrane Chase, Newport Beach	60.9
Klemtner, New York	70.0
McCaffrey & McCall, New York	308.3
Rumrill Hoyt, New York	68.8
Saatchi & Saatchi DFS, Torrance	235.0
Saatchi & Saatchi DFS, San Francisco	52.0
S&S DFS Compton, New York	1,392.0

Sources: All data from agency reports. Totals under workforce/facilities are for Saatchi & Saatchi DFS only.

Annual Review

Growth at Saatchi & Saatchi Advertising Worldwide, its U.S. composition of which is showed in the accompanying office breakouts, was related primarily to the merger of DFS Dorland Worldwide in mid-1987. DFS reported U.S. billings of $901.4 million for 1986, and was merged into the Saatchi & Saatchi New York operation that grew out of Compton Advertising. That operation—in New York now called Saatchi & Saatchi DFS Compton and in its two other locations, Saatchi & Saatchi DFS Torrance (Calif.) and Saatchi & Saatchi DFS San Francisco—had U.S. gross income of $257.8 million on billings of $1.68 billion. The New York office billings total of $1.4 billion ranks Saatchi & Saatchi DFS Compton as the largest shop in that city, ahead of No. 2 Grey Advertising's $1.2 billion. Saatchi & Saatchi DFS is "reasonably optimistic" about 1988, based in part on the new client acquisitions in the seven months since the merger. Tyson Foods added $25 million in annualized billings, Little Caesar Pizza $10 million, Blue Arrow $10-$15 million. An undetermined but large amount will come from Toyota's Lexus account. It lost Cunard Lines, and resigned British Airways, which went to sister agency in the Saatchi & Saatchi PLC network, Backer Spielvogel Bates, and Jeep, which was transferred to another network agency, William Esty Co. Another cause for optimism is increased spending from General Mills ($10 million) and RJR Nabisco.

U.S. accounts

Gained: Tyson Foods; Little Caesar Pizza; Toyota (Lexus); Blue Arrow.

Lost: Cunard Lines.

Foreign accounts

Gained: Volvo—Australia, Middle East; Gillette—South Korea, Netherlands (personal care), Norway, Spain (gels & soap); RJR Nabisco—South Korea, Belgium (Berlin & Planters), Netherlands (biscuits), Hong Kong; Shulton—Brazil (Old Spice), Netherlands (men's toiletries); BP—Portugal, Hong Kong; Dewar's—Portugal, Colombia (Pedro Domecq's Dewar's White Label); IBM—Belgium (pc, main frames, t/writers), Middle East; Toyota—Belgium, Canada; CPC Intl—Netherlands (Knorr soups/sauces), Italy (Hellmann's mayonnaise), Argentina (Mazola); Richardson-Vicks (Procter & Gamble)—Netherlands (Vaporub, Kukident), Germany (hair care, dental care), Hong Kong (Oil of Ulay, Vaporub, Vidal Sassoon, Milton), Greece (Oil of Ulay, Vaporub), Austria (multi-products), India, Indonesia, Italy, France (multi-products), Spain (multi-products), Colombia (Clearasil), Middle East; Bongrain—Netherlands, Germany; Pirelli tires—Germany, Argentina; Procter & Gamble—Hong Kong, Canada, France (Ariel, Valensiana fruit juice); Johnson & Johnson—Greece (Vit-Up, Vit-Act Vitamins), Ireland (Silhouettes); DHL—Greece, Netherlands, South Africa, Puerto Rico, Canada, France; Tonka—Canada, Italy, New Zealand.

Lost: Sunbeam, Dunlop tires—Australia; Cathay Pacific—South Korea; Grundig—Portugal; Jacobs Suchard—Germany, France (Toblerone); Ovaltine, S.C. Johnson—Hong Kong; Procter & Gamble—Greece (Crest); Peugeot—Austria; Texas Instruments—India; Rowntree Mackintosh—Canada (Laura Secord), Italy, Ireland, Middle East; Sony—Mexico (tvs); RJR Nabisco (cereals) and Chesebrough-Pond's (Unilever)—Canada; Mattel and Remy Martin—Italy; Nestle—Italy, France (Carnation); Thorn EMI—Ireland; Citibank and Pfizer—Philippines; Playtex—Middle East.

Officers

Stuart B. Upson, co-chmn, co-ceo, S&S WW, chmn, co-ceo, S&S DFS; O. Milton Gossett, co-chmn, co-ceo, S&S WW, co-ceo, S&S DFS; Peter T. McSpadden, president-coo, S&S WW , S&S DFS; Robert E. Kennedy, vice chmn-cfo, treas-sec, S&S WW, S&S DFS; William Cochrane, controller, S&S WW, S&S DFS. S&S DFS Compton, New York—Gary M. Susnjara, chmn, co-ceo; Edward L. Wax, president, co-ceo; Robert O. Jordan, Joseph P. Mack, vice chmn, co-coo; Eric Weber, vice chmn, creative operations. S&S DFS Direct—Steven Morvay, president. S&S Wegener Agricultural Group—Alfred H. Wegener, president.

Phone: (212) 661-0800.

Scali, McCabe, Sloves

RANK 18

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	93.1	77.5	20.1
Billings	653.2	556.6	17.3

U.S.	1987	1986	% chg
Gross income	69.8	62.4	11.9
Billings	506.8	455.6	11.3

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	506.8	455.6	11.3
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	1,309	1,253	4.5
Employees in U.S.	744	714	4.2
Offices worldwide	14	14	0.0
Offices in U.S.	5	7	(28.6)

1987 billings by U.S. office

Office, city	Billings
Fallon McElligott, Minneapolis	142.5
Martin Agency, Richmond, Va.	102.6
Martin Agency, Jacksonville, Fla.	N/A
Scali, McCabe, Sloves, New York	N/A
Stevens & Buchsbaum , New York	N/A

Sources: All data from agency reports.

Annual Review

Void of totals from its subsidiaries, Fallon McElligott and the Martin Agency, Scali U.S. billings total dropped 3.8% and worldwide totals grew by only 9.4%—the difference being a 45% growth in non-U.S. billings from the Scali side. This Ogilvy Group unit closed its Los Angeles office which previously had been merged with LA operations of sister agency, Cole & Weber, and shuttered its Atlanta office, leaving only the New York shop. Major account acquisitions included Shulton ($25 million annualized) and Sea World ($9 million). Big losses were Columbia Pictures ($10 million) and National Dairy Board ($6.5 million), lost only six months after it was added. Overseas billings got a boost through the purchase of Rilova Zamorano & Rodriquez, Madrid, and WestCan in Vancouver, the latter from Cole & Weber. In the U.S., Scali purchased Morton Goldberg Associates, a sales promotion agency. Alan Pesky resigned as vice-chairman, chief operating officer, and became a consultant to the agency.

U.S. accounts

Gained: Toys-R-Us; Sea World; Shulton.

Lost: Prince; Columbia Pictures; Rose's Stores, National Dairy Board.

Foreign accounts

Gained: Carlsberg; Ault Dairies; Wolff-Peixe; Leco/Vigor, B.F.F.; Continental 2001; Eska; Samurai; Digibanco; Purina; Sabritas.

Lost: Apple; Lipton; Continental; Bco. Crefisul; Glasslite; Trevira.

Officers

Marvin Sloves, chmn-ceo; Sam Scali, president, worldwide creative dir; Bob Levenson, vice chmn, creative dir; Keith Green, exec vp, dir mktg & strategic planning; Lee Graham, president, SMS-direct response; Jerry Sherman, president, SMS—sales promotion; Stuart Epstein, Murray Gaylord, exec vps, grp mgmt reps; Judith Aiello, exec vp, gen mgr; Gail Lieberman, exec vp, cfo.

Phone: (212) 735-8000.

Stone & Adler

RANK 88

Chicago

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.3	12.1	(7.0)
Billings	75.0	96.9	(22.6)

✓

U.S. billings

($ in million)	1987	1986	% chg
Media	75.0	96.9	(22.6)
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	N/A	N/A	0.0
Offices in U.S.	N/A	N/A	0.0

1987 billings by U.S. office

Office, city	Billings
Stone & Adler, Chicago	N/A
Chapman Stone & Adler, New York	75.0

Sources: All data from agency reports.

Annual Review

The 22.6% decline in billings was a direct result of business lost in the Chicago office. Specifically major losses were incurred from United and Levi Strauss. S&A claims to be involved in a major restructuring to revive agency business. The New York office, which operates as Chapman Stone & Adler, reported gains in 1987 as a result of new business from First Brands and added expenditures from New York Telephone and the U.S. Postal Service. Expectations there are for continued growth.

U.S. accounts

Gained: First Brands.

Lost: United Airlines, Levi Strauss.

Officers

William Sutherland, pres, genl mgr; Craig Thomas, pres, genl mgr-Chicago; Frank Galey, mgmt super; Janet Falvo, vp-fin; Richard Decicco, mgmt super; Michael Moore, exec vp-client svcs; Bruce Murray, exec vp-mktg; Rosemary O'Brien, sr vp-mgmt svcs; Leonard Ross, sr vp-pro-

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Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

Top 10 U.S. agencies in cable TV billings

Rank	Agency	Cable TV billings 1987	Cable TV billings 1986	U.S. billings 1987	U.S. billings 1986
1	Young & Rubicam	61.0	75.0	2,031.1	1,871.2
2	Saatchi & Saatchi Advertising	50.4	N/A	1,678.4	1,638.7
3	Grey Advertising	40.8	34.5	1,455.4	1,358.0
4	BBDO Worldwide	19.4	12.0	1,179.4	1,126.7
5	Leo Burnett Co.	19.1	14.4	1,550.0	1,361.6
6	Bozell, Jacobs, Kenyon & Eckhardt	18.7	15.0	1,150.0	1,090.0
7	McCann-Erickson Worldwide	17.0	N/A	1,078.0	979.3
8	Wells, Rich, Greene	15.3	N/A	765.0	665.2
9	Jordan, McGrath, Case & Taylor	14.8	10.5	280.0	240.0
10	Backer Spielvogel Bates Worldwide	10.6	N/A	983.7	1,036.0

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

duction; Michael Sugzda, sr vp-new business devel.
Phone: (312) 346-6100.

Sudler & Hennessey

RANK 48

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	23.8	25.5	(6.5)
Billings	178.9	170.0	5.2
U.S.	**1987**	**1986**	**% chg**
Gross income	13.6	18.6	5.4
Billings	131.1	124.0	5.7

✓

Workforce/facilities

	1987	1986	% chg
Employees w'wide	272	272	0.0
Employees in U.S.	191	192	(0.5)
Offices worldwide	8	8	0.0
Offices in U.S.	2	2	0.0

Source: All data from agency reports.

Annual Review

Increased spending from existing clients helped push up U.S. billings 5.7% at Sudler, a medical agency subsidiary of Young & Rubicam. Foreign billings, accounting for 27% of the total, grew by only 3.9%. The agency initiated a program to acquire new business. The agency did not report accounts gained or lost.

Officers

William B. Gibson, chmn, president & ceo; Robert Gouterman, exec vp, communications svcs; John T. Corcoran, Leon Gamza, Neil Leiner, Donald Masterson, exec vps, group dirs; Ernie Smith, exec vp, creative dir-art; Diane Cooney, exec vp, creative dir-copy; John Chervokas, exec vp, chief creative dir; Thomas Crotty, exec vp, treas; Bruce Richmond, sr vp, mgmt super; James Carlson, Joseph Laborsky, John Rinaldi, sr vps, group supers; Angela Rossetti, Walter E. Bernd III, Wayne Traub, Barbara Morano, acct supers; Jack Speiller, sr vp, copy super; Thomas C. Fleming M.D., sr vp, group medical dir; Barry Siegel, sr vp, dir-mkt rsch; Hiram Zimmerman, sr vp, dir-typographic svcs; Steve Brothers, Richard Russinko, sr vp, group art dirs; Arthur M. Rosen, exec vp, dir—Consumer Group.
Phone: (212) 265-8000.

Tatham-Laird & Kudner

RANK 43

Chicago

($ in millions)

U.S.	1987	1986	% chg
Gross income	28.9	28.5	1.5
Billings	241.8	238.5	1.4

U.S. billings

($ in millions)	1987	1986	% chg
Media	146.7	145.2	1.0
Materials & services	27.3	26.5	2.8
Capitalized fees	67.8	66.8	1.5

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	312	345	(9.6)
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

TL&K had another year of little growth, ending 1987 with a 1.4% increase and a significant reduction in agency staff. Growth from existing business was strongest with major increases from RJR Nabisco, Procter & Gamble and Continental Baking Co. Spending increases from existing clients are expected again to play a key role in the agency's ability to achieve its 10% billings growth projection for 1988.

U.S. accounts

Gained: Dove Intl, div of Mars Inc., Rondos, Forever Yours; Continental Baking Co., div of Ralston Purina Co.; Kayser-Roth Corp.
Lost: NutraSweet Consumer Products, Equal.

Officers

Charlotte Beers, mng partner, chmn & ceo; William P. Youngclaus, mng partner, president & coo; Ralph W. Rydholm, mng partner, chief creative officer; John J. Valverde, sr partner, cfo; Linda Garrison, Rawdon M.C. Parry, Thomas W. Schafer, sr partners-acct mgmt; Phillip Gerber, sr partner, media oper dir; Robert A. Hielscher, sr partner, client svcs dir; Curtis D. Olson, Lawrence A. Stillman, Neil Vanover, sr partners, group creative dirs; Michael F. Robinson, sr partner, rsch & planning dir.
Phone: (312) 337-4400.

TBWA Advertising

RANK 21

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	74.6	65.7	13.6
Billings	546.0	453.5	20.2
U.S.	**1987**	**1986**	**% chg**
Gross income	18.9	15.7	20.2
Billings	125.9	104.7	20.2

U.S. billings

($ in millions)	1987	1986	% chg
Media	125.9	104.7	20.2
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	680	618	10.0
Employees in U.S.	128	110	16.4
Offices worldwide	14	12	16.7
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
TBWA Advertising, New York	106.8
TBWA Advertising, St. Louis	19.1

Source: All data from agency reports.

Annual Review

With no lost accounts in 1987, increases of just over 20% in billings came from new and existing clients in both U.S. and worldwide totals. Domestically, major gains came from new accounts Anheuser-Busch, Tri-State Acura Dealers, Marriott Corp. and *Sporting News*. Growth from existing business totaling $11.9 million, including Carillon Importers, Goldstar Electronics and Evian Water. TBWA has set its 1988 growth estimate at 23%. It has recorded average annual growth of 24.2% the past five years.

U.S. accounts

Gained: Anheuser-Busch, Anheuser Beer; Carillon Importers, Glenmorangie Scotch, Laurant Perrier Champagne; Tri-State Acura Dealers; Marriott Corp., Fairfield Inns; *Sporting News*; Children's Hospital, St. Louis.
Lost: Del Labs, Sally Hansen, Flam Glow (effective Feb. 1988).

Foreign accounts

Gained: Air Plus; Henkel-Super Croix Liquide; Nivea, new prods; Knorr; Bosch KH; Goldstar Electronics; Ocean Spray; Anheuser-Busch, Michelob; Molnlycke.
Lost: Samsonite; Dortmunder Kronen; Stock.

Officers

William Tragos, chmn & ceo; Richard Costello, president & coo; Arnold Arlow, Peter Lubalin, exec vps, co-creative dirs; John Doman, exec vp, dir-business devel; Anthony Morgan, exec vp, dir-mktg svcs; William Oakey, exec vp, genl mgr-St. Louis; Brian Barry, Grant Castle, sr vps, mgmt supers; Patricia Cameron, sr vp, dir-mktg rsch; Claude Fromm, sr vp, media dir; Arthur Gramer, sr vp, dir-acct svc, St. Louis; Geoff Hayes, sr vp, exec art dir; James Jolliffe, sr vp, creative dir-St. Louis; Stuart Loss, sr vp, dir-fin.
Phone: (212) 725-1150.

Telephone Marketing Programs

RANK 51

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	23.2	18.8	23.8
Billings	154.8	126.1	22.8
U.S.	**1987**	**1986**	**% chg**
Gross income	21.7	17.7	22.5
Billings	144.5	118.0	22.5

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	144.5	118.0	22.5
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	735	658	11.7
Employees in U.S.	650	586	10.9
Offices worldwide	21	19	10.5
Offices in U.S.	14	13	7.7

1987 billings by U.S. office

Office, city	Billings
TMP Boston, Boston	N/A
TMP Connecticut, Ridgefield	N/A
TMP, New York	144.5
TMP, Dallas	N/A
TMP, Charlotte, N.C.	N/A
TMP, Miami	N/A
TMP, Philadelphia	N/A
TMP, Chicago	N/A
TMP, Detroit	N/A
TMP, Minneapolis	N/A
TMP, Danville, Conn.	N/A
TMP West, San Francisco	N/A
TMP West, Los Angeles	N/A

Source: All data from agency reports.

Annual Review

Based on continued expansion of new and existing accounts, growth for 1988 is projected to be 15%-20% as billings were up almost 23% both in the U.S. and worldwide. Strong returns were based on $12.6 million in new business, $9.4 million in new business from existing clients, and only $4.5 million in lost accounts.

U.S. accounts

Gained: Mr. Build Intl; B. Dalton Software; Pinkerton/CPP Security; Funky Sounds; Grayline; Toys R Us; Thrift Drug; Husqvarna; Adventist Living Centers; American Business Phones; Pacific Financial Co.
Lost: Suzuki of America; Cyro Industries; Multicom; Ziebart; Trailways Bus System; Wheel Horse; Hinckley & Schmitt.

Officers

Andrew J. McKelvey, president; Paul M. Camara, sr vp-oper; Lance S. Johnson, sr vp-sales; Thomas G. Collison, vp-fin; Robert Lamb, vp-mktg; Frank Troise, vp-oper; Harold L. Levy, vp-sales.
Phone: (212) 977-4200.

J. Walter Thompson Co.

RANK 7

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	483.0	471.0	2.6
Billings	3,221.8	3,141.5	2.6
U.S.	**1987**	**1986**	**% chg**
Gross income	243.0	259.7	(6.4)
Billings	1,620.8	1,732.1	(6.4)

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	1,620.8	1,732.1	(6.4)
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	6,735	7,662	(12.1)
Employees in U.S.	2,506	3,035	(17.4)
Offices worldwide	179	182	(1.6)
Offices in U.S.	69	71	(2.8)

1987 billings by U.S. office

Office, city	Billings
Brouillard Communications, New York	66.5
J. Walter Thompson Co., Detroit	322.5
J. Walter Thompson Co., Atlanta	30.8
J. Walter Thompson Co., San Francisco	141.0
J. Walter Thompson Co., Los Angeles	110.2
J. Walter Thompson Co., Washington	42.1
J. Walter Thompson Co., Chicago	387.4
J. Walter Thompson Co., New York	410.0
Thompson Recruitment, Los Angeles	N/A

Source: All data from agency reports, except billings by office, which are AA estimates.

Annual Review

Overseas increases of 13.6% in billings saved the agency from worldwide losses in 1987. U.S. billings were down 6.4% because of a string of lost accounts suffered from management upheaval and buyout turmoil that rattled the agency all year long. Major account losses from Burger King ($200 million), Discover Card ($42 million), Hyatt Hotels ($16 million), Goodyear ($25 million) and Slice ($30 million) influenced wholesale staff cutbacks especially in New York and Chicago. New business gains were minor in comparison. Growth came from Tenneco Automotive, Fisher-Price, Kellogg, Lever Bros., Miller Brewing and US Sprint, while existing clients, Kraft and S.C. Johnson, lowered their budgets. However, 1988 brings a major new business push for the agency especially in New York and Chicago where executives were placed with marching orders to acquire new business. Management changes swept from the top down. Don Johnston, chairman-CEO of JWT Group, left as the group was dissolved as a holding company resulting from the buyout by WPP Group PLC, London. Burt Manning returned as chairman-CEO of J. Walter Thompson Co., replacing Mr. Johnston, and Steve Bowen became president JWT/USA from executive-VP. The entity, J. Walter Thompson, now includes the offices of the same name, Brouillard Communications and Thompson Recruitment Advertising.

U.S. accounts

Gained: Georgia Federal Savings Bank; Cincinnati District and Metro Area FDAFs; Health Alliance Plan; Vons Cos., Inc.; Standard Brands Paint Co.; Acme; Bertolli Olive Oil; Six Flags Great Adventure; American Hawaii Cruises; Paramount Home Video; Integrated Resources; First Federal Savings & Loan, Kalamazoo; Freedom Funds; Australian Meat & Livestock; Tucker Anthony.
Lost: Discover Card Services; Hyatt Hotels Corp.; Beatrice Cos.; Chevron U.S.A.; Godfather's Pizza; Diet Center; Sega of America; Burger King; R.T. French; Eckerd Drugs; Wedgwood; Unum.

Foreign accounts

Gained: Jacobs Suchard—Belgium, Switzerland; Philips—U.K., Italy; Pizza Hut—U.K., Germany; R.J. Reynolds—Germany, Holland, Canada; Nestle—Brazil, Mexico, Peru; Unilever—Brazil, Japan; Warner-Lambert—Brazil, Chile, Colombia, Peru; Ford Dealers—Hong Kong, Japan.
Lost: Ford—Europe, Brazil, Venezuela, Canada; Pepsi—U.K., Germany; Richardson Vicks—Austria, France, Germany, Philippines; Burger King—U.K., Australia.

Officers

Burt Manning, chmn, ceo; exec vps—James K. Agnew, exec vp JWT-USA; George M. Black, chmn, ceo JWT-West Germany; Stephen G. Bowen, president JWT-USA; Ronald S. Burns, president, ceo JWT-Canada; Miles Colebrook, mng dir JWT-UK; Michael Cooper-Evans, president-Europe; Manuel de Elexpuru, president, ceo JWT-Spain; James H. Foster, president, ceo Brouillard Communications; Leon P. Hontiveros, chmn JWT—Philippines; Marlene Hore, vice chmn, national creative dir JWT-Canada; Stephen King, dir devel grp JWT-UK; William M. Lane, exec vp JWT-USA; James B. Patterson, chmn, creative dir JWT-USA; Leonel M. Pavao, president JWT-Latin America; W. Lee Preschel, chmn JWT-Latin America/Asia Pacific Region; Donald C. Robertson, president Thompson Recruitment Advertising Inc.; Peter Schweitzer, exec vp JWT-USA; Allen Thomas, exec creative dir, deputy chmn, JWT-UK; Donald F. Thomas, president JWT-Asia/Pacific/South Africa; William C. Thompson Jr., multinational accts & business devel; John F. Tukey, Alan W. Webb, exec vps JWT-USA.
Phone: (212) 210-7000.

Towne, Silverstein, Rotter

RANK 81

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	12.3	12.2	0.8
Billings	83.5	81.5	2.5

U.S. billings

($ in millions)	1987	1986	% chg
Media	83.5	81.5	2.5
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	45	56	(19.6)
Offices in U.S.	1	1	0.0

Source: All data from agency reports.

Annual Review

Billings increased by [illegible].4% largely because of a forfeiture of $10 million billings to lost accounts, Charan Industries and Panosh Place. However, a 10% increase is projected for 1988, coming from growth in existing clients and from newcomer, Galoob Toys ($12 million annualized). Additionally, the toy and game industry is expected to rebound from a flat 1987. Strong business possibilities will exist in children's areas such as toiletries, fashion, educational, cosmetics and sports.

U.S. accounts

Gained: Lewis Galoob Toys; Protection Devices.
Lost: Panosh Place; Charan Industries.

Officers

Les Towne, ceo; Steve Rotter, president; Michael Zambrelli, exec vp, creative dir; Binnie Levin, sr vp, controller; Amy Weltman, sr vp-acct svcs.
Phone: (212) 557-5570.

Tracy-Locke

RANK 26

Dallas

($ in millions)

U.S.	1987	1986	% chg
Gross income	47.3	46.2	2.3
Billings	326.0	316.5	3.0

✓

U.S. billings

($ in millions)	1987	1986	% chg
Media	231.9	234.5	(1.1)
Materials & services	44.3	44.8	(1.2)
Capitalized fees	49.8	37.2	34.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	593	604	(1.8)
Offices in U.S.	16	13	23.1

1987 billings by U.S. office

Office, city	Billings
Tracy-Locke, Los Angeles	72.8
Tracy-Locke, Denver	29.9
Tracy-Locke, Dallas	199.6
T-L, Geographic Mktg., Philadelphia	15.5
Tracy-Locke Promotions, Dallas	1.0
Tracy-Locke, Atlanta	7.2

Source: All data from agency reports.

Annual Review

Nominal losses outweighed by gains of $1.5 million billings in new business and $8.2 million in growth from existing clients produced only 3% growth in overall billings at this Dallas-based agency which is part of Diversified Agency Services (DAS) at Omnicom Group. The Dallas headquarters, accounting for 61% of total volume, actually dropped about 1% in billings, reflecting the poor economy in the state. The promotions and Geographical Marketing Group also showed negative growth. The agency purchased Atlanta-based Cargill Wilson & Acree, also part of DAS Omnicom, picked up CW&A's field office in Birmingham, Ala., and folded in those operations Jan. 1, 1988. A second field office was founded to serve another client in Tulsa.

U.S. accounts

Gained: Princess Tours; Pilgrims Pride, Corp.; Meadow Gold Dairies.
Lost: APT General Partnership; Vuarnet.

Officers

Howard Davis, chmn, president & ceo; David Hudnall cfo; Don Ashley, exec vp,

Top 10 U.S. agencies in outdoor billings

Rank	Agency	Outdoor billings 1987	Outdoor billings 1986	U.S. billings 1987	U.S. billings 1986
1	Leo Burnett Co.	73.8	97.8	1,550.0	1,361.6
2	Wells, Rich, Greene	45.9	33.3	765.0	665.2
3	Saatchi & Saatchi Advertising	33.6	N/A	1,678.4	1,638.7
4	Ogilvy & Mather Worldwide	33.0	39.0	1,424.2	1,366.8
5	J. Walter Thompson Co.	26.0	20.9	1,554.3	1,665.5
6	Ally & Gargano	24.0	24.0	316.7	296.1
7	D'Arcy Masius Benton & Bowles	24.0	11.5	1,162.3	1,146.8
8	Laurence, Charles, Free & Lawson	18.9	17.8	302.0	287.0
9	Grey Advertising	17.7	10.2	1,455.4	1,358.0
10	Foote, Cone & Belding	16.5	18.6	1,369.7	1,389.2

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

genl mgr; George Hermelink, exec vp, exec creative dir; Larry Spiegel, exec vp, dir-media; Robert Largen, exec vp, dir-mktg; Ron Askew, planning & rsch, exec vp-group acct svcs; Mike Rawlings, exec vp-group acct svcs; Alan Burks, sr vp-group acct svcs; Mark Choate, sr vp, sr creative dir; James Dalthorp, sr vp, creative dir; Arthur Taylor, sr vp, exec art dir; Judy Miller, sr vp, media buying dir; Penny Plueckhahn, sr vp, dir-opers; Bruce Orr, sr vp, mgmt super; Ed Conlin, sr vp, genl mgr-business & technology group.
Phone: (214) 969-9000.

Tucker Wayne/Luckie & Co.

RANK **65**

Atlanta

($ in millions)

U.S.	1987	1986	% chg
Gross income	17.2	N/A	N/A
Billings	123.3	N/A	N/A

U.S. billings

($ in millions)	1987	1986	% chg
Media	81.9	N/A	N/A
Materials & services	15.7	N/A	N/A
Capitalized fees	25.8	N/A	N/A

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	198	N/A	N/A
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Tucker Wayne/Luckie & Co., Atlanta	78.5
Tucker Wayne/Luckie & Co., Birmingham	44.8

Source: All data from agency reports. 1986 pre-merger figures unavailable.

Annual Review

Two independent agencies, Atlanta-based Tucker Wayne & Co., and Birmingham Ala.-based Luckie & Forney, merged in 1987. The merged units will continue to operate from their base cities. The merger was to make both shops more competitive on a national and regional basis, and although the merger involved similar accounts (Southern Bell in Atlanta, South Central Bell in Birmingham, two large bakeries and three banks), there has been no client fallout. However, there were some staff reductions related to staff duplications and Tucker Wayne's dissolving of its direct marketing business because of a similar operation at L&F.

U.S. Accounts

Gained: Management Science Industry.
Lost: Management Science Industry.

Officers

The companies have not decided on titles for its management, however, management includes the following (with carry-over titles from their respective agency): Tucker Wayne—Matthew Connor, chmn-treas; Knox Massey Jr., president; Sydney Smith, exec vp. Luckie & Forney—Frank Lee, president; Robert Luckie, chmn.
Phone: Atlanta (404) 521-7650;
Birmingham (205) 879-2121.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

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Valentine-Radford

RANK **92**

Kansas City, Mo.

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.0	9.9	10.7
Billings	80.9	70.8	14.3
✓			

U.S. billings

($ in millions)	1987	1986	% chg
Media	31.2	28.5	9.8
Materials & services	13.0	11.7	11.1
Capitalized fees	36.7	30.7	19.7

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	146	152	(3.9)
Offices in U.S.	2	2	0.0

1987 billings by U.S. office

Office, city	Billings
Valentine-Radford, St. Louis	5.0
Valentine-Radford, Kansas City	75.9

Source: All data from agency reports.

Annual Review

The agency reported an increase of 14% in billings for 1987 with the bulk of that ($8.6 million) from existing clients. New accounts totaled $2.4 million and lost accounts just under $1 million. In early February, 1987, Robert Brooks Jr., president-CEO and Robert I. Jensen, senior VP-creative director, were fired because of conflicts over management philosophy. They were replaced by Robert C. Lang and Scott McCormick, respectively. No account gains or losses were reported.

Officers

Robert C. Lang, president; Charles L. Curtis, sr vp-dir client svc; Scott McCormick, vp-creative dir; Freda M. Schroeder, sr vp-dir of operations.
Phone: (816) 842-5021.

Venet Cos.

RANK **86**

Union, N.J.

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.4	10.4	10.0
Billings	76.0	69.1	10.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	214	203	5.4
Offices in U.S.	4	4	0.0

Source: All data from agency reports.

Annual Review

Growth of 15% in billings is expected in 1988 based on accounts worth an annualized $6-7 million already gained since January. Venet continues to benefit from new account leads and participate in mutual presentations with sister companies in the GMI Group (formerly Graphics Media), a multifaceted communications business that bought Venet in 1986.

U.S. accounts

Gained: J&J Snack Food Co., Schenley Affiliated Brands (Dewar's White Label sales promo).
Lost: Long Island Rail Road Co.

Officers

Zal Venet, president; George A. Coscia, president/N.J.; Murray Skurnik, president/N.Y.; Al Romano, vp/genl mgr, medical dir.; Roman Mayer, president/N.Y. retail; Saul Margulies, treasurer; Dotty Venet, admin assistant.
Phone: (201) 687-1313.

Vicom/FCB

RANK **89**

San Francisco

($ in millions)

U.S.	1987	1986	% chg
Gross income	11.2	7.4	51.3
Billings	75.0	49.5	51.3
✓			

U.S. billings

($ in millions)	1987	1986	% chg
Media	0.0	0.0	0.0
Materials & services	0.0	0.0	0.0
Capitalized fees	75.0	49.5	51.3

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	101	88	14.8
Offices in U.S.	3	3	0.0

Source: All data from agency reports.

Annual Review

This wholly-owned subsidiary of Foote, Cone & Belding had billings that more than doubled after it folded into its operations the healthcare advertising division of Lewis Gilman Kynett, Philadelphia, another FCB subsidiary. The agency, which specializes in pharmaceutical advertising, drew increased spending from major client Merck Pharmaceuticals. New business also showed strength.

U.S. accounts

Gained: Teledyne Water-Pik; Lifescan; HPK Inc.
Lost: William Rorer—SLO-Bid, Asmacort; Stanford University Hospital.

Officers

Robert Buechert, ceo; Thomas Spooner, president; Reginald Bowes, sr vp; Lester Barnett, sr vp-creative dir; Larry Wolheim, sr vp-client svcs; Bertha Ledecky, gen mgr-SF; Charles Mathias, sr vp-eastern region; Thomas Domanico, sr vp-NY creative dir; Michael Burke, gen mgr-consumer div.
Phone: (415) 391-8700.

Warwick Advertising

RANK **56**

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	21.0	20.7	1.4
Billings	141.0	138.0	2.2

U.S. billings

($ in millions)	1987	1986	% chg
Media	106.0	97.2	9.1
Materials & services	9.3	7.4	25.0
Capitalized fees	25.7	33.4	(22.9)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	190	190	0.0
Offices in U.S.	2	2	0.0

Source: All data from agency reports.

Annual Review

Strong growth of $12 million from new accounts was diminished by a $4 million decline in ad budgets of existing clients, the loss of Jockey International ($5 million) that went in-house and the resigned Calvin Wine Coolers account. A much stronger 15% billings growth is forecasted for 1988, especially after Warwick picked up Van Munching & Co. (Heineken, Amstel Light and Grizzly) in January, 1988.

U.S. accounts

Gained: Crossland Savings Bank; Union Underwear Co., BVD men's and boy's underwear; F. Schumacher & Co.; Amoco Performance Products; Ciba-Geigy Corp., Ilford Photo Div.
Lost: Jockey International; Calvin Wine Cooler.

Officers

John P. Warwick, chmn; Wilder D. Baker Jr., president, ceo; Robert J. Fiore, vc chmn, coo; Liz Nickles, Jerry Prestomburgo, exec vps-creative dirs; John J. Meskil, exec vp-media; Susan Small-Weil, exec vp-strategic planning; Sean Driscoll, grp sr vp-new bus; Ronald S. Fierman, grp sr vp-fin & admin; Alden R. Ludlow III, grp sr vp-mgr creative svcs; Gerald Gross, Walker Berwick, Peter L. Black, Marshall Dickman, Joseph G. Friel Jr., Andrew H. Mockler, Bradford L. Moses, Kenneth Pfitzenmayer, John D. Sloan, sr vps-mgmt supers; Michael A. Haggerty, sr vp-media dir; Susan E. Donovan, sr vp-personnel dir.
Phone: (212) 751-4700.

Weightman Group

RANK **73**

Philadelphia

($ in millions)

U.S.	1987	1986	% chg
Gross income	14.0	13.0	7.7
Billings	93.4	86.0	8.6
✓			

U.S. billings

($ in millions)	1987	1986	% chg
Media	93.4	86.0	8.6
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	201	220	(8.6)
Offices in U.S.	3	3	0.0

1987 billings by U.S. office

Office, city	Billings
Roska Direct Marketing, North Wales, Pa.	6.5
Schaefer Advertising, Valley Forge, Pa.	28.2
Weightman Advertising, Philadelphia	58.6
Weightman Research, Philadelphia	N/A
Weightman Schaefer PR, Philadelphia	N/A

Source: All data from agency reports.

Annual Review

Virtually all the billings increase of $7.4 million at the agency came from new clients, the largest being Guest Quarters Suite Hotels, Wendy's Fast Food Restaurants (new markets) and Nutri-System Weight Loss Centers. Existing clients, especially Tastykake, Mannington Mills and Scott Paper, increased their budgets by $2.4 million in the aggregate more than compensating for the $2 million in lost accounts, much of that from Blue Cross/Blue Shield of Greater Philadelphia. A modest 5% billings growth is forecast for 1988 because of continued economic uncertainty in the advertising business. Employment at the group dropped 8.6% in 1987.

U.S. accounts

Gained: Aegis International; Alpha Engineering; American Tele/Response; Brookrock; Dun's Marketing Services; DuPont Corian; Educational Testing Services; Electronic Service Specialists; Equitable Life Assurance Society; W.L. Gore; Greentree Mortgage Company; Guest Quarters Suite Hotels; I.C.I. Americas; Incentive Consultants; Insurance Marketing Corporation; Klett Organization; Life Sciences; Nutri-System Weight Loss Centers; *Philadelphia* Magazine; Security Marine Credit; Star Datacom; Teleflex Inc.; Temple University; The Cease Fire Group; Wendy's Fast Food Restaurants; Whitewater Challengers; Yorktown, Inc.
Lost: Blue Cross-Blue Shield of Greater Philadelphia; CRC Chemicals; Hunt Manufacturing; Rothman Institute of Pennsylvania Hospital.

Officers

Charles Coffey, chmn & ceo—Weightman Group; John C. Goodchild, president & coo—Weightman Group; Dave Jordan, vice chmn & cfo—Weightman Group; A.O. Schaefer Jr., chmn-Schaefer Advertising; Jon Roska, president-Roska Direct Marketing; Jim Bruno, president-Weightman Schaefer PR; Paul Strasser, president-Weightman Research. Weightman Group—Neil Harrison, sr vp, exec media dir; George Corrigan, vp, business devel; James Saunders, controller; Douglas Schores, sr vp; George Erickson, vp, admin. Weightman Inc., Advertising—John C. Goodchild, president; H. John Burke, sr vp, dir of client svcs; Mark Plamondon, sr vp, group dir; Paul Burger, Harry M. Gwyn, sr vps, mgmt supers; William Luesford, sr vp, creative dir. Schaefer Advertising—Dave Jordan, president; Thomas F. O'Neill, exec vp; Neil Greenberg, vp, creative dir. Steve Emory, sr vp, mktg-Roska Direct Marketing; Charles Romm, exec vp-Weightman Schaefer Public Relations; Nitin Dalvi, vp, dir custom research-Weightman Research.
Phone: (215) 561-6100.

Wells, Rich, Greene

RANK **17**

New York

($ in millions)

U.S.	1987	1986	% chg
Gross income	114.0	99.7	14.3
Billings	765.0	665.2	15.0

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	806	N/A	N/A
Offices in U.S.	5	N/A	N/A

1987 billings by U.S. office

Office, city	Billings
Gardner Advertising, St. Louis	126.0
Wells, Rich, Greene, New York	507.0
Wells, Rich, Greene, Chicago	50.0
Wells, Rich, Greene, Detroit	36.0
WRG West, Los Angeles	46.0

Sources: All data from agency reports. Office billings are AA estimates.

Top 10 U.S. agencies in business paper billings

Rank	Agency	Business paper billings 1987	Business paper billings 1986	U.S. billings 1987	U.S. billings 1986
1	Ketchum Advertising	27.9	21.1	610.0	488.5
2	Meldrum & Fewsmith	18.5	15.0	73.0	82.8
3	Anderson & Lembke	16.5	13.0	36.7	28.9
4	Albert Frank-Guenther Law	15.6	N/A	55.9	55.9
5	N W Ayer	15.4	18.7	878.0	672.0
6	Lewis, Gilman & Kynett	13.9	12.8	128.0	122.0
7	Campbell-Mithun	13.6	12.2	425.8	380.2
8	Hammond Farrell	12.2	12.1	18.7	18.6
9	Lord, Geller, Federico, Einstein	10.8	5.6	221.3	212.2
10	Fahlgren & Swink	10.4	12.7	118.6	113.9

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

Annual Review

WRG recorded a 15% growth in billings in 1987, largely the result of strong new client gains: Polo/Ralph Lauren ($10 million), ITT ($11-12 million), Cosmair ($10 million) and MCI ($40 million). Because much of the new business was acquired late in the year, full-year returns in 1988 will have a significant impact on billings growth. Dick Macedo became president of WRG/West from Chiat/Day and is expected to help boost billings for this shop which recorded only 4% growth in 1987. The agency also formed a direct marketing unit.

U.S. accounts

Gained: New York—Polo/Ralph Lauren; ITT (corporate); Hearst (*Cosmopolitan*); Jos. E. Seagrams & Sons (new prods); Cosmair (Lauren, Polo, Chaps); MCI Communications; Waterford Wedgwood (Wedgwood china). Chicago—Stein, Roe & Farnham mutual funds.

Lost: Continental Baking (new prods); Procter & Gamble (Prell, Citrus Hill Plus Calcium).

Officers

Wells, Rich, Greene Inc.: Mary Wells Lawrence, chmn & ceo; Charles Moss, vice chmn & chief creative officer; William Benton, vice chmn; Tom Fagan, exec vp-fin & treas; Kathryn Lawrence, sr vp-fin planning; Richard Freedman, sr vp-fin, asst treas; Stanley Haspel, sr vp-legal, asst treas; Katherine Durham, sr vp-admin & pr; Ely Drogin, Phyllis Wagner, sr vps. Wells, Rich, Greene/Worldwide: Kenneth Olshan, chmn; Richard Hopple, president; Jayne Eastman, exec vp, dir-mktg & strategic planning; Richard Cohen, sr vp, corp rsch dir; Robert Geis, sr vp, corp media dir; Joanne Davis, sr vp, genl mgr-business devel; Susan Singer, sr vp, direct mktg; Hank Aneiro, sr vp, promo planning dir; Paul Schulman, sr vp-tv production; ctv mgr; Harold Singer, sr vp, dir-print production; Lewis Wechsler, sr vp, dir-network tv. Wells, Rich, Greene/New York: John H. Costello, Bill Mullen, Andre Van Stom, Nancy Vaughan, exec vps; Joel Benay, Bruce Bloch, Jay Dixson Byrne, Ila Clarkson, Hadassa Gerber, Martin Grant, Ron Hartley, Alex Hillenbrand, Ray Hirschman, Ken Manka, Eileen McKenna, Vincent Minicucci, Robert E. Moehl, Joan Overlock, Herb Passberger, Patty Rockmore, Frank Sampogna, Yolan Toro, Arnold Weinrib, Michael Wolff, sr vps. Wells, Rich, Greene/The Image Group: Ron Albrecht, Marcia Bell Grace, William Yamada, exec vps, creative dirs; Chris Hansen, exec vp, dir. WRG/The Image Group/The Polo Group: Sandy Carlson, exec vp, creative dir; Donald Sterzin, sr vp. Wells, Rich, Greene/Damon: Chuck Damon, president. Wells, Rich, Greene/Detroit: Jim Lawrence, sr vp, mng dir. Wells, Rich, Greene/Chicago: Larry Singer, president; Vance Webb, exec vp, dir-client svcs; Stanley Flaum, sr vp, dir-field svcs; Bill Lower, exec vp-creative svcs. Wells, Rich, Greene/West: Dick Macedo, president. Gardner Advertising: Kelly O'Neill, president; William A. Lahrmann Jr., vice chmn, dir-client svcs; John R. Fox, exec vp, genl mgr; James L. Perabo, exec vp, mgmt rep; William H. Tyler Jr., exec vp, creative dir; Karen Card, sr vp-admin; Alan C. Lindberg, sr vp, rsch dir. Advanswers: Donald A. Stork, president; Rose Busalacki, Charles Haines, Gordon Hendry, sr vps; John Marlow, sr exec officer; Joe Rousseau, Fred Webber, sr execs, group dirs; Kathy Lawson, Ray Ruzicka, vps, group dirs. Paul Schulman Co.: Paul Schulman, president.

Phone: (212) 303-5000.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

Wunderman Worldwide

RANK 24

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	62.1	49.1	26.4
Billings	414.8	327.4	26.7

U.S.	1987	1986	% chg
Gross income	39.0	33.7	15.8
Billings ✓	260.0	224.5	15.8

U.S. billings

($ in millions)	1987	1986	% chg
Media	260.0	224.5	15.8
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	393	404	(2.7)
Employees in U.S.	393	404	(2.7)
Offices worldwide	5	5	0.0
Offices in U.S.	5	5	0.0

1987 billings by U.S. office

Office, city	Billings
Wunderman Worldwide, New York	240.0
Wunderman Worldwide, Detroit	21.0

Sources: All data from agency reports.

Annual Review

Changing its name from Wunderman Ricotta & Kline, this direct marketing subsidiary of Young & Rubicam reported billings growth of 15.8% domestically. Pivotal to this growth was an assignment from the U.S. Army. Other highlights included the launch of the American Express Optima Card and new assignments from AT&T, Clorox and American Express. A 26.7% worldwide billings increase included sizable volume from the introduction of a mail-order catalog for client J.P. Carroll & Co. Ltd., based in Ireland. Manufacturers Hanover Trust, the only account lost, was resigned. A joint venture was formed with CCX Network Inc. to provide clients and other companies with a marketing database called Infobase Services.

U.S. accounts

Gained: U.S. Army.

Lost: Manufacturers Hanover Trust.

Officers

Lester Wunderman, chmn; G. Steven Dapper, president & ceo; Michael Kilby, president-Wunderman Europe; Richard Colligan, vice chmn; Michael Becker, chief creative officer; Stanley Stefanski, exec vp, cfo; Worthington Linen, exec, group acct dir; Polly Langbort, exec vp dir-media; Pierre Passavant, sr vp-database svcs; Joel Tucciarone, sr vp, dir-strategic mktg; Richard Stollenwerck, exec vp, dir-client svcs; Martin Lock, Jerome Shereshewsky, Marj Kalter, Peter Rabar; sr vps, group acct dirs; Lewis Dana, James Infantino, Paul Singer, Ed Flanagan, sr vps, group creative dirs.

Phone: (212) 909-0234.

Wyse Advertising

RANK 82

Cleveland

($ in millions)

U.S.	1987	1986	% chg
Gross income	12.3	12.1	1.5
Billings	93.2	87.5	6.5

U.S. billings

($ in millions)	1987	1986	% chg
Media	58.5	53.0	10.4
Materials & services	11.4	9.4	21.5
Capitalized fees	23.4	25.2	(7.2)

Workforce/facilities

	1987	1986	% chg
Employees in U.S.	185	173	6.9
Offices in U.S.	2	2	0.0

1987 billings by major office

Office, city	Billings
Wyse Advertising, New York	14.3
Wyse Advertising, Cleveland	78.9

Sources: All data from agency reports.

Annual Review

Billings growth of $5.7 million, up 6.5%, was strongly influenced by new clients, Sealy and Clairol. The Cleveland office grew by 7.8% while New York slipped 0.5% in billings. Growth from existing business totaling $3.6 million resulted from such clients as Stouffer Hotels and Restaurants, General Dynamics and BP America, which more than compensated for minor decreases clients. The departure of client National City Bank of Cleveland and several project-oriented clients accounted for the $3.3 million in losses, although the loss of Blue Cross/Blue Shield will not be felt until 1988. Yellow Pages directory advertising billings additionally decreased because of corporate mergers on the client side. Income levels remained static because fee business was transferred to actual media purchases and commissions were lower for media buys handled by a client's agency of record. A 10% increase in billings is projected for 1988, partly the result of a full year of billings from new clients, Genie Home Products and Pennbancorp & Gallatin.

U.S. accounts

Gained: Clairol Inc.; Genie Home Products; Sealy Inc., mattress; Pennbancorp & Gallatin; *New Woman*; WPIX.

Lost: National City Bank of Cleveland; Blue Cross/Blue Shield of Ohio.

Officers

Marc A. Wyse, chmn; Lois Wyse, president; James B. Rucker, Jr., vice chmn; Evelyn M. Reisz, secty, treas.

Phone: (216) 696-2424.

Young & Rubicam

RANK 1

New York

($ in millions)

Worldwide	1987	1986	% chg
Gross income	735.5	628.4	17.0
Billings	4,905.7	4,191.4	17.0

U.S.	1987	1986	% chg
Gross income	385.8	358.1	7.7
Billings ✓	2,573.0	2,388.5	7.7

U.S. billings

($ in millions)	1987	1986	% chg
Media	1,963.3	1,816.4	8.1
Materials & services	0.0	0.0	0.0
Capitalized fees	0.0	0.0	0.0

Workforce/facilities

	1987	1986	% chg
Employees w'wide	11,634	11,139	4.4
Employees in U.S.	4,876	4,940	(1.5)
Offices worldwide	212	158	34.2
Offices in U.S.	45	44	2.3

1987 billings by U.S. office

Office, city	Billings
Burson-Marsteller, New York	610.0
Cato Johnson/Y&R, New York	40.0
Stone & Adler, Chicago	N/A
Chapman/Stone & Adler, New York	75.0
CMF&Z, Cedar Rapids, Ia.	75.7
HDM, Chicago	53.7
HDM, Los Angeles	51.5
HDM, New York	94.2
HDM Direct, Los Angeles	6.5
Hutchins/Y&R, Rochester, N.Y	55.0
Sive Associates, Cincinnati	30.0
Sudler & Hennessey, New York	131.1
Wunderman Worldwide, New York	240.0
Wunderman Worldwide, Detroit	21.0
Y&R Chicago, Chicago	74.5
Y&R Detroit, Detroit	197.0
Y&R New York, New York	880.0
Y&R San Francisco, San Francisco	62.0

Sources: All data from agency reports, except HDM office billings which are AA estimates.

Annual Review

Continuing to grow both domestically and overseas, Y&R grew by 17% in billings worldwide, which broke down into a 7.7% U.S. improvement (its big New York office grew 12%) compared to a 29.4% growth in non-U.S. billings, the latter fueled by large increases at Y&R Europe and continued expansion. The agency continued to obtain new accounts including U.S. Army ($100 million),

---

Manning: Return of the native

"The long way around is the shortest way home" proved true for Burt Manning. Passed over as successor to about-to-retire Don Johnston, chairman-ceo of JWT, in early 1986, Mr. Manning departed to become a principal and chairman of the executive committee at Jordan, Case, Taylor & McGrath, which quickly inserted his name between Jordan and Case. Meanwhile JWT was bought out by WPP, and in July 1987, Mr. Manning was asked to run JWT as chairman-ceo.

Five-year gross income and billings review

	Gross Income						Billings					
Year	W'wide	% chg	U.S.	% chg	Foreign	% chg	W'wide	% chg	U.S.	% chg	Foreign	% chg
Top 500 agencies												
1987	9,613.1	10.0%	6,217.7	-4.6%	3,395.4	36.8%	65,702.4	9.7%	42,971.2	-4.1%	22,731.2	35.9%
1986	8,648.9	5.5%	6,502.2	3.7%	2,146.7	10.9%	59,318.8	5.9%	44,740.8	7.5%	14,578.0	1.0%
1985	8,174.6	12.8%	6,262.2	15.7%	1,912.4	3.1%	55,805.5	13.2%	41,371.8	13.2%	14,433.7	13.1%
1984	7,129.4	14.6%	5,276.7	15.5%	1,852.7	12.0%	48,443.9	14.6%	35,895.4	15.5%	12,548.5	11.9%
1983	6,088.6	15.6%	4,458.1	20.6%	1,630.6	1.9%	41,388.0	15.9%	30,334.2	21.3%	11,053.7	1.0%
Top 100 agencies												
1987	8,402.4	12.3%	5,015.7	-4.2%	3,386.7	36.7%	57,294.6	11.8%	34,593.7	-3.9%	22,700.9	35.8%
1986	7,366.7	6.7%	5,223.9	3.7%	2,142.8	14.1%	50,513.5	7.3%	35,937.3	8.5%	14,576.2	4.5%
1985	6,870.1	8.7%	5,030.3	12.1%	1,839.8	-0.5%	46,805.7	9.0%	32,880.2	8.4%	13,925.5	10.3%
1984	6,272.2	14.1%	4,423.3	15.0%	1,848.9	11.9%	42,608.0	14.3%	30,115.3	15.3%	12,492.6	11.8%
1983	5,390.1	10.1%	3,761.3	13.6%	1,628.8	1.8%	36,535.6	10.2%	25,514.2	14.3%	11,021.4	0.7%
Top 25 agencies												
1987	6,796.5	16.2%	3,455.0	-5.8%	3,341.5	38.9%	45,932.3	15.4%	23,535.3	-6.1%	22,397.0	37.9%
1986	5,698.0	-1.5%	3,655.1	-9.4%	2,042.9	12.7%	38,868.4	-1.1%	24,966.6	-3.1%	13,901.8	2.5%
1985	5,781.9	10.1%	3,999.4	15.4%	1,782.5	-1.8%	39,297.1	10.6%	25,742.7	11.1%	13,554.4	9.6%
1984	5,196.2	13.9%	3,382.4	14.9%	1,813.8	12.0%	35,136.1	14.2%	22,879.1	15.4%	12,257.1	11.8%
1983	4,475.9	9.4%	2,879.3	13.6%	1,596.6	1.9%	30,154.7	9.2%	19,348.3	12.9%	10,806.4	2.5%

NOTES: Dollars are in millions. Change is computed from previous years' figures, including 1982, not shown. All figures are constant, representing reporting by the top agencies in the year given. See Page 4 for more footnotes.

Goodyear ($15 million), Chevron ($30 million), DuPont ($18 million) and Suchard/Brach's ($8 million) in the U.S., Ford ($20 million) and Lipton ($5 million) in Canada, Quaker ($3 million) and Heinz ($4 million) in the U.K., Suchard ($6 million) in Italy, Kodak ($5 million) in Australia and TWA ($20 million) in Europe. Many current clients also provided new assignments and/or increased spending. Major losses were from Gillette ($13 million), Walt Disney ($60 million), Ford U.S. Parts/Services ($20 million) and Fiat in Amsterdam ($10 million). The agency made no acquisitions in 1987. It restructured its New York office and continues to place emphasis on integrated global services.

U.S. accounts

Gained: U.S. Army; Goodyear; DuPont; American Home Boyle-Midway Brands ($6.5 million); Chevron; Royal Canadian Mint ($2 million); Arthur Andersen ($9 million); Jacobs Suchard/Brach's; Optima Card ($15 million).

Lost: Uniroyal ($8.5 million); Gillette, Right Guard & Silkience; Rust Oleum $3.2 million); Disney, media acct; Ford Parts & Services; Chi-Chi's ($7.5 million).

Foreign accounts

Gained: TWA—Europe; Ford—Canada; Lipton—Canada; Kodak—Australia; Heinz—U.K.; Credit Mutuel—France ($8 million), U.K.; Suchard—Italy; Dominion Securities—Canada ($6 million); Quaker Cereals—U.K.; Toys 'R Us—Germany ($4 million).

Lost: Fiat—Amsterdam; Burrus—Switzerland ($3.3 million).

Officers

Alexander Kroll, chmn & ceo-Y&R; Peter Georgescu, exec vp, president-Y&R adv; Harold Burson, chmn-Burson-Marsteller; James Dowling, exec vp, president & ceo-Burson-Marsteller; Lester Wunderman, exec vp, chmn-Wunderman Worldwide; R. John Cooper, exec vp, genl counsel, secty—Y&R; Roger Craton, exec vp, cfo-Y&R; Joseph De Deo, exec vp, president—Y&R, Europe; Roby Harrington, exec vp, chmn-U.S. Natl Group, Arthur Klein, exec vp—Y&R, president & ceo-Y&R, New York, president-direct mktg group; John P. McGarry Jr., exec vp, chmn-client svcs worldwide, chmn-Y&R, New York; James McCoubrey, exec vp, area dir-Canada, Austria & Africa.

Phone: (212) 210-3000.

Mickelberry divests agencies

Mickelberry Corp., the New York-based public holding company that began collecting advertising agencies in the early 1980s, has systematically divested itself of all but Calvillo, Shevack & Partners in the past year. First to go in January, 1987, was its biggest unit, C&W Group (formerly Cunningham & Walsh), sold to N W Ayer. In September, Laurence, Charles, Free & Lawson went to Lowe Howard-Spink & Bell PLC, London. Within LHS&B, LCF&L will network with Allen Brady & Marsh, London.

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Ad agencies ranked Nos. 101 to 500

U.S. agencies ranked Nos. 101-500, presented alphabetically in Section IV, represent 19.4% of total U.S. gross income of the Advertising Age 500. Profiles of individual agencies note when returns for subsidiaries are included in or excluded from gross income totals presented in Section I (Page 6). For the breakout of media spending by these agencies, see Section II (Page 18).

Rank 203

Abelson-Taylor, Chicago, reported consolidated totals in Section I that included subsidiary Abelson Taylor Fitzsimmons.

In 1987, Abelson-Taylor gained: American Antec; Amersham; Boehringer Mannheim Diagnostics; DuPont Critical Care; Henkel Corp; Squibb Diagnostics; Pandex.

The agency lost: Mallinckrodt; American Medical Systems.

Top execs: Marv Abelson, chmn; Dale Taylor, president, coo; Frank Catania, J. Robert McCormick, exec vps; Fred Fitzsimmons, president (ATF). Employees: 73.

Phone: (312) 781-1700.

Rank 267

Ackerman Advertising Communications, Glen Head, N.Y., in 1987 did not gain or lose any accounts.

Top execs: Skip Ackerman, president; Ruth Haltman, sr vp; Debra Callahan, Robert Horan, Walter Reed, vp, acct supers. Employees: 36.

Phone: (516) 759-3000.

Rank 113

Ackerman, Hood & McQueen, Oklahoma City, in 1987 gained: *Daily Oklahoman*; E.I. Dupont; KOCO-TV; Giddings & Lewis; FDMC; J.C. Potter Sausage Co.

The agency lost: Lowrance Electronics; Daisy Air Rifles; Oklahoma Tourism & Recreation; Kearney & Trecker.

Look Jane, see Spot. / See Spo

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You know that sinking feeling – when your boss or a client calls and barks his complaints about lost spots, damaged spots, poorly dubbed spots or spots with missing traffic instructions. It can ruin your day.

Now, instead of delivering your spot TV commercials to television stations by conventional ground courier and hoping for the best, there's a better way: The *Cycle Sat Satellite Courier System.*

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The *Cycle Sat Satellite Courier System* delivers network quality spots and traffic instructions simultaneously by satellite – just like the networks. Turnaround time for duplication is totally eliminated because the spot is fed directly to the engineer at the receiving TV station. So you get the quality of first-generation spots while you avoid the possibility of lost or damaged tapes.

Top execs: Angus McQueen, president & cfo; Ray Ackerman, chmn-exec committee; Charles H. Hood, chmn; Bruce Anderson, B.E. Fick, Jim Roberts, exec vps; William F. Winkler secty, treas & cfo; Peggy Howard, Jeff Nauser, Patti Weinbrenner, Debby Johnson, J.B. Bowers, Gail Daniels, Jeanette Elliott, Tim Oden, Melanie Hill, Sue Dimick, sr vps. Employees: 145 in 4 offices.

Phone: (405) 843-7777.

Rank 393

Adair Greene Advertising Agency, Atlanta, reported consolidated figures in Section I that included subsidiary, Bottlers Press.

In 1987, the agency gained: Wanderlodge; Bard Urological; Bruel & Kjaer Instruments; Georgia, Calif., Pa. Prostate Centers; Nabisco Brands; National Service Industries, Projexions, Inc.; Royston; South Central Bell.

The agency lost: None.

Top execs: William Adair, chmn; Warren Greene, president. Employees: 18.

Phone: (404) 351-8424.

Rank 361

Adams, Rickard & Mason, Glastonbury, Conn., in 1987 gained: GHM, Inc.; Whitehall Properties, Ltd.; The Whisk, catering.

The agency lost: Lydall, Inc.; Clinton Nursery Products.

Top execs: Frederick C. Adams, chmn; Albert D. Mason, president, ceo; Jonathan S. Rickard, exec vp-creative Employees: 29.

Phone: (203) 659-1311

Rank 493

AdCorp International Hawaii, Honolulu, in 1987 gained: Kaiser Development; Hawaii Kai Shopping Center; Foodmaker-Jack in the Box Restaurants.

The agency lost: Continental Airlines-Hawaii Region; Bishop Museum.

Top execs: John R. Strom, president; Keith Rollman, exec vp-creative; Michael Whelan, vp-finance. Employees: 6.

Phone: (808) 942-5191

Rank 387

Ad Hoc Marketing Resources, New York, in 1987 gained: Irving Trust; Chase Manhattan Bank, credit; Citibank, tax shelter center.

The agency did not lose any accounts.

Top execs: Karen Hochman, president; Philip Carlson, sr vp-coo; Michael Arum, sr vp. Employees: 15.

Phone: (212) 947-7100

Rank 395

Adler, Schwartz, Hackensack, N.J., in 1987 gained: General Automotive Specialty; Linear Dynamics.

The agency did not report accounts lost.

Top execs: Peter Adler, president; George E. Lynn, exec vp; Judith M. Donovan, Jan Kraner, vps. Employees: 20.

Phone: (201) 488-4100

Rank 495

Admiralty Marketing & Advertising, Burlingame, Calif., in 1987 neither gained nor lost any accounts.

Top execs: Charles Thomas, president; Suzanne King, vp. Employees: 3.

Phone: (415) 348-9377.

Rank 466

Ad-Pro Inc., Sycamore, Ill., in 1987 gained: Ideal Industries; Hawera, Inc.; A.O. Smith Harvestore.

The agency did not report accounts lost.

Top execs: Diana L. Leifheit, president; Robbie R. Robbins, exec vp; Robert E. Meierhans, vp. Employees: 11

Phone: (815) 895-2000

Rank 452

Ad-Tech Communication, Miami Lakes, Fla., in 1987 gained: Storz Ophthalmics; Epics Division, Coulter Corp.; Diamedix Corp.

The agency lost: None.

Top execs: William R. Quinlivan, mktg partner; Daniel K. Palmer, mgmt partner; Florian Pfister, creative partner. Employees: 10.

Phone: (305) 556-7261.

Rank 255

Advertising Works, Honolulu, reported consolidated figures in Section I that included subsidiary, Intercomm Public Relations.

In 1987, the agency gained: Restaurant Row; Holiday Mart; International Marketplace; Pioneer Chicken.

The agency lost: Whalers Village Shopping Center.

Top execs: Darrel Kloninger, president, co-owner; Carol Apiki, vp, creative super; Jerry Keller, mng dir; Jim Rudosky, Jeff Pugh, acct super; Mike Murata, creative dir; Sally Gudoy, treas; Cheryl Gregorio, president-Intercomm PR. Employees: 40.

Phone: (808) 955-4416.

Rank 473

A.I.M., Foster City, Calif., in 1987 gained: Avis Car Sales.

The agency lost: Ambassador Inns.

Top execs: James Filer, president; Margaret Filer, vp.

Employees: 8.

Phone: (415) 349-5555.

Rank 223

Anderson Communications Cos., Dallas, reported consolidated figures in Section I that included subsidiaries:

- Anderson Video Production
- Peterson & Co.
- PrestonWord
- Rose Saginaw Marketing Services

In 1987, the agency gained: Compaq Computer Corp.; JC Penney Co.; VHA Southwest; Hogan Systems; Northern Telecom; Arlington Cancer Center; Arthur Andersen & Co.; Charter Builders; Casa Linda Plaza; MADD; Poly-America; Chapala Int'l.; Golden Circle; Maytag; National Pork Prod.

The agency lost: Encon; Gundle; Family Medical Centers.

Top execs: Joe Anderson, chmn; Bert Fischel, president; Ron Jenkins exec vp; Ken Benkstein, vp, genl mgr-Anderson Comm., Des Moines; Joe Gallehugh, vp, genl mgr-Anderson Fischel, Houston; Lynn Treachler, vp, cfo; Bryan Peterson, president-Peterson & Co.; Bobby Larson, vp, genl mgr-PrestonWord; Rose Saginaw, president-Rose Saginaw Marketing Services. Employees: 68 in 4 offices.

Phone: (214) 233-8461.

Rank 238

Anderson & Lembke, Stamford, Conn., in 1987 gained: DCA, data communications; GTX, scanning systems; Plus Development.

The agency lost: Learning International.

Top execs: Steve Trygg, president; Hans Ullmark, exec vp. Employees: 31.

Phone: (203) 357-1189.

Rank 246

Anson-Stoner, Winter Park, Fla., reported billings based on fiscal returns for

run. / See Spot run on time.

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Top 10 U.S. agencies in transit ad billings

		Transit ad billings		U.S. billings	
Rank	Agency	1987	1986	1987	1986
1	Young & Rubicam	5.9	5.5	2,031.1	1,871.2
2	Ally & Gargano	4.0	5.0	316.7	296.1
3	Laurence, Charles, Free & Lawson	2.7	2.5	302.0	287.0
4	Geer, DuBois	2.0	2.0	115.0	105.0
5	Tatham-Laird & Kudner	1.5	1.2	241.8	238.5
6	TBWA Advertising	1.2	1.0	125.9	104.7
7	Kerlick, Switzer & Johnson Advertising	1.0	N/A	41.6	N/A
8	Cosmopulos, Crowley & Daly	0.7	N/A	22.6	20.9
9	Omni Marketing	0.5	N/A	57.0	46.0
10	David Deutsch Associates	0.5	0.4	49.9	40.5

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

11-months. In 1987 the agency gained: You-TV; WWLV Radio; Jiffy Lube; Grand Union; Ligonier Ministries; Fl Department of Economic Development; Hilton, St. Pete; Sheraton; Atlantic Shores Hospital.

The agency lost: Marriott Bay Point Resort.

Top execs: Joseph B. Anson, president; Michael R. Stoner, Carl E. Gustin, Jeff Sternberg, vps.
Employees: 50.

Phone: (305) 629-9484.

Rank 447

Aragon Sales Development Services (formerly Frank/James Direct Marketing) St. Louis, in 1987 gained: FMC Corp.; Illini FS; Krane Mfg; Mobay Chemical; Masonry Institute of St. Louis; Busch AG.

The agency lost: Elanco.

Top execs: Patricia Biggerstaff, exec vp-mng dir; William W. Shewman, Robert C. Zeitinger, vp; David Joest, vp-finance. Employees: 7.

Phone: (314) 726-4605.

Rank 363

Donald L. Arends Inc., Oak Brook, Ill., in 1987 gained: Durable Wire.

The agency lost: Richards-Wilcox Mfg. Co.; Baron-Blakeslee.

Top execs: Donald L. Arends, ceo; Robert K. Erickson, president. Employees: 23.

Phone: (312) 990-0220.

Rank 502

N. Armstrong Advertising Agency, Lubbock, Texas, in 1987 gained: Ruth Little Antiques.

The agency lost: Computer System Services; Dynasty; Garden Sandwich Shoppe.

Top exec: Nelda Armstrong, owner. Employees: 4.

Phone: (806) 765-6283.

Rank 470

Noble Arnold & Associates, Schaumburg, Ill., in 1987 neither gained nor lost any accounts.

Top execs: Noble Arnold, president; John Perkins, exec vp-creative; Mike O'Connell, exec vp-acct mgmt; Pat Tims, exec vp-consumer prods. Employees: 15.

Phone: (312) 882-8808.

Rank 496

Arnold & Underwood, San Francisco, annualized its figures in 1987 based on operations covering seven months. In 1987 the agency gained: Foothill Bank; Montgomery Capital Corp.; Bradford Financial; *San Francisco*; San Francisco Restaurant Society; Royal Viking Lines; Hill & Knowlton.

The agency lost: Bradford Financial.

Top exec: Maxwell Arnold, owner. Employees: 2.

Phone: (415) 781-0530

Rank 471

Asher Agency, Fort Wayne, Ind., in 1987 gained: Burger King Co-op; Dukes Hospital; Fort Wayne Community Schools Career Development; Kentucky Fried Chicken Co-op; Pella Window Stores, Dayton; South Bend Sash & Door; Mad River Apartments, Dayton; North Pointe Villas; Wallen Hills; Sycamore Hills; Covington Hollows; Goldstine/Northill (Fort Wayne).

The agency did not lose any accounts.

Top execs: Timothy S. Borne, president; Thomas J. Price, sr vp. Employees: 11.

Phone: (219) 424-3373.

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Rank 425

Associates & Larranaga, Minnetonka, Minn., in 1987 gained: Aero Drapery; Silent Knight; Southwest Area Transit.

The agency lost: Insty Prints; Mount Sinai Hospital.

Top exec: Robert D. Larranaga, president. Employees: 17.

Phone: (612) 933-1446.

Rank 138

Bader Rutter & Associates, Brookfield, Wis., in 1987 gained: Kearney & Trecker; Agracetus; Bio Gro Systems; Eaton Corp.; U.S. Marine Power Corp.

The agency lost: PPG Industries; American Breeders Service.

Top execs: Ronald L. Bader, president; Richard S. Jensen, exec vp. Employees: 112.

Phone: (414) 784-7200.

Rank 261

Baker, Abbs, Cunningham & Klepinger, Birmingham, Mich., in 1987 gained: Hardee's Food Systems; Arrow Exit System.

The agency lost: Akzo Coatings America.

Top execs: Ernest W. Baker, chmn; Kathryn "Kit" King, president; B.H. Cunningham, treas; Robert J. Cunningham, exec vp; John R. Ballantyne, sr vp. Employees: 42.

Phone: (313) 540-5400

Rank 449

Perry Ballard/Advertising, St. Joseph, Mich., in 1987 gained: Paul Hertzler & Co.; Arnold Transit Co.; Blair International.

The agency lost: Pro Line Co.; Kirkhof Transformers.

Top execs: Perry O. Ballard Jr., president, chmn; L. Annette Ballard, vp-media; Nancy Rodell, genl mgr-technical div. Employees: 21 in 2 offices.

Phone: (616) 983-0611

Rank 488

Barlow Murray Advertising, Syracuse, N.Y., in 1987 gained: [illegible] Hill Vineyards; Heritage Companies, shopping center developer.

The agency did not report accounts lost.

Top execs: Holly B. Burns, president; Carroll M. Palmer, vp-secy-treas. Employees: 7.

Phone: (315) 478-2154.

Rank 331

Barney & Patrick Advertising, Mobile, Ala., in 1987 gained: Alabama Bureau of Tourism & Travel; Mobile Area Chamber of Commerce.

The agency lost: None.

Top execs: McGowin I. Patrick, president; J. Tyler Turner Jr., exec vp; Ken Teason, Marion F. Hartley, sr vps; George Yurcisin, Susan Cardwell, vps. Employees: 24.

Phone: (205) 433-0401.

Rank 272

Barnhart Advertising & PR, Denver, in 1987 gained: Breckenridge Hilton, Centrum, Moore & Co., Metropolitan State College, Hyatt Regency Denver.

The agency lost: Clarion Hotels.

Top execs: Terry L. Barnhart, chmn; Robert I. Wolper, president. Employees: 38.

Phone: (303) 744-3211.

Rank 204

Barnum Communications, New York, in 1987 gained: Circon ACMI; Lasker Foundation; Nygene Corp.; Pall Biomedical Products Corp.

The agency lost: Bio Products; Travenol Laboratories.

Top execs: H.J. Barnum Jr., M.D., chmn; Dorothy M. Philips, Ph.D., president; Peter G. Neaman, Burton P. Pollack, Judith B. Smith, sr vps. Employees: 60.

Phone: (212) 995-2990.

Rank 292

Baron & Zaretsky Advertising, New York, in 1987 gained: *Accounting Today; Nations Restaurant News*; *Chain Store Age Executive*; Camp Socks, division of Union Underwear; Ethan Allen; *Carribean Fisherman*; *Sports Afield*; ICI Victrex.

The agency lost: *Good Housekeeping*; *Cosmopolitan*.

Top execs: Ken Baron, president; Burt Zaretsky, exec vp. Employees: 23.

Phone: (212) 677-1747.

Rank 353

Battenberg, Fillhardt & Wright, San Jose, Calif, in 1987 gained: TeleVideo Systems; Nashoba Systems.

The agency lost: Ungermann-Bass; Quantum Corp.

Top execs: Curtis L. Wright, president; Charles H. Fillhardt, exec vp-creative dir; Lynn M. Battenberg, exec vp-treas; David M. Murphy, sr vp-acct svcs. Employees: 16.

Phone: (408) 287-8500

Rank 301

Bauerlein Inc., New Orleans, in 1987 gained: B.F. Trappey's Sons; Cort Furniture Rental Corp.; Premier Athletic Club.

The agency lost: Pizza Hut, South LA region; Don Bohn Ford.

Top execs: John P. Green, president; Thomas J. Long, exec vp; Eugene G. Barnes, chmn. Employees: 38.

Phone: (504) 522-5461.

Rank 108

Bayer Bess Vanderwarker, Chicago, in 1987 gained: Helene Curtis Industries, Suave Personal Products; Main-Street Stores; Chicago Hilton & Towers; Chas. A. Stevens Co.; Kretschmer Wheat Germ.

The agency lost: Instant Quaker Oatmeal; Quaker Oatmeal.

Top execs: Gary R. Bayer, chmn, ceo; Ronald W. Bess, president, coo; Tony Vanderwarker, vice chmn-chief creative officer; Robert Irvine, exec vp, dir media svcs; Jan Jaffe, exec vp, dir strategic planning & rsch; Brian Goodall, sr vp, dir acct mgmt; Andrea Trotenberg, sr vp, grp creative dir; Wendy Marquardt, sr vp, dir bcst; Susan Emerson, Greg Gwynne, sr vps, grp creative dirs. Employees: 106.

Phone: (312) 861-3800

Rank 391

Beaumont, Heller & Sperling, Reading, Pa., in 1987 gained: JLG Industries; McConnellsburg; Aerial Work Platforms & Materials Handling Products.

The agency lost: Landis Tool Div. Litton Industries Automation Systems; New York State Society of Otolaryngologists & Maxillofacial Surgeons.

Top execs: Robert D. Beaumont, president; Donald T. Beaumont Jr., sr exec vp, secty, treas; James Buchanan, sr vp, media/mktg dir; Alfred K. Walter, sr vp, pr dir; William E. Kemper Jr., James E. Ludwig Jr., vps; John R. Sergeant Jr., vp, dir mail & prtg prod mrg. Employees: 38.

Phone: (215) 375-4311.

Rank 134

Beber Silverstein & Partners, Miami, did not report financial figures. Totals in Section I were estimated by AD AGE based on accounts gained and lost during 1987 and comments about total billings from agency principals that were reported in this publication in 1987.

In 1987, the agency gained: Humana Inc.; Trojan Yachts; Schenley Affiliate Brands Corp.; Doral Hotels of Florida; California Teachers Assn.; Kovens Enterprises, Trump Plaza.

It lost Austin Rover of North America Inc.; Budget Rent-A-Car franchises (Miami, Palm Beach, Washington, Los Angeles); State of Florida tourism; *Miami Herald*; Squirt; Trump Plaza.

Top execs: Joyce Beber, president; Elaine Silverstein, exec vp; Dan Abramson, vp-acct super; Myer Berlow, vp-mktg & media svcs; Russel Slaughter, sr vp-creative dir; Bruce Goldman, vp-creative dir; Henry Goldberg, Robert Bishopric, Charles-Conklin, vp-acct supers; Louise Gainey, vp-media dir; Orlando Hernandez, vp-production; David Yaldes, vp-controller; Joel Allerhand, sr vp-dir media mgmt; Darrington Gayle, vp-broadcast svcs; Susan Bishopric, vp/dir pr; Sid Levin, partner. Employees: 120 in 3 offices.

Phone: (305) 856-9800.

Rank 337

Beckman Associates, Albany, N.Y., in 1987 gained: Columbia Mfg; State Line Snack Foods, salted snacks; CB Sports.

The agency lost: The Dry Goods.

Top execs: Richard N. Beckman, chmn-ceo; Kevin C. Meany, president; Mark J. Kelly, sr vp. Employees: 34.

Phone: (518) 465-4573.

Rank 156

Benito Advertising, Tampa, Fla., in 1987 gained: Maas Brothers/Jordan Marsh.

The agency lost: Pinellas County Tourism Development Council; Travel Agents International.

Top execs: Jack Painter, president & cob; Duke Miller, Ken Bernhardt, exec vps. Employees: 95.

Phone: (813) 287-8200.

Rank 147

Bentley, Barnes & Lynn, Chicago, in 1987 gained: Chicagoland Nissan Dealers Assn; Balmoral Race Track; Dickson Co.; Pavilion.

The agency lost: Hilton Athletic Aparell; Zale Construction; Lube Pro; Bank of Arlington Heights.

Top execs: Merrill Litow, chmn; Paul Oleff, president; Samuel M. Conforti, secty, treas; Linda Konitz, exec vp, dir creative svcs; Ed Suffrin, exec vp, creative dir. Employees: 135 in 4 offices.

Phone: (312) 467-9350.

Rank 250

Berenson, Isham & Partners, Boston, in 1987 gained: Option America; Chicago Commodity Corp.; United Shoppers of America; Computer Forum; Faj, Inc.

The agency did not report accounts lost.

Top execs: Paul S. Berenson, president, ceo; Carolynn C. Isham, exec vp; Louis H. Flanders III, sr vp; James L. Magliulo, vp. Employees: 17.

Phone: (617) 423-1120.

Rank 157

Berenter Greenhouse & Webster, New York, in 1987 gained: H-O Cereals; Beth Israel Medical Center; City of New York.

The agency lost: Galoob Toys.

Top execs: William Berenter, chmn, co-creative dir; Martin Greenhouse, exec vp, co-creative dir; Barrie Webster, president; Ted Pulton, sr vp; Sandy Frank, sr vp, cfo. Employees: 42.

Phone: (212) 995-9500.

Rank 241

Berger Stone & Partners, New York, in 1987 gained: Ortho Pharmaceuticals-Micatin Div; Weight Trimmers.

The agency did not report accounts lost.

Top execs: Joseph Stone, president; Martin Regen, exec vp; John Yakata, Allen Schwartz, sr vps; Kenneth Rhodes, vp, genl mgr. Employees: 23.

Phone: (212) 752-6333

Rank 282

Bermudez & Associates, Los Angeles, in 1987 gained: Jostens.

The agency lost: Pacific Bell Yellow Pages; Pacific Bell Corporate.

Top execs: Eduardo Bermudez, cmn,ceo; James P. Golightly, president, coo; Richard Chase, sr vp-cfo; Fernando Tamayo, sr vp-creative dir. Employees: 30.

Phone: (213) 207-4606.

Rank 122

Bernstein-Rein Advertising, Kansas City, in 1987 gained: *Kansas City Star*; Western Auto-Wholesale Div.

The agency lost: None.

Top execs: Robert A. Bernstein, president; Irwin D. Rein, exec vp; Dave Lubeck, John Pepper, sr vps. Employees: 127 in 3 offices.

Phone: (816) 756-0640.

Rank 461

Bertucci Maren Associates, Bristol, Pa., in 1987 gained: Pannier Graphics; A.C. Kohr; Pleasures Restaurant; Stix Chinese Restaurants; L.A. Development; Cottco Inc.

The agency lost: Corrugated & Closet Concepts.

Top execs: Andrew D. Bertucci, president; Nancy Maren, vp. Employees: 17.

Phone: (215) 785-1920.

Rank 193

BHN Advertising & PR, St. Louis, reported consolidated figures in Section I that included subsidiary, BHN/YP, Yellow Page placement.

In 1987, the agency gained: Bi-State Transit System; Executive Coach Builders; Integrated Newspaper Systems; Jewish Hospital; Lincoln, subsidiary of Pentair Inc.; Merchants Grain & Transportation Co.; Monsanto Chemical Co., Therminol Fluid Products; Polygon, Inc.; St. Louis County Parks & Recreation Dept.; St. Louis Economic Development Campaign; Village Bank of St. Louis County.

The agency lost: A.P. Green, KHTR Radio; Starrco Co.; Tartan Corner.

Top execs: Kennett C. Johnson, chmn & ceo; Robert F. Rubin, secty, treas; George T. Gale, exec vp, president-St. Louis adv div; John R. Bell II, president, BHN-pr div; Tom Birkenmeier, sr vp, creative dir; Irv Jensen, sr vp, coo; Bill Kiburz sr vp, dir-acct svcs; Dan Fineberg, president-BHN/YP; Peter Langmack, president-BHN, Cedar Rapids; John Blakemore, president-BHN/Columbia. Employees: 95 in 3 offices.

Phone: (314) 241-6275.

Rank 284

Biederman & Co., New York, reported consolidated figures in Section I that included subsidiary, Betacom Inc.

In 1987, the agency gained: Emhart Corp.; Hercules Engines Inc.; Stuart-James Co.; Sea Island Cotton Growers Assn.; Foreign Market.

The agency lost: ITT Corp.; Freixenet; S.A.; Le Clip USA.

Top execs: Barry Biederman, chmn, creative dir; John Kelly, coo, dir acct mgmt; Monica Shaffer, sr vps, media dir; Murray Salit, president, Murray Salit & Associates; Francis X. Houghton, exec vp; Charles Frost, sr vp.

Phone: (212) 929-7200.

Rank 161

William R. Biggs/Gilmore Associates, Kalamazoo, Mich., reported consolidated figures in Section I that included subsidiary, Nancy Skinner Associates.

In 1987, the agency gained: University Sound; Upjohn Pharmacy Trade Relations; Midwest Commerce Bank; Hart & Cooley; R.L. Corp.; Rodier.

The agency did not report accounts lost.

Top execs: William R. Biggs, chmn; Ron Davis, president; David Hunt, sr vp; Don DeGroot, secty, treas; Peter Horst, sr vp, dir creative svc; Jeff White, vp-business devel; Harold Bennett, vp/media; Phillip Long, vp/pr. Employees: 110 in 7 offices.

Phone: (616) 349-7711.

Rank 205

Blair Advertising, Rochester, N.Y., part of Diversified Agency Services at Omnicom Group, in 1987 gained: First Federal Savings & Loan; Rochester Convention & Visitors Bureau; Pizza Hut, National Sales Promotion; Xerox Service Group.

Top execs: John F. Kraushaar, chmn; J. Richard Dunlevy, vice chmn, ceo; Edmond C. Froehlich, president & coo; Jon S. Sims, exec vp, genl mgr-sales prom div; John R. Brown, exec vp, creative dir. Employees: 60.

Phone: (716) 473-0440

Rank 478

Blanchard & Associates, Minneapolis, did not report accounts gained or lost in 1987.

Top exec: Ike Austin, president. Employees: 7.

Phone: (612) 332-1557.

Rank 106

Barry Blau & Partners, Fairfield, Conn., reported consolidated figures in Section I that did not include subsidiary, IOCC, Ltd.

In 1987, the agency gained: The Boston Company; Endless Vacation Systems; Whirlpool, service contract sales.

The agency lost: Value Line.

Top execs: Barry Blau, chmn, ceo; Dennis Eastham, president, coo; Ronald Friedman, vice chmn; Peter Blau, sr vp-creative dir; Fred Kaseff, cfo; J. Donald Gartland III, Mark Goroff, Paul Gravelle, Carla Hendra, Thomas Lemke, Irving Mayer, Jack Miller, Robert Wilke, sr vps. Employees: 109 in 4 offices.

Phone: (203) 254-3700.

Rank 364

Boelter & Lincoln Advertising, Madison, Wis., reported consolidated figures in Section I that included subsidiary, Zins, Boelter & Lincoln.

In 1987, the agency gained: Noah's Ark; Credit Union Natl. Assn; *Everybody's Money*; Dreyer HMO; Isthmus.

The agency lost: Unity Health Plan.

Top execs: Robert Boelter, president; John Lincoln, exec vp; Allan D. Zins, president-pr. Employees: 36 in 2 offices.

Phone: (608) 251-3381.

Rank 295

Bonneville Media Communications, Salt Lake City, in 1987 gained: Major League Baseball; Mrs. Fields Cookies; Bonneville Telecommunications; American Library Assns; Salvation Army.

The agency lost: None.

Top execs: Richard D. Alsop, president; Jeffrey L. Hilton, vp-acct mgmt. Employees: 107.

Phone: (801) 237-2600.

Rank 166

Borders, Perrin & Norrander, Portland, Ore., reported consolidated figures in Section I that included subsidiary, Ager/BPN Public Relations.

In 1987, the agency gained: Portland General Electric; First Security Service Co.; Greater Portland Convention & Visitors Assn.

The agency lost: Blitz-Weinhard; Oregon Economic Development Div; Gerber Legendary Blades; Shindaiwa; Zell Bros. Jewelry; Hoody Corp.; Mannesmann-Tally; Warn Industries; KSTW-TV.

Top execs: William Borders, president & creative dir-BPN; Mark Norrander, exec vp-BPN; Peter Hatt, coo-BPN; Lee Snedaker, president-BPN/Intermountain; Stephanie Ager, president-Ager/BPN [illegible] Employees: 74 in 5 offices.

Phone: (503) 227-2506.

Rank 465

Earle Bower Associates, New York, in 1987 gained Golf World and lost Koni America.

Top execs: Earle Bower, president; John Nordland, vp, creative dir; John, Baroody, vp, media dir. Employees: 7.

Phone: (212) 682-3920.

Rank 270

Brady Co., Menomonee Falls, Wis., in 1987 gained: Automating Peripherals; Chick Master Incubator Co.; Enerpac Group; Applied Power; Fort Dodge Laboratories; L.T. Hampel Corp.; Microseal Corp.; Photofile Inc.; Wisconsin Lift Truck Corp.

The agency lost: ASI Inc.; Butler Mfg; Pride Co.; Pitman-Moore; Rolyan Medical; St. Francis Savings & Loan; Wisconsin League of Financial Institutions.

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Title

Company

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President, Direct Marketing
815 Hutchinson River Parkway
New York, NY 10465

AE-33

Top 10 U.S. agencies in point of sale billings

Rank	Agency	Point of sale billings 1987	Point of sale billings 1986	U.S. billings 1987	U.S. billings 1986
1	Grey Advertising	43.5	42.8	1,455.4	1,358.0
2	Foote, Cone & Belding	24.4	19.4	1,369.7	1,389.2
3	Leo Burnett Co.	13.4	9.0	1,550.0	1,361.6
4	Long, Haymes & Carr	9.0	5.8	60.7	51.3
5	Medicus Intercon International	8.4	13.0	102.7	82.4
6	Penny/Ohlmann/Neiman	6.3	4.3	20.1	16.1
7	Frank J. Corbett Inc.	5.3	3.7	52.9	36.7
8	Admarketing	3.7	3.6	201.0	184.0
9	Lavey/Wolff/Swift	3.6	3.0	72.2	59.7
10	Omni Marketing	3.1	4.6	57.0	46.0

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

Top execs: John B. Liebenstein, president & ceo; Karl F. Ohm, chmn. Employees: 65 in 3 offices.

Phone: (414) 255-0100

Rank 440

Brashe Advertising, Jericho, N.Y., in 1987 gained: State Savings Bank; Brother International Jewelers; Whaleco Oil Co. The agency did not report accounts lost.

Top execs: Harvey Cherkis, president; Philip Cincotta, exec vp. Employees: 8.

Phone: (516) 935-5544.

Rank 107

Brouillard Communications, New York, reports figures in Section I that also are included in those of J. Walter Thompson Co., which was bought out by WPP Group PLC in 1987.

In 1987 Brouillard gained: Tucker Anthony; Freedom Distributors; Integrated Resources.

The agency lost: Keycorp; Moseley.

Top execs: James H. Foster, president; Irene A. Hansen, sr vp-fin admin & agency svcs; Terrence Hill, sr vp-exec dir; Richard Eyman, Miranda Lee, J. Douglas Longmire, Robert Scott, sr vps, acct dirs; Betsy Halpern, sr vp-pr; Frank Massaro, sr vp-media dir; Carl LeVander, sr vp-grp creative dir; Larry Scaglione, sr vp-ad svcs. Employees: 90.

Phone: (212) 867-8300.

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Rank 323

Buckheim & Rowland, Ann Arbor, Mich., in 1987 gained: Compuware Corp.; Pioneer Communications of America. It lost: Thetford Industries.

Top execs: Harvey Bailey, president; Melvin Medrich, sr vp, creative dir; Mark Paris, vp-plng, mktg, media; Jon Gustafson, vp-assoc creative dir; Steve Melzian, vp-print prod. Employees: 31.

Phone: (313) 769-6771.

Rank 171

Buntin Advertising, Nashville, Tenn., reported consolidated figures in Section I that included subsidiary, Buntin Public Relations Co.

In 1987, the agency gained: Pinkerton Tobacco Co.; Beaman Automotive Group; Vanderbilt University Medical Center.

The agency lost: Jacques-Miller; Hospital Corp. of America; National Rehabilitation Centers.

Top execs: Jeffrey W. Buntin, president, creative dir; John Sharpe, sr vp, dir of client svcs; Bill Stejskal, sr vp, dir of mktg; Steve Dennision, sr vp, acct super; Jack W. Pentzer, sr vp, dir of operations; S.A. Habib, J. Michael Marion, sr vps, assoc creative dirs; H. Rex Hammock, president-Buntin PR. Employees: 100.

Phone: (615) 244-5720.

Rank 209

David K. Burnap Advertising Agency, Dayton, Ohio, in 1987 gained: Society Bank NA; GE Superabrasives; Duramed Corp.; Leibert Corp.

The agency did not lose any accounts.

Top execs: David K. Burnap, president; H. Edward Waller, exec vp. Employees: 31.

Phone: (513) 439-4800

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Rank 120

Burrell Advertising, Chicago, reported consolidated figures in Section I that did not include subsidiary, Burrell Public Relations.

In 1987, the agency gained: Zayre Corp.; Polaroid Corp.; Gerber Products Co.; California State Lottery.

The agency lost: California Cooler.

Top execs: Thomas Burrell, chmn & ceo; Barbara Burrell Glover, vice chmn; John G. Stanek, sr vp-finance; William Sharp, sr vp-G.M. Atlanta; Sarah Burroughs, sr vp-G.M. Chicago; Anna Morris, sr vp, creative dir; Linda Pharr, sr vp, mgmt super. Employees: 88 in 3 offices.

Phone: (312) 443-8600.

Rank 202

Lawrence Butner Advertising, New York, in 1987 gained: *Air & Space Smithsonian Magazine; Weight Watchers Magazine*.

The agency did not lose any accounts.

Top execs: Lawrence Butner, president; Eleanor Butner, exec vp; Nevil Cross, Pam Weinberg, Robin Butner, Nancy Silberstein, Bob Beatty, vps. Employees: 37.

Phone: (212) 682-3200.

Rank 123

Calvillo, Shevack & Partners, New York, a subsidiary of Mickelberry Corp., reported consolidated figures in Section I that included subsidiaries:

·Rittenband/C.S.&P.

·Jones & Owens/C.S.&P.

In 1987, the agency gained: Franklin Computer; Autophon. It lost: Ayerst Laboratories.

Top execs: Ric Calvillo, chmn, ceo; Brett Shevack, president, chief creative officer; Eva Schmatz, exec vp-direct of mktg; Burt Blum, exec vp, creative dir; Charlie Parlato, sr vp, dir of media; Elliot Rittenband, president-Rittenband/C.S.&P.; Pam Jones, Brian Owens, exec dirs-Jones & Owens/C.S.&P. Employees: 85.

Phone: (212) 245-7300.

Rank 168

Campbell & Wagman, Los Angeles, founded in January, 1987, in 1987 gained: American Network; First Interstate Bancorp (Arizona, California, Denver, Nevada); First Interstate Ltd (Oregon, Texas); Marshalls; Sundale Beverages, fruit drink.

The agency did not lose any accounts.

Top execs: Craig Campbell, president; Michael Wagman, chmn, creative dir; Peggy Kono, exec vp, grp mgmt dir; Frank J. Wisinski, exec vp, cfo; Catherine Bension, sr vp, grp mgmt dir; Lynn Griffith, sr vp, media dir; Ralph Price, sr vp, exec art dir. Employees: 45.

Phone: (213) 444-3200.

Rank 348

Caravetta Allen Kimbrough, Miami, part of Diversified Agency Services at Omnicom Group, in 1987 gained: Bayside; Visa-Latin America; Ecuatoriana Airlines.

The agency lost: Hoffman Group of Florida.

Top execs: Raymond F. Allen, chmn; Nina Cohen, president; Richard Flury, Lane Atkins, John Kelleter, sr vps. Employees: 33.

Phone: (305) 594-1896.

Rank 396

Carter Callahan Advertising & PR, San Jose, Calif., in 1987 gained: Koll Co.; Good Health Medical Center; Dividend Development; San Jose Tax Amnesty; American Biotest; Nanometrics.

The agency lost: Grosvenor Development; El Paseo Shopping Center.

Top execs: Peter S. Carter, president; Edna M. Markham, ceo-cfo. Employees: 18.

Phone:(408) 998-5433

Rank 422

Cascino & Purcell, Atlanta, in 1987 gained: Alliance Wall; Folks Inc.; Hoechst-Roussel Agri-Vet Co.

The agency lost: Peachtree Windows & Doors.

Top execs: Alfred M. Cascino, president, ceo; Andrew J. Purcell, chmn, coo; John C. Freebairn, exec vp. Employees: 12.

Phone: (404) 237-9945.

Rank 307

Ted Chin & Co., New York, reported consolidated figures in Section I that included subsidiary, Chin Up & Co., Direct Response, Sales Promotion & Publishing.

In 1987, the agency gained: York Salt Snacks; Forest City Enterprises; Sonnet Spring Water Co.; Marshall-Browning Intl.

The agency lost: WNBC, 66AM Radio.

Top execs: Ted Chin, president, creative dir; Chuck McMellon, exec vp, head-acct mgmt; Sel Lande, Karen Tonningsen, sr vps. Employees: 22.

Phone: (212) 421-8989.

Rank 274

Clark Direct Marketing, New York, in 1987 gained: Staples Inc.; CBS Video Library; Family Shopping Network.

The agency lost: *USA Today*; Family Shopping Network.

Top execs: Junius R. Clark III, president; Meg Fidler, vp creative dir; Jerry Viola, vp acct super, media dir; Jack Anderson, vp broadcast dir. Employees: 28.

Phone: (212) 661-9230.

Rank 164

CMS Direct, Rochester, N.Y., formerly Computer Marketing Services, is a subsidiary of Saatchi & Saatchi PLC. Figures in Section I represent the first time the agency has been reported as an independent agency. In previous years, its figures were consolidated with Rumrill-Hoyt, another Saatchi unit.

In 1987 the agency gained: Capital Cities/ABC; Arthur Young. The agency lost: None.

Top execs: Richard A. Peters, president & ceo; Robert A. Green exec vp; Michael H. Popernik, sr vp, cfo; Richard V. Jasinski, sr vp-info, technology div; Bonnie Lee Leavy, sr vp, dir-client svcs; Andrea Nider, sr vp-opers; James F. McGee, exec vp, mng dir-Atlanta. Employees: 84 in 3 offices.

Phone: (716) 272-2500.

Rank 407

Coakley Heagerty Cos., Santa Clara, Calif., in 1987 gained: Visulux; Santa Clara County Social Services; Atrium.

The agency lost: Kaufman & Broad.

Top execs: John D. Heagerty, president; David A. Heagerty, ceo. Employees: 15.

Phone: (408) 249-6242.

Rank 421

Coates Advertising & PR, Portland, Ore., in 1987, the agency gained: Diamond Fruit Growers; Good Samaritan Hospital, Corvallis; Shindaiwa. The agency did not report accounts lost.

Top execs: Jean P. Coates, president; Michael R. Coates, vp.

Employees: 16.

Phone: (503) 241-1124.

Rank 125

Cochrane Chase Livingston, Newport Beach, Calif., in 1987 gained: Peripheral Systems; Stanford University Medical Center; Carrier Air Conditioning, Southern Calif.; Lamps Plus; Long Beach Press Telegram; Sofina Cosmetics; Mark Industries; Garrett Automotive, pr; Little Company of Mary Hospital; Psychiatric Institute of America; Toshiba Telecommunications; American Senior Inns; Spinco Div. of Beckman Industries.

The agency lost: Coldwell Banker, Southern Calif Divs.; Lucky Supermarkets; American Edwards Labs; Seafood Broiler; Melvin Simon Associates, pr; Epson; SWECO; Process Instruments Controls.

Top execs: Cochrane Chase, chmn; Lynn Livingston, president; Frank Addis, exec vp-med bio science group; John Butcher, sr vp-consumer group; Ray Roschmann, sr vp-business svcs group; Don Cunningham, sr vp, mgr-L.A. office; Clark Wilson, vp, dir-business devel; Gary Cunningham, Carolyn Johnson, creative dirs; Bob Woodworth, sr vp, dir-media svcs; John Rutledge sr vp, cfo; Jim Arn, sr vp-admin. Employees: 91 in 3 offices.

Phone: (714) 261-1770.

Rank 256

Cole Henderson Drake, Atlanta, in 1987 gained: *Gwinnett Daily News*; Hercules Inc., film div, advanced technical div.

The agency lost: Nautilus Athletic Footwear; Life Insurance Co. of Georgia; Metro Companies.

Top execs: Richard Henderson, chmn; John H. Drake, president, cfo; James P. Cole, exec vp; John L. Mather, sr vp. Employees: 45.

Phone: (404) 237-0057.

Rank 105

Colle & McVoy Advertising Agency, Minneapolis, in 1987 gained: Travel Manitoba; Bellco Credit Union, Denver; Armadillo Restaurants, Denver; Fieldstone Cabinetry; 3M—Thinsulate Thermal Insulation, Thinsulate Waterproof Breathable Fabric; DeKalb-Pfizer Genetics; Mohrlang Mfg, Brush Co.; Eaton Corp., 6 div auto group; Arby's Minnesota Franchise; Webb Publishing, *Dairy, National Hog Farmer, Hay & Forage Grower*; Minnesota Zoo; Telex Communications; Twin City Jazz Festival; Anchor Hocking Plastics; Campbell Automation; HealthMark Centers Inc.; Hometime Inc.; Improve 494; Horton Mfg; Celebrate Minnesota, St. Paul.

The agency lost: Northwest Airlines Travel & Trade; Coral Gables Federal; Pizza Hut, Minnesota, Dakotas; Birchwood Casey; Comprecare; *Rocky Mountain News*; Ariens; First Minnesota, advertising & direct marketing; Irrigation Age; KOA Radio.

Top execs: Clarence Thompson, chmn-ceo; Don Gillies, president-cfo; Al Hietala, exec vp-agricultural; Bill Lau, exec vp-mktg svcs; Rod Booth, sr vp-exec art dir; Jim Heinz, sr vp-western div mgr; Wayne Engleman, sr vp-sec, treas; Jon Anderson, sr vp-creative dir. Employees: 141 in 5 offices.

Phone: (612) 851-2500.

Rank 500

Concepts & Strategies, Westport, Conn., in 1987 gained: Parke-Davis, div of Warner-Lambert Co.; Medical Marketing Group. The agency lost no accounts.

Top execs: Gladys A. Lindner, owner; Ed Lindner, creative dir. Employees: 3.

Phone: (203) 227-4903.

Rank 198

Conill Advertising, New York, in 1987 gained: Procter & Gamble, Tide; Zayre Corp., Boston; Texaco Corp., Havoline Oil, Texaco Gas; Standard Brand Home Improvement Centers; Vlasic Foods; Kobrand Corp., Beefeater Gin; Polaroid Corp.; Palmetto Medical Centers.

The agency lost: Metropolitan Insurance Co.; Nestle Foods Corp.

Top execs: Carlos R. Rossi, president & ceo; Michelle Aragon, exec vp, creative dir; Charles Magee, exec vp, dir-acct svcs. Employees: 59 in 2 offices.

Phone: (212) 481-3131.

Rank 104

William Cook Advertising, Jacksonville, Fla., reported consolidated figures in Section I that included subsidiary, William Cook Public Relations.

In 1987, the agency gained: Ardmore Farms, fruit juices, pkg desserts; Beaches Hospital; BellSouth Intl, Atlanta; Colquitt Regional Medical Center; Continental Cablevision of Jacksonville; Crowley Maritime Corp.; Default Proof Credit Card Systems; Florida Academy Physicians; Jacksonville Convention Complex; Koger Properties; Local Government Consultants; St. Augustine-St. Johns County Tourist Advisory Board; St. Johns River City Band; United Resources International, Dermastine.

The agency lost: L.A. Frey & Sons; French Novelty Shops/Strawberry Fields Shops; Stockton, Whatley, Davin & Co.

Top execs: Bernard C. Schramm Jr., president; J. Carson Eddings, exec vp; sr vps—Stan Norton, dir creative svc, Michael D. Morgon, Lura Benton, Jim Radcliffe, David Curling, genl mgr, Charlotte, Shay McNeal, genl mgr-Atlanta. Employees: 173 in 4 offices.

Phone: (904) 353-3911.

Rank 427

Cooper Burch & Howe, Las Vegas, Nev., in 1987 gained: Cellular One; Pacific Properties; Park Hotel/Casino.

The agency lost: Las Vegas Honda;

Food 4 Less.

Top execs: Joe Merica, president-partner; Brad Burch, creative dir-partner; Diane Dickerson, exec vp; Linda Cooper, dir of pr. Employees: 19.

Phone: (702) 386-2677.

Rank 133

Frank J. Corbett Inc., Chicago, reported consolidated figures in Section I that included subsidiaries: Pragmation, Educational Marketing;
CMR Health Care Research.

In 1987, the agency gained: Mallinckrodt, Inc.; Bristol Laboratories; MacNeal Hospital.

The agency lost: Searle Pharmaceuticals.

Top execs: Frank J. Corbett, chmn; John J. Fisher, president; John P. Burns, exec vp; Judy H. West, vp, treas, secy. Employees: 68.

Phone: (312) 664-5310.

Rank 233

Cosmopulos, Crowley & Daly, Boston, reported consolidated figures in Section I that included subsidiary, Cosmopulos, Crowley & Daly Public Relations.

In 1987, the agency gained: Business Interiors; Boston Restaurant Assn.; Fuddruckers; Lustre Diamonds; Paragon Travel; Quality Inn; Susse Chalet; West Newton Savings Bank; Marina/Consult.

The agency lost: J. Bildner & Sons; Unique Furnishings.

Top execs: Stavros Cosmopulos, chmn, creative dir; Harold E. Daly Jr., president; Robert J. Crowley, exec vp; Gerard F. Golden, sr vp. Employees: 42.

Phone: (617) 266-5500.

Rank 479

Covey & Koons, Canton, Ohio, in 1987 gained: Harrison Paint Corp.; Mid-America Tissue Center; Mt. Union College; VMI Americas; Schoner Chevrolet.

The agency lost: Fluorocarbon; Samuel Moore Group; Downtown Ford; Xenia USA.

Top exec: W. Roderic Covey, president. Employees: 11.

Phone: (216) 456-7381.

Rank 491

Cowden Associates Advertising, Grand Junction, Colo., reported figures in Section I that did not include subsidiary, Transplays.

In 1987, the agency gained: Young & Hockensmith; Kaibab Industries; Property Management Systems.

The agency lost: Camp Stoves.

Top execs: Elizabeth R. Cowden, proprietor, bus mgr; James H. Cowden, ceo. Employees: 5.

Phone: (303) 245-4676.

Rank 224

Cranford Johnson Robinson Associates, Little Rock, reported consolidated figures in Section I that included subsidiary, GraphicType. Figures did not include subsidiary, Area Marketing/Research Associates.

In 1987, the agency gained: Mountain Valley Water; Cellular South; Shreveport/Texarkana Cooperative of McDonald's Restaurants; Southern Rice Marketing; Arkansas State Fair; Arkansas Investment Advisory Service; Shreveport Eye Foundation; American Red Cross, Pulaski County Chapter; Senior Services Network; Barrett Hamilton.

The agency lost no accounts.

Top execs: Wayne Cranford, chmn & ceo; Ron Robinson, president; Jim Johnson, sr vp-creative svcs. Employees: 77 in 2 offices.

Phone: (501) 376-6251.

Rank 489

Creel Associates, Oak Brook, Ill., in 1987 gained: Eastman Kodak Co.; National Assn. of Boards of Pharmacy; 3M, public relations-Austin; Bell Atlantic Corp.; Cincinnati Bell Info Systems; Entropic Speech Inc.; Telefind; Peninsula Engr. Group.

The agency did not report accounts lost.

Top exec: David R. Creel, president. Employees: 9.

Phone: (312) 990-0402.

Rank 370

CRE Inc., Indianapolis, in 1987 gained: American Lawn Mower Co.; Cablec Industrial Cable Co.; Diamond Chain Co.; Maple Leaf Farms; Resource Information Management Systems.

The agency lost: None.

Top execs: Michael L. Brooks, chmn-ceo; Les Boyle, president-coo; Jerry A. Woolsey, sr vp-client svcs; Karen L. Millar, sr vp-acct devel/acct svc. Employees: 30.

Phone: (317) 631-0260.

Rank 376

CS&A Advertising, Normal, Ill., in 1987 gained: Plano Molding Co.; Decatur Memorial Hospital; Multi-Ad Services.

The agency lost: Nestle-Beich.

Top execs: Wilson H. Burge, president; Judy M. Kessinger, vp-sls; Windell W. Kessinger, treas; Art Calamari, vp-creative svcs; Harold Balagna, finance mgr. Employees: 32.

Phone: (309) 452-0707.

Rank 468

CTS Associates, Detroit, in 1987 gained: Apple Computers; Ohio Valley Region, computers; *Detroit Legal News*; Inland-Aronsson Printing.

The agency lost: Pearl City Restaurants.

Top execs: C. Thomas Scholl, president; Muriel G. Scholl, exec vp-treas. Employees: 9.

Phone: (313) 965-0575.

Rank 442

Darien & Dahl, Campbell, Calif., formerly Darien, Russell, Hill & Dahl in San Jose, in 1987 did not report accounts gained or lost.

Top execs: Frank Darien, president; Gary Dahl, vp, creative dir. Employees: 11.

Phone: (408) 371-6122.

Rank 315

Davidoff & Partners, Westport, Conn., in 1987 gained: Dollar Dry Dock Savings Bank; Kemwel Group; Sounds Alive; National Radon Testing Center.

The agency lost: Central Bank; Lindblad Travel; Beazley Co.; Cheshire Management Co.

Top execs: Denise T. Davidoff, president; Phil Laborie, sr vp, creative dir; Ric Hendee, sr vp, dir-acct svcs; Joni Marks, vp, acct super; Larry Guadagno, vp, prod mgr. Employees: 36.

Phone: (203) 255-3425.

Rank 258

Paul DeJesse Inc. Advertising, Freehold, N.J., in 1987 gained: DuPont Critical Care. The agency did not report accounts lost.

Top execs: Phyllis S. De Jesse, R.N., vp-creative dir; Robert N. Jones, RPh, vp-dir of mktg. Employees: 25.

Phone: (201) 780-6909.

Rank 324

Detrow & Underwood, Ashland, Ohio, reported consolidated figures in Section I that included subsidiary, Promotion One.

In 1987 the agency gained Hartman Electric, aerospace; F.E. Myers Co., pumps; Oxyrase, enzyme products.

The agency lost: Stahl, truck bodies; Dynacraft, golf clubs; Anchor Swan, hoses.

Top execs: J.M. Detrow, ceo; G.D. Underwood, president; M.W. Detrow, exec vp. Employees: 18.

Phone: (419) 289-0265.

Rank 135

David Deutsch Associates, New York, reported consolidated figures in Section I that included subsidiary, DDA Direct. In 1987, the agency gained: Fur Vault; Lear Publishing; Olsten Services; Conde Nast; Singer Sewing Co.

The agency lost: None.

Top execs: David Deutsch, chmn; James Aucone, president; Rocco Campanelli, vice chmn; Donald Deutsch, exec vp, creative dir; Donald Kurn, sr vp, acct mgmt; Kevin Buckley, sr vp, media dir; Jeremy Barkann, sr vp, acct mgmt; Steven Levy, mng dir-DDA Direct. Employees: 73.

Phone: (212) 867-0044.

Rank 208

Doe-Anderson Advertising Agency, Louisville, in 1987 gained: Ashland Oil; Daisy Mfg; Kentucky Beef Cattle Assn; Group Financial Partners.

The agency lost: Byrd Industries; Preventacare.

Top execs: Robert S. Allison, president & ceo; James S. Lindsey, Philip D. Payne, exec vps; James E. Broome, Barbara Outschke, James H. Giles, Martin Jewett, David G. Wilkins, vps. Employees: 68.

Phone: (502) 589-1700.

Rank 310

Dorland & Sweeney, Philadelphia, in 1987 the agency did not report accounts gained or lost.

Top execs: Harry A. Sweeney Jr., president, creative dir; Richard Jones, exec vp, design dir; Marynita F. Sweeney, Barbara G. Zehender, sr vps. Employees: 25.

Phone: (215) 625-0111.

Rank 143

Dorritie & Lyons, New York, reported consolidated figures in Section I that included subsidiary: Dorritie & Lyons Projects.

In 1987, the agency gained: Searle Pharmaceuticals, Cytotec; Genentech, Inc., Activase. The agency did not report accounts lost.

Top execs: John F. Dorritie, president; Michael J. Lyons, sr exec vp, creative dir; Albert G. Nickel, exec vp, dir of oper; James A. Strong, sr vp-dir of client svcs; Thomas J. Velardi, sr vp-dir of art svcs; William J. Brown, sr vp-dir of copy svcs; Martin J. McNamara, sr vp-mgmt grp svcs; Carol J. Shepko, PhD, vp-grp copy svcs; Lee A. Colpi, vp-acct super. Em-

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Top 10 U.S. agencies in special event billings

Rank	Agency	Special event billings		U.S. billings	
		1987	1986	1987	1986
1	BBDO Worldwide	6.7	7.0	1,179.4	1,126.7
2	Creswell, Munsell, Fultz & Zirbel	6.0	4.7	75.8	71.9
3	Tri-State Advertising Co.	1.5	0.8	5.3	5.4
4	Dudnyk Enterprises	1.2	0.9	20.9	16.0
5	Omni Marketing	1.1	N/A	57.0	46.0
6	Rolf Werner Rosenthal	1.1	1.1	61.0	58.5
7	Keyes Martin Gaby Linett	1.1	1.0	58.0	53.0
8	Stogel Cos.	1.1	N/A	16.9	16.2
9	Medicus Intercon International	1.0	N/A	102.7	82.4
10	Kocs, Wesson & Associates	0.6	0.5	4.1	2.9

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

ployees: 50.

Phone: (212) 687-9394.

Rank 467

Dallas C. Dort & Co., Flint, Mich., in 1987 gained: Balloon Corp. of America; Comcast Cablevision; Dupuis & Ryden, P.C.; Fabricating Engineers; GMI Engineering & Mgmt Institute; Restaurants by Bosley; Summerfield Chevrolet; Universal Systems.

The agency lost: Action Auto; Health-Plus of Michigan.

Top execs: Dallas C. Dort, president, creative dir. Employees: 8.

Phone: (313) 238-4677.

Rank 136

Doyle Graf Mabley, N.Y., in 1987 gained: Natori, fashion.

The agency lost: Mead Data Central.

Top execs: William S. Doyle, president & ceo; Hubert Graf, Thomas Mabley, III, exec vps-creative; Charles Fredericks Jr., exec vp & coo. Employees: 68.

Phone: (212) 886-0200.

Rank 454

D.P.L. Advertising, Battle Creek, Mich., in 1987 gained: Pro Line Co.; Dometic Corp. The agency did not report accounts lost.

Top execs: Perry Phillips, president; Mark Barry, genl mgr; Lois Monn, production mgr; Harry Kneeland, creative dir. Employees: 14.

Phone: (616) 979-9191.

Rank 199

Drackett & Lavidge, Phoenix, in 1987 gained: Courtesy Chevrolet; Phoenix General Hospital Alcohol & Drug Recovery System; Valley Natl Bank.

The agency lost: Abco Markets; Sutter Trust.

Top execs: William R. Lavidge, president; H.R. "Dan" Drackett, sr vp, creative dir. Employees: 18.

Phone: (602) 266-0022.

Rank 269

Drossman Lehmann Marino, New York, in 1987 gained: Goody Products; Sussex Clothes; Casco/Scentronic; Nutra Max.

The agency lost: J&D Brauner.

Top execs: Neil Drossman, chmn; Charles Lehmann, president; Domenick Marino, exec vp. Employees: 25.

Phone: (212) 627-9340.

Rank 237

Dudnyk Enterprises, Horsham, Pa., reported figures in Section I that did not include subsidiary, Admark Inc.

In 1987, the agency gained: AT&T; American Olean. The agency did not report accounts lost.

Top execs: Ed Dudnyk, president; Kathy Skaff-Phillips, vp-sales; Don Reath, vp-acct svc. Employees: 45.

Phone: (215) 443-9406.

Rank 285

Dudreck DePaul Ficco & Morgan, Pittsburgh, in 1987 gained: Horne's; KDKA-TV; Subaru Dealers; Boyd School; Millcraft Industries; Trimont; Villages of Seven Springs; U.S. Railcar.

The agency lost: Hubbell Lighting Division; Pittsburgh Hilton Hotel & Towers; Western PA Dental Implant Assn.; Webtron Corp.

Top execs: Albert W. Dudreck, chmn; John DePaul, president; James V. Ficco Jr., exec vp; Gary Doughty, Lee Karon, Edward M. Zebert, sr vps; Robert Riback, vp-business devel; Wayne Boswell, vp, creative dir. Employees: 40 in 2 offices.

Phone: (412) 261-2580.

Rank 294

Duffy & Shanley, Providence, R.I., in 1987 gained: Days Inns Management Co.; Omni Parker House; Citizens Bank; Country Bank; New Jersey Nets; Ocean State Power.

The agency lost: Old Stone Bank; R.I. Mall; Shore Sails; Datagram.

Top exec: David A. Duffy, president. Employees: 50.

Phone: (401) 274-0001.

Rank 146

Dugan/Farley Communications Associates, Upper Saddle River, N.J., reported consolidated figures in Section I that included subsidiary, Parallax.

In 1987, the agency gained: Boehringer Ingelheim Pharmaceutical Co., Mexitil. The agency did not report accounts lost.

Top execs: John P. Dugan, president; E. John Farley, exec vp; Eric Rathje, Martin H. Ross, Clayton L. Warrington Jr., sr vps; Dougals Conetta, vp, acct super; Lawrence Fiori, vp, dir-Parallax div; John Kelleher, vp, production mgr; Gerard Knipscher, vp, dir-art svcs; Peter Mineo, vp, acct super; Daria Powell, vp, dir-scientific communications; Virginia L. Raimann, vp, office mgr. Employees: 60.

Phone: (201) 934-0720.

Rank 319

Ehrig & Associates, Seattle, in 1987 gained: Stock Market Foods; Harbor Development; General Hospital of Everett; Fisher Broadcasting.

The agency lost: Admiral Cruise Lines; Pierce County Transit.

Top execs: Jack Ehrig, president & chmn; Vicki Brems, exec vp, creative dir; Ric Rosa, Mike Ready, vps. Employees: 35.

Phone: (206) 441-6666.

Rank 163

Eisner & Associates, Baltimore, reported consolidated figures in Section I that included subsidiaries:

- Eisner Held & Petrou
- Eisner Entertainment
- Sojourn Productions
- Eisner Political

In 1987, the agency gained: Lorimar; Warner Bros.; Island; New Line; DEG; Cinecom; Select Office Systems-Mid-Atlantic Minolta Dist.; Maryland Casualty Co.; Insurance Co.; Omni Hotel; R&H Motors; W.C. Pinkard.

The agency lost: Popeyes Famous Fried Chicken; Delmarva Power & Light.

Top execs: Henry W. Eisner, chmn; Steven C. Eisner, president; Sharyn Williamson, Tom Bodiker, sr vps, acct mgmt supers; Byron Tucker, sr vp, creative dir; Sid Cohen, sr vp, dir-human resources; John Ciotti, sr vp, cfo; Bill Dillon, sr vp, dir-media svcs. Employees: 70 in 3 offices.

Phone: (301) 685-3390.

Rank 432

Eison Goot Group, Greenville, S.C., in 1987 gained: Greenville Chamber of Commerce, BSA Sales; American Health Systems.

The agency did not report accounts lost.

Top execs: Mike Goot, president; Jean Eison Hall, vp. Employees: 18.

Phone: (803) 240-7400.

Rank 177

Elgin Syferd, Seattle, reported consolidated figures in Section I that did not included subsidiary, Hornall Anderson Design Works.

In 1987, the agency gained: Becks Beer; Broadmoor Bread; Genetic Systems; Gershman, Brickner & Bratton; Hillhaven; New Century/Vista Film Co.; Northwest Seltzer; Recycle America; Skinner Development Co.; U.S. Bank of Washington; Universal Pictures.

The agency lost: Cameras West; Holland America/Westours; Reynolds Aluminum Recycling.

Top execs: Ron Elgin, president; David Syferd, chmn, secty; Pete Delaundy, exec vp. Employees: 88 in 2 offices.

Phone: (206) 442-9900.

Rank 112

Elkman Advertising, Bala Cynwyd, Pa., in 1987 gained: Commonwealth of Pennsylvania, Tourism & Travel/Economic Development; Dry Goods; Ford Dealers Assn. (regional); Melnor Industries; Gelco Space; Midlantic National Bank.

The agency lost: Chestnut Hill Hospital; Fairmount Institute; Hilton of Philadelphia; Hollin Corp.; ADAP Auto Parts.

Top execs: Stanley Elkman, ceo; Donald M. Tuckerman, president; Donald Rosenblit, sr exec vp; David Phillips, exec vp; Martin Sherman, Timothy Colestock, Steven Levine, sr vps. Employees: 140.

Phone: (215) 668-1100.

Rank 420

Emerson Marketing Agency, New York, did not report accounts gained or lost in 1987.

Top execs: Andi Emerson, president; Loren Granville, vp. Employees: 5.

Phone: (212) 213-0320.

Rank 304

John Emmerling Inc., New York, in 1987 gained: Family Media Publications, *Discover Magazine*; Holsten Import Corp.

The agency did not lose any accounts.

Top execs: John Emmerling, president; Arthur P. Gilmore, exec vp; Russell G. Finley, sr vp; George Rubin, vp. Employees: 17.

Phone: (212) 751-7460.

Rank 169

Ephron, Raboy & Tsao Advertising, formerly known as Ephron, Raboy, Tsao & Kurnit Advertising, N.Y., in 1987 gained: Russell Athletic; Boyd's Philadelphia; Huffman Koos.

The agency lost: Olsten Temporary Services; B&B Liqueur.

Top execs: Dick Raboy, chmn, co-creative dir; Erwin Ephron, president & coo; Alex Tsao exec vp, co-creative dir; Richard Sawyer, sr vp, dir-client svcs; Arnold Wechter, sr vp, dir-corp devel; Ann-Marie Light, sr vp, exec art dir; Edythe Stevenson, sr vp, copy super; Ruby Gottlieb sr vp, media dir. Employees: 48.

Phone: (212) 463-6900.

Rank 139

Epsilon, Burlington, Mass., reported consolidated figures in Section I that includedsubsidiary, Master Software Corp.

In 1987, the agency did not report accounts gained or lost.

Top execs: Thomas O. Jones, chmn & president; John E. Groman, sr vp-direct response; Robert J. Drummond, sr vp-mktg; Timothy F. Hult, sr vp-technical svcs. Employees: 500 in 4 offices.

Phone: (617) 273-0250.

Rank 159

Eric Ericson & Associates, Nashville, Tenn., reported consolidated figures in Section I that included subsidiary, Creative House.

In 1987, the agency gained: Acme Boot Co; Tennessee Christian Medical Center; St. Elizabeth Medical Center. The agency also gained Washmaster Auto Centers in Zurich.

The agency lost: Equicor; Fountain Square; State of Tennessee, tourism.

Top execs: Janice W. Wendell, chmn & ceo; Gary R. Haynes, president & coo. Employees: 92.

Phone: (615) 242-1050.

Rank 443

Estey-Hoover, Newport Beach, Calif., in 1987 gained: Alopex Industries; Label-Aire Corp.; Western Development Co.; Quintar Inc.; IBC Technologies.

The agency lost: Topmaster Inc.

Top exec: Daniel W. Hoover. Employees: 17.

Phone: (714) 756-8501.

Rank 486

Faber Shervey Advertising, Minneapolis, in 1987 the agency did not lose or gain any accounts.

Top exec: Paul D. Shervey, president. Employees: 5.

Phone: (612) 881-5111.

Rank 216

Fearon/GBA Advertising, New York, in 1987 gained: *Child Magazine*; *Decorating Remodeling Magazine*; Janovic/Plaza; WQXR Radio; New York Philharmonic.

The agency lost: None.

Top execs:Robert Fearon, president-partner; Aubrey Balkind, Phil Gips, partners. Employees: 56 in 2 offices.

Phone: (212) 421-5888.

Rank 322

Fern/Hanaway, Providence, R.I., did not report accounts gained or lost in 1987.

Top execs: Sanford M. Fern, president; James F. Hanaway, exec vp. Employees: 38.

Phone: (410) 421-7202.

Rank 326

Fessel, Siegfriedt & Moeller Advertising, Louisville, reported consolidated figures in Section I that included subsidiaries:

- Fessel, Siegfriedt & Moeller PR
- Help-Ad

In 1987, the agency gained: Thornton Oil.

The agency lost: None.

Top execs: E.F. Siegfriedt, chmn of the bd; R.F. Moeller Sr., president-adv; W.D. Falvey, president-pr; R.F. Moeller, Jr., exec vp. Employees: 33.

Phone: (602) 585-5154.

Rank 418

Martin Fiderer Associates, Englewood Cliffs, N.J., in 1987 gained: Commerce Drug Co.; ALK America. It lost no accounts.

Top execs: Martin Fiderer. Employees: 10.

Phone: (201) 871-0422.

Rank 260

Firestone & Associates, New York, did not gain or lose any accounts in 1987.

Top exec: Murray Firestone, president. Employees: 25.

Phone: (212) 247-4900.

Rank 351

Fitzgerald & Co., Atlanta, in 1987 gained: Marriott Resort Portfolio, consumer advertising; Arby's Inc., franchise division; Encore Systems, Inc.; Jiffy Lube-Atlanta; Marriott's Bay Point Resort; Marriott's Mountain Shadows Resort; Atlanta Marriott Peachtree Corners.

The agency did not lose any accounts.

Top execs: David Fitzgerald, president; James F. Paddock, sr vp-creative dir; Benjamin S. Tully, sr vp-dir media and mktg; Randolph W. Salisbury, sr vp-mgmt super. Employees: 19.

Phone: (404) 239-0468.

Rank 469

FitzSimons Advertising and PR, Cleveland, in 1987 gained: Nationwide Insurance Co.; Action Auto Rental; Berkman, Gordon, Murray & Palda.

The agency did not report accounts lost.

Top execs: Daniel A. FitzSimons, president; David J. Hoek, vp-pr; John J. Jefferson, vp-client svcs; Richard C. Wright, vp-mktg; M. Ellen Leighty, vp-admin. Employees: 13.

Phone: (216) 241-5656.

Rank 295

Fletcher/Mayo/Associates, St. Joseph, Mo., in 1987 gained: St. Joseph Light & Power Co.; Missouri Job Division.

The agency lost: Dekalb-Pfizer Genetics; Lindsay Mfg. Co.; Missouri Beef Industries; Moccomat; US Steel; Union Carbide Corp.

Top execs: G. Ed Clement, ceo; Charles Teague, president-coo; Rich Collins, Doug Mertz, vp-acct supers; Robert Housh, vp-controller. Employees: 53.

Phone: (816) 233-8261.

Rank 309

Floathe & Associates, Bellevue, Wash., in 1987 gained: Micron Technology; Renaissance GRX; Northern Air Freight; Microcosm; Microsoft.

The agency lost: Applied Voice Tech-

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Top execs: Maury Floathe, president; Greg Johnson, exec vp; Charles R. Pettis, III, sr vp; Dick Simmons, vp, creative dir; Katherine James, vp, acct svcs. Employees: 36 in 2 offices.

Phone: (206) 462-8400.

Rank 179

Fogarty & Klein, Houston, in 1987 gained: Entex Inc.; Veragon Inc.; Riviana Foods, Success Rice Brands; KKBQ Radio; Lou Ana Foods; Commonwealth Financial Services; Intermedics Inc.; The Woodlands; Fiorucci Inc., Houston.

The agency lost: KKHT Radio; Medical Networks.

Top execs: William H. Fogarty, Richard E. Klein, principals. Employees: 38.

Phone: (713) 528-3354.

Rank 249

Food Group, New York, in 1987 gained: Chiquita; International Multifoods; Lykes Pasco; Treasure Isle; Wei Chaun; Henry Colt Enterprises.

The agency lost: Welbilt Corp.; Honeyhill Farms; Calista Seafood.

Top execs: Donald Axleroad, president; David Gottwals, exec vp. Employees: 26.

Phone: (212) 725-5766.

Rank 124

Albert Frank-Guenther Law, New York, a subsidiary of Foote, Cone & Belding Communications, in 1987 gained: First Boston Corp.; Holsten Import Corp.; Blair Entertainment; Frank B. Hall; Financial Services Corp.; Oriental Federal Savings Bank; Biosearch Medical; Americus Trust; Banca Serfin; Banco Intl; BRT Realty Trust; Petroleum Heat & Power; Photon Technology; PLM Cos.; Snyder Oil Partners.

The agency lost: None.

Top execs: Stephen J. Witt, chmn; John F. Cowell III, president, creative dir; Robert D. Washburn, secty, treas; Walter T. Liebman, exec vp, pr dir; A. Paul Marrocco, sr vp, dir-acct svcs; Jerome M. Morea, sr vp-fin adv. Employees: 79 in 2 offices.

Phone: (212) 248-5200.

Rank 170

Frankenberry, Laughlin & Constable, Milwaukee, in 1987 gained: Mercury Marine; Miller Brewing Co.

The agency did not report accounts lost.

Top execs: Dennis Frankenberry, Steve Laughlin, John Constable, partners. Employees: 64.

Phone: (414) 272-2400.

Rank 313

Franznick & Cusatis Advertising, New York, in 1987 gained: ABD Sales; DeBoles Nutritional Foods; Framarex Inc.; I.Q. Co.; Kodak Bio Products; A&A Richter Bros.; *Heartbeat Magazine*; Bio Familia AG; Pfanni-Werke; Patterson's Shortbread Cookies Great Events; Micro-Bio Resources.

The agency lost: House of Rizla; Modern Drum Shop; Moers Chemical.

Top execs: Philip E. Franznick, president-creative dir; Kevin Franznick, vp; Ellen Deutsch, vp. Employees: 28.

Phone: (212) 696-4260.

Rank 497

Fraser Advertising, Atlanta, in 1987 gained: Mercedes Distribution; Krow,Inc.; Carrier Corporation, building services.

The agency did not report accounts lost.

Top exec: Neil Fraser, president. Employees: 4.

Phone: (404) 892-7060.

Rank 382

Furman, Roth Advertising, New York, in 1987 gained: Fairmont Funding; Charisma Fashion Stores; Carlton Hotel. It lost no accounts.

Top execs: Nat Roth, chmn; Ernie Roth, president & ceo. Employees: 22 in 2 offices.

Phone: (212) 757-7393.

Rank 389

Gable Group Advertising, San Diego, reported consolidated figures in Section I that included subsidiaries:

- Gable Agency, pr
- Western States Research

The agency did not report accounts gained or lost.

Top execs: Tom Gavle, president; Sandra Faleris-Newby, vp, genl mgr. Employees: 32.

Phone: (619) 234-1400.

Rank 444

Gallagher Group, New York, in 1987 did not gain or lose any accounts.

Top exec: James G. Gallagher. Employees: 4.

Phone: (212) 836-0616.

Rank 365

Garcia-Serra & Blanco Advertising, Coral Gables, Fla., did not lose or gain any accounts in 1987.

Top execs: Al Garcia-Serra, ceo; Julio Blanco, exec vp; Justo Luis Pozo, president. Employees: 31.

Phone: (305) 444-4221.

Rank 276

Gerber Advertising Agency, Portland, Ore., reported consolidated figures in Section I that did not include subsidiary, Nu-Safe Reporting.

In 1987, the agency gained: Agri-Business Council of Oregon; Blue Mountain Pet Food; Eastport Plaza; International Yogurt/Yo Cream; Metheus; Oregon Chief Products; Oregon Sheep Commission; Pinnacle Orchards; Hickory Farms/Northwest.

The agency lost: Portland General Electric; Thriftway; Key Bank of Oregon.

Top execs: Tom Hougan, president; Phil Stevens, exec vp; Elaine Miller, Sally Auguston, vps; Norm Friant, vp, creative dir; Mary Dugan, vp, assoc creative dir; Don Dickinson, Denny Rossmann, vps; Betty Chimenti, vp, media dir; Chuck King, vp, production mgr. The agency did not report number of employees.

Phone: (503) 221-0100.

Rank 234

Gilbert, Whitney & Johns, Whippany, N.J., in 1987 gained: Syntrex; Electrical Courier Systems; Faber Castell, pr. The agency lost: National Starch.

Top execs: John Daltner, president; John Mimnaugh, exec vp; Ken Van Reekum, secty, treas; Ted Trevorrow, exec vp-media, new business; Arthur Zimmerman, sr vp-bus, bus group; Matt Hayes, sr vp-consumer group; Ed Gori, vp-creative. Employees: 42.

Phone: (201) 386-1776.

Rank 458

Daniel Glassman Advertising, Fairfield, N.J., no longer consolidates divisions in its advertising figures. Those division billings in 1987 were: Danis Research, a consumer market research unit, $6.1 million; Hospital Research Associates, a medical market research unit, $15.7 million; the Institute for Medical Information, symposias, $1 million.

In 1987, the agency gained: Permark Corp., Enhancer; Viragen Inc., Alpha Leukointerferon.

The agency lost: None.

Top execs: Daniel Glassman, chmn & president; Gene Goldberg, exec vp; Iris Baker, vp-financial svcs. Employees: 11.

Phone: (201) 575-3507.

Rank 148

Goodwin, Dannenbaum, Littman & Wingfield, Houston, in 1987 gained: Regency Residences; Environmental Protective Ind.; Innovation Industries; VossWood Development.

The agency lost: Monterey House Mexican Restaurants.

Top execs: Earl Littman, chmn, ceo; Barry Silverman, president & coo; Anna Wingfield, exec vp; Rich Witmer, sr vp, treas; Bruce Eskowitz, Sarah Smith, vps; Jake Elliott, sr vp/pr; Mildred Edwards, vp, comptroller. Employees: 70.

Phone: (713) 622-7676.

Rank 180

Grace & Rothschild, New York, in 1987 gained: J&B Scotch; Knockando Single Malt Whisky; Southfield Corp.

The agency lost: None.

Top execs: Roy Grace, chmn; Diane Rothschild, president; Gordon C. Sleeper, exec vp; Gene Willhoft, dir-media svcs. Employees: 25.

Phone: (212) 319-1616.

Rank 152

Grant/Jacoby, Chicago, in 1987 gained: Gold Bond Ice Cream, Popsicle; Northwestern Hospital; Rydelle Laboratories, div of S.C. Johnson, Fiberall; Culligan National.

The agency lost: WRXR-TV; Monsanto; Quaker; Caterpillar.

Top execs: Robert L. Flink, chmn; Bruce I. Carlson, president; R. Milton Lynnes, exec vp-creative; Pamela Deckert Prosch, sr vp, dir-strategic devel; John Willie, Brian Buda, sr vps, mgmt group supers; Robert W. Lavender, sr vp-oper; Malcolm Gordon, sr vp, dir-media. Employees: 110.

Phone: (312) 664-2055.

Rank 367

Gray Baumgarten Layport, Pittsburgh, in 1987 gained: WTAE-TV. It lost Swanson Analysis Systems.

Top execs: Mark H. Gray, president. Employees: 22.

Phone: (412) 279-3732.

Rank 356

Greenwald/Christian Advertising, Philadelphia, in 1987 gained: Hansen Financial Savings; Electric Co.; Rightime Econometrics; Palace Hotel, pr; National Abstract Agency.

The agency lost: A. Pomerantz & Co.

Top execs: Joseph T. Greenwald, president; Caye Christian, exec vp; Suzanne E. Salsbury, sr vp. Employees: 20.

Phone: (215) 568-9797.

Rank 338

Gregory Inc., Cleveland, reported consolidated figures in Section I that included subsidiary, Gregory Public Relations.

In 1987, the agency gained: Associated Estates; Chautauqua Point; *Ohio Business Magazine*; *Cleveland Magazine*; Sandusky Foundry; House of Plastics; Zagar Inc.

The agency lost: Hill Acme Co.; Mayfran International; Sherwood, div of Harsco Corp.

Top execs: Joseph A. Rini, president & ceo; Gordon B. McMaugh, president-Consumer Group; Edward A. Andrich, president-Yellow Pages. Employees: 34 in 3 offices.

Phone: (216) 621-9632.

Rank 127

Gross Townsend Frank Hoffman, an independent agency in the Grey Advertising Network, New York, reported consolidated figures in Section I that included subsidiaries:

- GTFH Public Relations
- Phase Five Communications

In 1987, the agency gained: Johnson &

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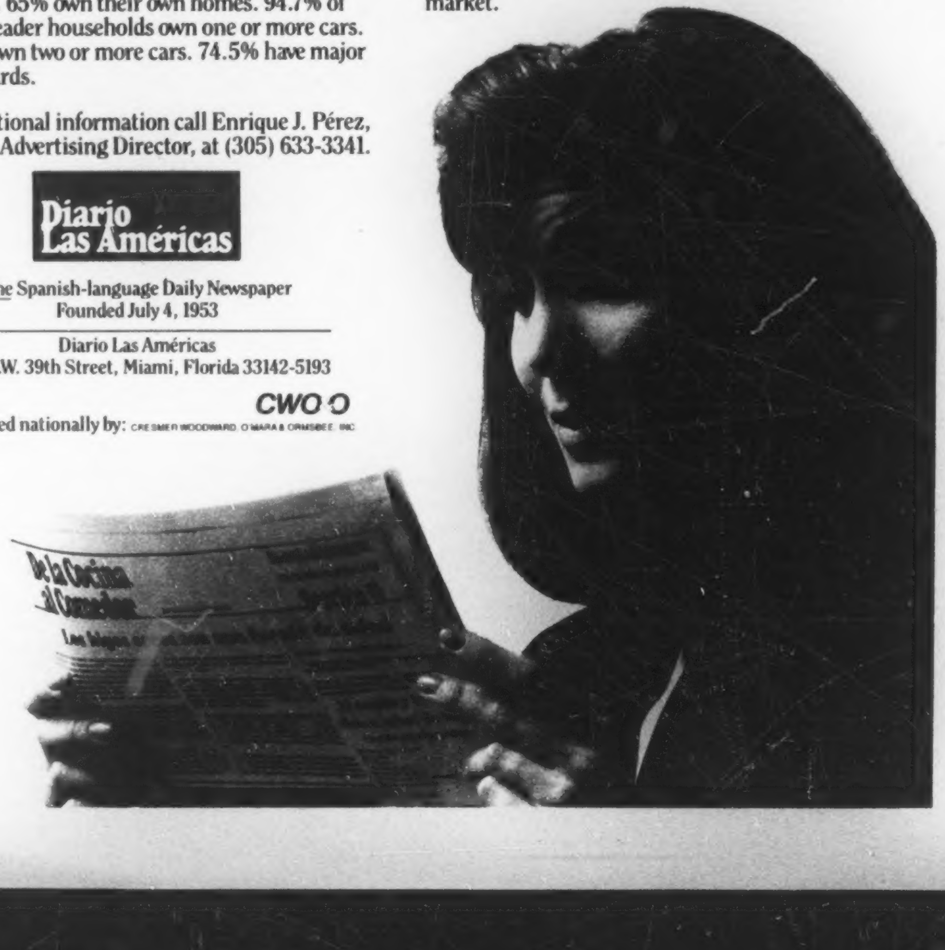
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Top 10 U.S. agencies in direct response billings

Rank	Agency	Direct response billings 1987	Direct response billings 1986	U.S. billings 1987	U.S. billings 1986
1	Ogilvy & Mather Direct Response	260.0	240.0	260.0	240.0
2	Wunderman Worldwide	259.9	224.5	260.0	224.5
3	Foote, Cone & Belding	213.1	71.1	1,369.7	1,389.2
4	Direct Marketing Group	148.3	134.5	149.8	138.7
5	Telephone Marketing Programs	144.5	118.0	144.5	118.0
6	MARCOA DR Group	107.7	90.7	119.2	110.1
7	Rapp & Collins USA	99.4	81.8	99.4	81.8
8	Grey Advertising	92.5	55.1	1,455.4	1,358.0
9	Kobs & Brady Advertising	85.3	81.0	85.3	81.0
10	Barry Blau & Partners	64.4	51.4	72.3	60.0

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media. Direct response includes Yellow Pages, direct mail, catalogues, direct response TV, direct response radio, direct response newspaper, direct response magazine, telemarketing and free-standing inserts. See Page 45 for total billings in these categories. Some internal production fees may be included in billings figures in this table.

Johnson, patient care; Zimmer, Bristol Myers; GynoPharma Inc.; Procter & Gamble; Lakeside Laboratories; Weck, Squibb.

The agency lost: Adria Laboratories, U.S.

Top execs: Alan Gross, president; Jane Townsend, exec vp; David Frank, Ronnie Hoffman, exec vps, creative dirs; Risa Janoff, vp, dir-acct svcs; Orin Kimball, vp, creative dir; Ilyssa Levins, vp, dir-pr; Clare Macken, vp, dir-production; Lynn O'Connor Vos, president-Phase Five Communications. Employees: 90 in 2 offices, a 38% growth over 1986.

Phone: (212) 475-4040.

Rank 130

Group 243, Ann Arbor, Mich., reported figures in Section I that did not include subsidiaries:

·Image Masters Printing
·Portfolio Contract Furniture

In 1987, the agency gained: The Athlete's Foot; Johnson Controls; New Pig Corp.

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The agency lost: Eden Foods.

Top execs: Janet C. Muhleman, president; Bruce E. Smith, exec vp, genl mgr; Tony Hernandez, sr vp, dir-client svcs; Keith Gold, sr vp-creative; Carey Ferchland, sr vp-admin; Ronald S. Lipiec, sr vp, cfo. Employees: 147 in 2 offices.

Phone: (313) 995-0243.

Rank 279

Gumpertz/Bentley/Fried, Los Angeles, in 1987 gained: STOR; Texsun; Familian Corp.

The agency lost: Rolling Rock Beer; Southern California Rapid Transit District.

Top execs: Richard H. Fried, president; Robert L. Porter, sr vp, creative dir; Gerald W. Wright, Robert F. Vanderstok, sr vps. Employees: 33.

Phone: (213) 931-6301.

Rank 195

Haddon Advertising, Chicago, reported consolidated figures in Section I that included subsidiary Haddon, Lynch & Baughman Public Relations.

In 1987, the agency gained: Homart Development Co.; College Savings Bank; IVI Travel; Urban Investment & Development Co; Playboy Enterprises, licensing & merchandising.

The agency lost: Continental Can Co.; PCM Corp.; Beneficial Insurance Group.

Top execs: Harvey L. Haddon, president; Jacqueline Wagner, Yale Gordon, Adrianne Richmond-Sell, vps. Employees: 51.

Phone: (312) 943-6266.

Rank 490

Halcyon Associates, New York, in 1987 gained: Citibank; Bechtel; Liberty Plaza Condominiums; Value Line; CompuCard.

The agency lost: News Net; Grolier Online.

Top execs: Donald R. Fleck, president, creative dir; Arlene Boehm, vp, design. Employees: 3.

Phone: (212) 629-3535.

Rank 438

Haller Schwarz, Los Angeles, reported consolidated figures in Section I that included subsidiary, Plummer & Friends.

In 1987, the agency gained: Filon, div of Standard Oil; PDA Engineering; Ramada Renaissance Hotel; Long Beach Convention & Visitors Council; CPP/Pinkerton Security Services; Westgroup Hotels.

The agency lost: American Sunroof Co.; Biltmore Hotel; Filon; Point 4 Data Corp.

Top execs: Henry Schwarz, president, principal; Anthon Haller, sr vp, principal; Richard Chodkowski, creative dir, principal; Missy Lowery, vp-acct svcs; Allene Gray, media dir. Employees: 13.

Phone: (213) 977-1111.

Rank 291

Hallmark Advertising, Pittsburgh, in 1987 gained: Baskin Robbins Media, selected markets; First National Bank & Trust Co.; OMNI Stone. The agency did not report accounts lost.

Top execs: Marvin S. Jacobson, president; William S. Binstock, exec vp; Debbie Sigal, corp vp; Louis Lasday, sr vp. Employees: 47.

Phone: (412) 687-0400.

Rank 416

Hammerman & Morse, Chicago, in 1987 gained: Cyrus Realtors; Evanston Inventure; West Suburban Hospital; Mercy Center for Healthcare Service; Symplex Comm.; Des Plaines National Bank; Zahn Drug; Northwest Community Hospital.

The agency lost: First Illinois Corp.; Hi-Fi Hutch; Railfone.

Top execs: Edward L. Hammerman, president; Gayle Morse, chmn, vp. Employees: 11.

Phone: (312) 337-0404.

Rank 257

Hammond Farrell, New York, in 1987 gained: Raymond Corp.; Schott America; Semi-Alloys.

The agency lost: Gates Energy Products.

Top execs: Hugh J. Farrell, president, creative dir; James E. Carter, sr vp; Jeffrey W. Kaumeyer, vp. Employees: 26.

Phone: (212) 995-5680.

Rank 340

Harris, Baio & McCullough, Willow Grove, Pa., in 1987 gained: Exide Corp.; Finnaren & Haley; Iveco Trucks of North America; Nabisco USA; NL Chemicals; Subaru of America.

The agency lost: Gilbert/Commonwealth.

Top execs: George J. Harris, president; Richard A. Baio, exec vp, creative dir; Robert H. McCullough, exec vp; John H. Meader, sr vp. Employees: 19.

Phone: (215) 657-8760.

Rank 265

Harris-Edward Communications, Philadelphia, in 1987 gained: Oxford Home Equity Loan Co.; C&D Power Systems; FruPac International; Strick Corp.; Pennwalt Corp.; Travelers Mortgage; Travelers Insurance Co.; Travelers MoneyTrac Marketing Group.

The agency lost: Decision Data Computer Corp.; Crystal Pools; American Dream Lease.

Top execs: Elizabeth F. Harris, president, creative dir; Edward J. DiUlio, exec vp; John J. Lisovitch, vp acct svcs & sales. Employees: 29.

Phone: (215) 735-3003.

Rank 277

Harris & West Advertising, Minneapolis, in 1987 gained: Zoecon Inc., Dallas; Laroptik Inc.; MCT Corp.; HCM Inc. The agency lost: Crest Electronics.

Top execs: Robert West, president; Tom Dupont, Dennis Gallaher, vps, acct supers; Jeannie Kant, vp-oper; Anne Berg, asst vp-pr dir; Cletus Willems, vp-asst super; Mark Stuhlfaut, creative dir; Sandra Wright, media dir. Employees: 33.

Phone: (612) 941-9500.

Rank 394

Hart/Conway Co., Rochester, N.Y., in 1987 gained: Home Computers Inc.; Miracle Hyundai, UPFO.

The agency lost: Bill Gray's.

Top execs: Peter B. Whitcombe, president; William A. Westerfeld, exec vp. Employees: 20.

Phone: (716) 232-2930.

Rank 424

Haselow & Associates, Cleveland, in 1987 gained: Work Wear Corp.; Smithers-Oasis Co.; Precision Metalforming Assn. The agency did not lose any accounts.

Top execs: John H. Haselow, president; John W. Cross, vp-client svcs; Scott H. Collins, vp-pr; Billie A. Tomoff, vp-agency oper. Employees: 17.

Phone: (216) 831-6060.

Rank 399

Hickman & Associates, Indianapolis, in 1987 gained: Railroadmen's Federal Savings & Loan Assn.; Brookside Group; Wood-Mizer Products.

The agency lost: Puller Mortgage Assn.

Top exec: Vaughn B. Hickman, president. Employees: 22.

Phone: (317) 843-1113.

Rank 483

Hicks & Associates, Coral Gables, Fla., formerly Hicks & Grayson, in 1987 gained: Gold Coast Graphics Group; Phoenix American Insurance Group; Comptech International.

The agency lost: Southern General Life; Cooper Oldsmobile; Penton Publishing's *Machine Design*.

Top execs: Donald J. Hicks, president; Kycueb C. Proby III, exec vp. Employees: 3.

Phone: (305) 444-7463.

Rank 371

Roni Hicks & Associates, San Diego, in 1987 gained: McKellar Development; Le Meridien Hotel San Diego at Coronado; Executive Air Service/Critical Air Medicine.

The agency lost: Mitek.

Top execs: Veronica "Roni" Hicks, president. Employees: 17.

Phone: (619) 296-8806.

Rank 381

Heibing Group, Madison, Wis., in 1987 gained: Cloth World; WMLI Radio Station. It lost: Northwest Fabrics.

Top exec: Roman C. Heibing Jr., president. Employees: 33.

Phone: (608) 256-6357.

Rank 504

High Plains Publishers, Dodge City, Kan., did not gain any new accounts in 1987, but lost Parker-Haskins Insurance Inc.

Top execs: Joe Berkely, president; Duane Ross, vp; Joy Deaver, agency dir; Jim Brown, creative dir; Todd Fuller, rsch dir; Terry Frisbie, prod dir; Kay Hahn, media dir. Employees: 7.

Phone: (316) 277-7171.

Rank 436

Hinckley/Slade Group, Houston, in 1987 gained: Capital Management; Chelsea Market; Galleria Merchants Assn; Gundle Lining Systems; Hi-Port Industries; Innovative Controls; MBank Houston; Registry Hotel Corp.

The agency lost: Simdex Technical Institute.

Top execs: Joe L. Slade, Jr., president; William R. Hinckley, secty, treas. Employees: 9.

Phone: (713) 520-1515.

Rank 476

Hinton & Steel, Seattle, in 1987 gained: Turbo Law Laboratories; Northern Sun; Northwest Eye Surgery Center; Wright Runstad & Co; Radisson Hotel Toledo.

The agency lost: Luxor North America; Sheraton Tacoma Hotel.

Top execs: Dennis D. Hinton, president; David C. Steel Jr., secty treas. Employees: 12.

Phone: (206) 441-3455.

Rank 415

Hirsch Elliott, New York, in 1987 gained: A.C. Nielsen. It lost: Safeguard International.

Top execs: Don Elliott, president; Bernie Hirsch, exec vp; Don Lorenzet, sr vp. Employees: 14.

Phone: (212) 819-9320.

Rank 333

J.P. Hogan & Company, Knoxville, Tenn., in 1987 gained:Bond Cote Roofing Systems, division of WestPoint Pepperell Corp.; Polyurethane Foam Association; Shaw Industries, Cabin Crafts Carpets.

The agency lost: WestPoint Pepperell Corp., carpet and rug division.

Top execs: Joseph P. Hogan, president, ceo; Ray V. Anthony, exec vp, coo; Robert J. Luedeka, James V. Peek, vps-acct supers; Elinor Chapman, corp secy. Employees: 24.

Phone: (615) 546-7661.

Rank 211

Homer & Durham Advertising, New York, in 1987 gained: Bond Investors Guaranty; Maxim's de Paris Hotel; Sands Resort & Beach Hotel, Puerto Rico; Sea Venture Cruises; Scandinavian National Tourist Offices; United Nations Plaza Hotel.

The agency lost: Harry Macklowe Real Estate; Drucker Co.

Top execs: Tamara K. Homer, president, partner; Guy F. Durham, exec vp, partner; John Fisher Jr., vp-mktg; June Wohlhorn, vp-media; John Gruntkowski, vp-prod; Mylene Turek, vp-creative. Employees: 42.

Phone: (212) 477-5400.

Rank 314

Hughes Advertising, St. Louis, in 1987 gained: Purina Mills; PPG Biomedical; Lieberman Corp; Hazelwood Farms.

The agency lost: Roho.

Top execs: Jack A. Hughes, president; Larry R. McLane exec vp; Donald Fosher, Henry George, sr vps. Employees: 34.

Phone: (314) 862-9111.

Rank 412

Hull & Signorile, Florham Park, N.J., specializes in new product development, billed largely on a fee basis. In 1987, it gained: Wear-Ever Proctor Silex; Alex Gowns; Thomas J. Lipton; Selvic Fine Foods.

The agency lost: Kraft; Warner-Lambert, Intl Div; Alex gowns.

Top execs: Richard P. Hull, president; Leonard M. Signorile, exec vp. The agency did not report number of employees. There are 6 offices worldwide.

Phone: (201) 514-1888.

Rank 299

Huntsinger & Jeffer, Richmond, Va., reported consolidated figures in Section I that included subsidiaries: Old Dominion Co.

·Huntsinger & Jeffer Telemarketing
·Personal Letters, Inc.

In 1987, the agency gained: Chariscenter, USA; Dominion Bankshares; Laubach Literacy International; Sacred Heart Program; Virginia Special Olympics; Virginia Department of Game & Inland Fisheries, Virginia Wildlife Magazine; Wheat First Securities.

The agency lost: Missionaries of Africa, Rodale Institute.

Top execs: Jerald E. Huntsinger, chmn; Donald P. Jeffer, president. Employees: 65.

Phone: (804) 266-2499.

Rank 254

Image Dynamics, Baltimore, in 1987 gained: Majestic Industries; Merrill Lynch Realty; Davidson Transfer & Storage Co.; Tax Amnesty-MD State Comptroller's Office; ITT Corp.; Stouffer Harborplace Hotel; Barry's Video Stores; Charter Corp.

It lost: Baltimore Federal Financial.

Top execs: Phyllis B. Brotman, president& ceo; Barbara Brotman Kaylor, exec vp. Employees: 33.

Phone: (301) 539-7730.

Rank 373

Impact Marketing & Communications, Boston, in 1987 gained: Atlantic Microsystems; Digital Equipment Corp.; CLSI Inc; Telematics Intl.

The agency lost: None.

Top execs: Betsyann Duval, pres, ceo; Robert Clawson, exec vp; Dorothy E. Woglom, sr vp. Employees: 23.

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Rank 339
Intercommunications Inc., Newport Beach, Calif., in 1987 gained: FARR Co.; Shearson Lehman Mortgage; Reilly Homes; Retirement Centers of America; ISYS Security Systems; Dove Canyon; Signal Landmark.

The agency lost: BCED; Lusk Homes; Akins Development; East Highlands Ranch.

Top exec: Toni Alexander, president. Employees: 20.

Phone: (714) 644-7520.

Rank 178
Isidore & Paulson, New York, in 1987 gained: General Foods—new prods/cereals. It did not report accounts lost.

Top execs: Paul J. Paulson, president-ceo; Anthony Isidore, chmn, creative dir. Employees: 28.

Phone: (212) 972-7500.

Rank 481
James & Thomas, Chicago, reported consolidated figures in Section I that included subsidiary: Urban Market Research.

In 1987, the agency gained: Tippman Pneumatics; Polycystic Kidney Research Foundation.

The agency lost: None.

Top exec: William J. Block, president. Employees: 8 in 2 offices.

Phone: (312) 751-0520.

Rank 392
Jason Group, New York, in 1987 gained: Travel Sense; Groundglass Systems; Gardner & Dunne. The agency did not report accounts lost.

Top execs: Art Sasso, president; Vince Scotti, exec vp. Employees: 18.

Phone: (212) 967-6550.

Rank 184
Jayme Organization, Beachwood, Ohio, reported consolidated figures in Section I that included subsidiaries:
·PROCONSUL
·Strategic Research Center
·The BoardRoom
·Market-zing Promotions

In 1987, the agency gained: Austin Co.; Eaton Corp., Transmission & Forge Divisions; Neverending Battle; TRAVACO Management Systems.

The agency lost: ASSA Inc. Overseas, the agency lost AE PLC, engine components.

Top execs: George N. Havens, chmn & ceo; Michael E. Cargile, president; Lawrence R. Kavanaugh, Cathy A. Pokorny, exec vp; Allen B. Straka, vp-finance; Kathleen M. Wallace, president-Strategic Rsch Ctr; Kim F. Zarney, president-The BoardRoom; Richard S. Johnson, president-Market-zing Promotions; Michael W. Romans, sr vp; Mark C. Nylander sr vp-PROCONSUL; Edward D. Young, honorary chmn. Employees: 92.

Phone: (216) 831-0110.

Rank 475
Jiloty Communications, Holly Hill, Fla., in 1987 gained: Westinghouse Communities of Naples; MATIS, U.S.A.; Crane Cams; WestEnd Development Co.

The agency did not report accounts lost.

Top execs: Michael J. Jiloty, president; Rick Bosang, Stephen J. Wise, vps. Employees: 11.

Phone: (904) 677-0673.

Rank 334
Rick Johnson & Co., Albuquerque, reported consolidated figures in Section I that did not include subsidiary, Sterling Tape.

In 1987, the agency gained: State of New Mexico; Trammell Crow; NAPA.

The agency did not report accounts lost.

Top execs: Eric D. Johnson, president; Deborah U. Johnson, exec vp; Sterling Grant, Pat Wallwork, sr vps; Dean Gianopoulous. Employees: 51.

Phone: (505) 266-1100.

Rank 474
Jonethis Organization, Akron, in 1987 gained: Loral Systems Group. The agency did not report accounts lost.

Top execs: David G. Jonethis, president; Chuck Boggs, exec vp. Employees: 14.

Phone: (216) 375-5122.

Rank 187
Jordan Tamraz Caruso Advertising, Chicago, in 1987 gained: CEI International; First Chicago Corp.; Lightning Pictures; SACCO Supply; Season's Enterprises; Spectrafilm; Infinity Broadcasting-WJJD/WJMK; Buick Dealer Marketing Groups, Baltimore, New Orleans; Georgia; Pepsi Cola Bottlers.

The agency lost: Space Options, business computer systems.

Top execs: Joseph A. Caruso, president; Charles A. Jordan, exec vp; Ron Mondlock, vp-creative dir; Dave Percy, vp, consumer division. Employees: 74.

Phone: (312) 951-2000.

Rank 213
Juhl Agency, Elkhart, Ind., reported consolidated figures in Section I that included subsidiary, Juhl Public Relations.

In 1987, the agency gained: Blue Cross/Blue Shield of Indiana; Comparto Investments; Jessup Door Co.; Key Health Plan; University Conference Center; Syracuse Rubber Co.

The agency lost: Midwest Commerce Banking Co.; Diebel; Goshen General Hospital.

Top execs: Howard J. Blackwood, president; Max B. Barrick, exec vp; Steve Patton, sr vp; Bobbi Simmons, vp-pr; Ralph Sullivan, Bruce Cashbaugh, Steve Blaising, vps. Employees: 67.

Phone: (219) 293-5621.

Rank 240
Karsh & Hagan, Englewood, Colo. did not report accounts gained in 1987. It lost VICORP.

Top execs: Philip H. Karsh, Thomas P. Hagan, co-chmn; Pasquale L. Marranzino Jr. president; Phillip S. Wood, exec vp. The agency did not report number of employees.

Phone: (303) 770-8088.

Rank 453
Kaufman Goldman Stral, Chicago, reported consolidated figures in Section I that included subsidiary, Market Communication Associates.

In 1987, the agency gained: Nepcon; Electronics Representatives Assn. The agency lost: E.F. Johnson.

Top execs: Harold M. Stral, chmn; Laurence Kaufman, president; Morrie Goldman, vp, treas; Lee Stral, vp, secty. Employees: 15.

Phone: (312) 944-0300.

Rank 398
Kaufman & Marafi Advertising, New York, in 1987 gained: Baby Ryte; Hilton at Short Hills; Showboat Hotel & Casino; Sheraton Park Ave.

The agency did not report accounts lost.

Top execs: John B. Kaufman, chmn; John B. Marafi, president; Dennis McAnany, exec vp; Carol Rogers, Claire Mangers, vps. Employees: 22.

Phone: (212) 867-0670.

Rank 499
Keller Haver, New York, in 1987 gained: Palm Bay Imports; IBI Security Co. It lost Peerless Importing Co.

Top exec: Gerald H. Keller, president Employees: 5.

Phone: (212) 867-9494.

Rank 302
Kelley & Wallwork, Boston, in 1987 gained: American Cablesystems; Sequoia Computers; Babson College; Designers Clothing.

The agency lost: Welch Foods.

Top execs: Glenn Kelley, president; Jack Wallwork, exec vp. Employees: 20.

Phone: (617) 439-4399.

Rank 103
Kenrick Advertising, St. Louis, reported consolidated figures in Section I that included subsidiaries:
·Aragon Consulting Group
·Aragon Public Relations
·Clayton Richmond Group
·Data Support Services
·Aragon Sales Development Services
·Kingsbury Graphics
·Multavista Inc.
·Technisonic Studios

In 1987, the agency gained: Concordia Publishing; DavCo; Wendy's; Con-Agra Sales Promotion.

The agency lost: Elanco Products; Land 'O Lakes; HCN.

Top execs: C.Rick Sides, chmn; Eugene D. Duncan, vice chmn; Kenneth H. Hieronymus, president; Jeffrey L. Miller, Charles A. Stillwell, exec vps; Norman A. Berger, Clancy L. Strock, Gary C. Emmer, Jane Y. Lin, sr vps. Employees: 165 in 9 offices.

Phone: (314) 726-6020.

Rank 219
Kerlick, Switzer & Johnson Advertising, St. Louis, reported consolidated figures in Section I that included subsidiary: Landing Associates.

In 1987, the agency gained: Monsanto Company, WearDated Carpet; Mueller Company, industrial equipment; G.S. Metals; Brown & Crouppen, attorneys; Quincy Farms.

The agency lost: Methodist Hospital; Pevely Dairy.

Top execs: Daniel Kerlick, chmn, ceo; Michael J. Switzer, president; Richard R. Vinyard, sr vp; Rick S. Carney, exec vp; Jackson D. Waterbury, vp; Dave Christoff, vp-production; Daniel L. Schwartz, vp-gen mgr; Robert Johnson, president-entertainment; Kelly L. Hoskins, vp-entertainment. Employees: 75.

Phone: (314) 241-4656.

Rank 245
Kert Advertising, Ft. Lauderdale, in 1987 gained: 19th Street Furniture; Smith Aerial Photography Inc.

The agency did not report accounts lost.

The agency gained foreign accounts: Freeman Cosmetics; Canadian International Development Agency; Fab. Ind. Limited.

Top execs: Norman Kert, president; Leslie Hill, vp. Employees worldwide: 52.

Phone: (305) 484-4488.

Rank 116
Keyes Martin Gaby Linett, Springfield, N.J., consolidated returns in Section I includes Keyes Martin Public Relations.

In 1987 gained: Bell Communications Research; Edward S. Gordon; New Jersey Bankers Assn; Port Authority of New York and New Jersey; Severino Group; Strathmore Organization.

The agency lost: Blue Cross/Blue Shield of New Jersey; Walter Bauman Jewelers.

Top execs: Dan Gaby, chmn, KMGL, KMPR; Caryl Linett, president, creative dir, KMGL; Linda Mezo, exec vp, KMGL; Sam Harrison, sr vp, dir bus dev, KMGL; Ed Stukane, Robyn Green-Taylor, Len Brown, Harvey Victor, sr vps, KMGL; Jack Tucker, president, KMPR; Lee Dmitzak, exec vp, KMPR. Employees: 100.

Phone: (201) 376-7300.

Rank 482
Kinzie & Green, Wausau, Wis., in 1987 gained: Wausau Hospital Center, medical; Wausau Truck Center, sales;

Public relations' influence on top 10 agencies

Rank W/out PR	Rank With PR	Agency	Worldwide gross income without PR	Agency PR company	PR co. fee	W'wide gross income
1	2	Saatchi & Saatchi Advertising	$694.0			$694.0
2	3	Backer Spielvogel Bates W'wide	600.7			600.7
3	1	Young & Rubicam	597.8	Burson-Marsteller	137.2	735.0
4	4	BBDO Worldwide	529.4	Doremus Porter Novelli	7.6	537.0
5	6	McCann-Erickson Worldwide	513.0			513.0
6	5	Ogilvy & Mather Worldwide	503.1	Ogilvy & Mather PR	25.9	529.0
7	7	J. Walter Thompson Co.	483.0	Hill & Knowlton	116.0	483.0
8	8	Lintas:Worldwide	418.0			418.0
9	9	D'Arcy Masius Benton & Bowles	351.6	Manning Selvage & Lee	19.4	371.0
10	10	Leo Burnett Co.	369.0			369.0

NOTES: Dollars are in millions. PR fee totals were either provided by agencies or reliable secondary sources. AA accepts PR as part of an advertising total if the unit is not considered an autonomous unit by the agency.

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- 90% have taken domestic trip/last 12 months
- 41% have taken foreign trip/last 3 years
- 97% own at least one automobile, 30% a standard or luxury model

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Top 10 U.S. agencies in farm publication billings

		Farm publication billings		U.S. billings	
Rank	Agency	1987	1986	1987	1986
1	HDM	16.4	N/A	206.0	308.8
2	Creswell, Munsell, Fultz & Zirbel	7.4	8.0	75.8	71.9
3	Bader Rutter & Associates	7.4	8.0	49.2	46.8
4	Meldrum & Fewsmith	6.6	4.6	73.0	82.8
5	Colle & McVoy Advertising Agency	6.2	5.2	62.2	57.6
6	Martin-Williams	6.0	5.8	76.0	65.0
7	Valentine-Radford	4.1	4.5	80.9	70.8
8	Muller Jordan Weiss	3.6	3.5	46.5	45.1
9	Al Paul Lefton Co.	3.3	3.3	69.6	68.8
10	Rumrill-Hoyt	3.2	3.4	68.8	61.2

NOTES: Dollars are in millions. Billings of subsidiaries listed on Page 4 are not included in parent company totals in this table. Data is compiled from 442 agencies reporting billings by media.

Wausau Insurance Credit Union.

The agency lost: Wausau Medical Center; Peoples Exchange Bank.

Top exec: Kirk E. Howard, president. Employees: 11.

Phone: (715) 845-4251.

Rank 111

Klemtner Advertising, New York, reported consolidated figures in Section I that included subsidiaries:

·Comtact Corp.

·Medical Service Projects

In 1987, the agency gained: Ayerst, Cyrin; Sterling Int'l. & Winthrop Pharmaceuticals, Corotrope; Norwich Eaton, Dantrium; Ortho Pharmaceuticals-Int'l. Division; Wyeth, Phenergan; Procter & Gamble, new prods; Upjohn, Colestid. The agency also gained Searle, Canada, Isoptin.

The agency lost: Ayerst, Dermoplast; Procter & Gamble, Folger's Professional.

Top execs: Albert P. Molinaro, Jr., president & ceo; Gavin A. Scotti, R. Jay Conlan, Sander Flaum, exec vps; Robert Brilliant, David Best, Roger Musich, George Constantinoff, Robert Levine, Doug Bruce, Joe Noel, sr vps. Employees: 110.

Phone: (212) 463-3400.

Rank 423

S.R. Knapp Associates Inc., Arlington Heights, Ill., in 1987 gained: Franciscan Health Systems of Cincinnati; Franciscan Sisters of the Poor Health Systems; American Veterinary Medical Assn; Cresap, McCormick & Paget; Dermik Laboratories; Ravenswood Hospital; St. Anthony Hospital; Northern Illinois Medical Center.

The agency lost: Hayes-Hill.

Top execs: Stephen R. Knapp, president; James R. Pastorello, exec vp-acct svc; Michael E. Plemmons, exec vp-creative. Employees: 15.

Phone: (312) 392-0707.

Rank 311

Knudsen Moore Schropfer, Stamford, Conn., in 1987 gained King Oscar Foods.

The agency did not lose any accounts.

Top execs: David W. Schropfer, president; Joseph A. DelGaldo, exec vp; William K. Hoag, sr vp, media dir; Harry Matthei, sr vp, creative dir; C. Chandler Pohl, sr vp; Gerry Fox, vp; Albert Carlson, vp, exec art dir; Nicole Wise, pr; Jill Friedlander, prod mgr; Chuck Cilo, art dir; Cathy Callahan, media super. Employees: 20.

Phone: (203) 967-7200.

Rank 462

Kocs, Wesson & Associates, Elm Grove, Wis., in 1987 gained: Design House Products, Butter Company; Great American Savings & Loan; SPI Lighting; Warshafsky, Rotter, Tarnoff, Gesler, Reinhardt & Bloch, S.C.; Wisconsin Milk Marketing Board (cheese as food ingredient); Sanofi Bio Ingredients, flavors, food texture divisions.

The agency lost: Carley Management Co.; Kartes Video.

Top execs: Warren R. Eulgen, president, acct super; Dennis W. Kocs, vp, art dir; Phil H. Wesson, vp, producer. Employees: 9.

Phone: (414) 786-6624.

Rank 247

Kolon, Bittker & Desmond, Troy, Mich., reported consolidated figures in Section I that included subsidiaries: Heritage Graphic Services Inc.; Regal Printing Co.

In 1987, the agency gained: CSC Comtec, Inc.; Radius/DMC Clinics; Flame Furnace; Manhattan Sports Club; Charles W. Warren, jewelry.

The agency lost: Automotive Thunderboat Assn; Four Seasons Formal Wear; E.W. Grobbel Sons; Orchard Lake Schools; United Paint & Chemical.

Top execs: John S. Kolon, president; Joseph J. Bittker, chmn; Phillip L. Bittker, vice chmn. Employees: 60.

Phone: (318) 524-2500.

Rank 434

Kopf & Isaacson Advertising, Melville, N.Y., in 1987 gained: Loop Loc; Dunhill Personnel Systems.

The agency lost: Marconi Electric; Sitecraft.

Top execs: Andrew Isaacson, president; Ken Kopf, sec, treasurer; Arthur Zimmermann, vp. Employees: 15.

Phone: (516) 293-6115.

Rank 186

Kresser, Craig/D.I.K., Los Angeles, in 1987 gained: Buena Vista Television, syndicated TV.

The agency lost: On/SelecTV, pay television.

Top execs: C. Robert Kresser, chmn; Jean Craig, president; Paul Anton, exec vp. Employees: 45.

Phone: (213) 553-8254.

Rank 303

KSK Communications, McLean, Va., in 1987 gained: Digital Radio Networks; Geostar; GTSI, PC software; Landmark Systems; MICROS; Network Solutions; Nomadic Structures; Radiation Systems; SAGE Federal Systems; Systems & Telecoms.

The agency lost: Mead Imaging.

Top execs: Karen Syence Kennedy, president; Carole M. Bowns, exec vp; Christine Plumer, vp-assoc creative dir. Employees: 34.

Phone: (703) 734-1880.

Rank 268

Kullberg Amato Pisacane/ABP, New York, in 1987 gained: Center for Osteopathic Medicine; Lebenthal & Co.; National Assn for Hospital Development; Piedmonte Beef; *Travel Today*/Fairchild; U.F.O. Direct.

It lost Brown Bridgeman & Co.

Top execs: Joe Bartolone, chmn; Don Aaronson, vice chmn; Gary Kullberg, president; Alphonso Amato, Nicholas Pisacane, exec vps, creative dirs; Audrey Kullberg, sr vp, mktg dir; John Neilan, sr vp, mgmt super; Joe Murray, sr vp, media dir; Suzanne Easthan, vp-production; Mike Schwartz, vp-acct super; JoAnn Bart, vp-admin. Employees: 19.

Phone: (212) 683-7030.

Rank 417

Landers & Partners, St. Petersburg, Fla., in 1987 gained: Workplace.

The agency lost: Schumacher Buick.

Top execs: Samuel Landers, chmn; Robert Guckenberger, president. Employees: 18.

Phone: (813) 577-6868.

Rank 347

Hal Langerman Company, Center Square, Pa., in 1987 gained: Blue Cross & Blue Shield of Florida, Jacksonville, Fla.; Rollins, Burdick Hunter, Springhouse, Pa.; Lincoln National Life Insurance Company, Silver Spring, Md.; TSO Financial Corp.

The agency did not lose any accounts.

Top execs: Hal Langerman, owner, creative dir; Doris Tustin, mng partner. Employees: 8.

Phone: (215) 275-1901.

Rank 460

Lardis, McCurdy & Co., Meriden, Conn., in 1987 gained: Ed Mitchell Inc.; Mott's, juices-collateral only.

The agency lost: None.

Top execs: John S. McCurdy, president; Jack A. Lardis, exec vp. Employees: 14.

Phone: (203) 235-7040.

Rank 297

Larkin, Meeder & Schweidel, Dallas, was founded at the end of 1987 when management of the GSDM Dallas shop purchased the agency from Austin-based GSDM. The agency in 1988 has gained ARA Automotive Accessories, and lost North Texas Chevrolet Dealers Assn. Its current account list also includes Color Tyme rent-to-own stores, Poulan chain saws, Weed Eater lawn and garden products, Rodeway Inns Intl, Reed st. James div of Haggar Apparel, Sanderson bathroom accessories, Quik Wok Restaurants div of Pillsbury.

Top execs: Carl Larkin, chmn-president; Bill Meeder, exec vp-client svcs; Kim Schweidel, exec vp-creative svcs. Employees: 25.

Phone: (214) 688-7070.

Rank 375

Larwin/Livers Associated, Willow Grove, Pa., in 1987 gained Eastern Information Systems, software. It did not report any account losses.

Top execs: Stephen S. Livers, president. Employees: 20.

Phone: (215) 657-1515.

Rank 283

Launey, Hachmann & Harris, New York, in 1987 gained: Bassett Walker Inc.

The agency did not report accounts lost.

Top execs: Robert E. Launey, president; Henry Hachmann, vp-creative dir; Deborah D. Fineout, vp-acct svc; Joseph Harris, vp-media dir. Employees: 15.

Phone: (212) 679-1702.

Rank 450

Martin A. Lave Marketing, Indianapolis, in 1987 gained: Harcourt Management; CVX, industrial leasing; System One, division of Texas Air; PACESETTER; A&E, awards & emblems; ADT, vitamins.

The agency lost: Blossom Chevrolet; University Ford; Tremco.

Top execs: Martin A. Lave, president; Gail J. Amster, Rodney Ross, vps. Employees: 16.

Phone:(317) 872-0971.

Rank 374

Laven, Fuller & Perkins, Chicago, reported figures in Section I that did not include subsidiary, Cosmo Tops.

In 1987, the agency gained: South Suburban Hospital; Bally Midway-Games Div; Williams Telephone Co.

The agency lost: Star Motors; Zayre Stores-Chg.

Top execs: James P. Perkins, president, creative dir; Mary Anne Miller, exec vp; John P. Fox, sr vp-finance; Don W. Bonesteel, exec vp-southeast region. Employees: 24 in 3 offices.

Phone: (312) 440-1818.

Rank 126

Lawler Ballard, Norfolk, Va., in 1987 gained: Bayville Farms; E.R. Carpenter; Derre Tech; Good Samaritan Hospital; Ike's Great American Restaurants; Investor Management Group; Montclair Hospital; National Assn of Towns & Townships; One Valley Bank; Pittston Group; St. Joseph's Hospital; Saline Community Hospital; Wake Medical Center.

The agency lost: Alliance Health Service; Planters National Bank; Rubbermaid; The Beach.

Top execs: B.R. Lawler, chmn; J.D. Ballard, president; W.H. Pritchett, exec vp. Employees: 147.

Phone: (804) 627-0261.

Rank 445

Leff & Squicciarini Advertising and PR, Columbus, Ohio, in 1987 gained: Oldsmobile Columbus; Oakwood Management.

The agency lost: None.

Top execs: Myron J. Leff, president; Larry J. Squicciarini, vp. Employees: 14.

Phone: (614) 228-4900.

Rank 243

Lempert Co., Belleville, N.J., in 1987 gained: ShopRite Supermarkets; Blue Ridge Farms.

The agency lost: Shaffer Clarke & Co.

Top execs: Philip Lempert, president & creative dir; Richard Friedel, exec vp; William X. Beadle, cfo. Employees: 27.

Phone: (201) 759-2900.

Rank 200

Leonard Monahan Saabye Lubars, Providence, R.I., reported consolidated figures in Section I that included subsidiary, LMS/Barrett Public Relations.

In 1987, the agency did not report accounts gained. The agency lost: Interactive Date Corp.; Live Wire; Siebe North.

Top execs: Bruce N. Leonard, chmn; Thomas J. Monahan, president; Robert H. Saabye, David Lubars, Terrence K. O'Leary, exec vps; Catherine Ottaviano, Linda Ahearn, Fran Lemire, Catherine McCarthy, Catherine Hahn, Kevin Conroy, vps. Employees: 70.

Phone: (401) 277-9020.

Rank 505

Lesko Inc., Pittsburgh, in 1987 gained: Westmoreland-Armstrong Rehabilitation Agency; Competitive Employment Opportunities.

The agency did not lose any accounts.

Top exec: George Lesko, president. Employees: 3.

Phone: (412) 566-1680.

Rank 206

Leslie Advertising Agency, Greenville, S.C., in 1987 gained: Palmetto Dunes, Hilton Head Island; Pinehurst Hotel & Country Club; Southland Corp., 7-Eleven Division, Dallas; Waccamaw Corp., Myrtle Beach.

The agency lost: Conner Corp., maufactured homes; Litchfield By The Sea, resort; Mrs. Winner's Division, Winners Corp.

Top execs: Edwin D. Anderson, president; Eugene Dickson, exec vp; David M. Chesson, Carlos R. Jimenez, sr vps. Employees:65.

Phone: (803) 271-8340.

Rank 354

Lessing-Flynn Advertising Co., Des Moines, in 1987 gained: Heatilator; Mathison Ford; American Trust & Savings Bank.

The agency lost: Family Health Plan; Independent Ins. Agents of Ia.; New Horizon Dental.

Top exec: Connor T. Flynn Jr., president. Employees: 28.

Phone: (515) 274-9271.

Rank 183

Levenson, Levenson & Hill, Irving, Tex., in 1987 gained: National Satellite Paging; Mobilecomm.

The agency lost: Treesweet Products; Sunworld Airlines; Chili's.

Top execs: Barbara Levenson, president; Stanley R. Levenson, ceo; William L. Hill, chmn; Robert N. McEnany, exec vp-mktg; Elliot Firestone, sr vp, exec creative dir; Peggy Lewis, cfo; Michael Lehman, media dir. Employees: 60.

Phone: (214) 556-0944.

Rank 196

Jack Levy & Associates, Chicago, in 1987 gained: Apple Computer North Central Region; Aurora Venture; Deposition Technology; Standard Federal Savings.

The agency lost: None.

Top execs: Jack Levy, president; Richard J. Stack, sr vp-client svcs; Ward Wixon, sr vp-creative. Employees: 51.

Phone: (312) 332-7540.

Rank 145

Levy, King & White Advertising, Buffalo, N.Y., reported consolidated figures in Section I that included subsidiary, William Collins Associates.

In 1987, the agency gained: Pharmacraft; Freezer Queen; Canandaigua Promotions; Snyder Corp.; Bells. The agency lost: None.

Top execs: Peter King, chmn, ceo-LKW Cos; Stratten S. White, president, coo-LKW Cos; Michael C. Thomas, president, ceo-Pearson, Thomas LKW; Carmen R. Fasula, exec vp, c/o LKW Cos; William Collins, president-William Collins Assoc; Ken Dobmeier, exec vp-media/rsch svcs; Robert Travers, exec vp-acct svc (national); Judith Hojnacki, exec

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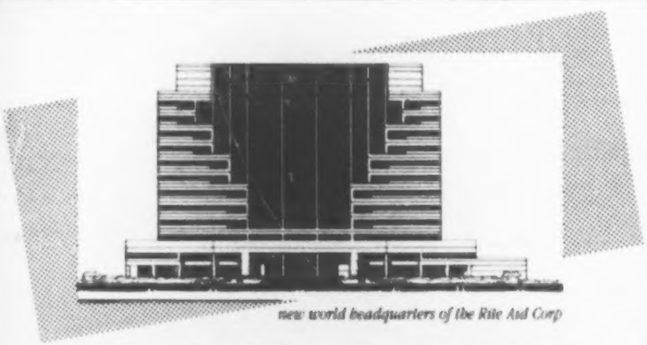

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Phone: (716) 853-6755.

Rank 362

J.H. Lewis Advertising Agency, Inc., Mobile, Ala., did not report accounts gained or lost in 1987.

Top execs: John H. Lewis Jr., president; Emil T. Graf III, sr vp-client svcs; Larry D. Norris, sr vp-creative. Employees: 32 in 2 offices.

Phone: (205) 476-2507.

Rank 318

Lieberman-Appalucci, Allentown, Pa., in 1987 the agency did not report accounts gained or lost.

Top execs: Joseph L. Appalucci, chmn; Mark T. Lieberman, president; Michael J. Lieberman, exec vp; Richard L. Frick, sr vp. The agency did not report number of employees.

Phone: (215) 395-7111.

Rank 101

Liggett-Stashower, Cleveland, in 1987 gained: Anchor-Hocking Consumer Glassware; Sears Optical Departments; The Eyelab Stores; Toledo Edison; Centerior Energy Corp.

The agency lost: The Ridge Tool Co.

Top execs: David L. Stashower, chmn &ceo; Richard S. Bailys, exec vp-acct group dir; Thomas S. Case, exec vp, chief creative dir; C. Henry Foltz, exec vp, acct grp dir; Edmund M. Kagy, exec vp, dir graphic-arts div; Terrence J. McGovern, exec vp, acct group dir; John M. Morton, exec vp, secty; Davis P. young, exec vp-pr. Employees: 130 in 3 offices.

Phone: (216) 348-8500.

Rank 264

Lipman, Richmond, Greene, New York, formerly Lipman Advertising, in 1987 gained: Davos; Mibar; JH Collectibles.

It lost: Westin Plaza.

Top execs: Robert Lipman, Richard Lipman, David Lipman, Donna Lipman, partners. Employees: 40.

Phone: (212) 684-1100.

Rank 366

K.I. Lipton Inc., Doylestown, Pa., in 1987 gained: Nordisk-USA; Chilton Food Group.

The agency lost: Moyco.

Top exec: Kenneth I. Lipton, president. Employees: 14.

Phone: (215) 345-4525.

Rank 494

Little & Associates, Atlanta, in 1987 gained: First Federal of Panama City; Armed Forces Financial Network.

The agency lost: Medical Center of Central Georgia.

Top exec: Pete Little, president. Employees: 2.

Phone: (404) 885-9587.

Rank 414

Darryl Lloyd Brigham, North Hollywood, Calif., in 1987 gained: Ojai Valley Inn & Country Club; AK Systems; TECOM; T.L. Enterprises.

The agency lost: L.A. West; Dataline.

Top execs: Darryl Lloyd, ceo; Tom Brigham, coo. Employees: 13.

Phone: (818) 763-4303.

Rank 355

Lockhart & Pettus, New York, in 1987 gained: Chrysler Corp.; Foot Locker; Kinney Shoe Corp.; Pepsi-Cola, U.S.A.; Fahlgren & Swink Adv. For Bank One, Columbus; Ogilvy & Mather Atlanta, Centers for Disease Control.

The agency lost: N W Ayer for U.S. Army, Army Reserve & ROTC.

Top execs: Keith E. Lockhart, president; Theodore D. Pettus, exec vp. Employees: 24.

Phone: (212) 725-2828.

Rank 341

Loeffler Ketchum Mountjoy, (formerly Loeffler Mountjoy), Charlotte, N.C., in 1987 gained: Trammell Crow, Carolinas.

The agency lost: Porter Brothers.

Top execs: William G. Loeffler, president; John W. Ketchum, James W. Mountjoy, sr vps. Employees: 27.

Phone: (704) 542-8131.

Rank 212

Lohmeyer Simpson Communications, Morristown, N.J., in 1987 gained: Maersk Line; Fashion Business Systems; RCA Global Communications; Platinum Guild Intl.

The agency lost: None.

Top execs: Richard J. Lohmeyer, president; John A. Simpson, exec vp; Richard Ricciardi, exec vp, coo; Phillip Gery vp-acct planning. Employees: 40.

Phone: (201) 267-0400.

Rank 114

Long, Haymes & Carr, Winston-Salem, N.C., in 1987 gained: Bali Co., Hanes Her Way Bras & Control Panties; CSX; Holly Farms Foods; MAC Inc., McDonald's Co-op Eastern NC; RJR Nabisco Golf.

The agency lost: Stanback Headache Powders; Isotoner Panty Hose, Hanes Hosiery.

Top execs: Donald N. Adams, chmn & ceo; Robert F. Graham, vice chmn, chief creative officer; Loren L. Chamberlain, vice chmn, chief mktg officer; Robert E. Fly, president & coo; Robert S. Fellows, exec vp; Pat N. Thomas, sr vp, treas. Employees: 150 in 2 offices.

Phone: (919) 765-3630.

Rank 189

Lord, Sullivan & Yoder, Columbus, Ohio, reported figures in Section I only for the Columbus headquarters office in 1987 and adjusted 1986 figures to exclude the sale of its Des Moines shop on Dec. 31, 1986.

In 1987, the agency gained: White Castle Restaurants, Columbus; Linclay Corp.; AC Material Handling; Peabody Noise Control; Novar Controls; Foremost Insurance; Sunworthy, div of Borden Inc.

The agency lost: Versa Ferguson and resigned Allen A sports clothing.

Top execs: Robert E. Sullivan, chmn & ceo; Robert D. Ackerman, president & coo; Robert L. Bender, exec vp, treas; Gary E. Armstrong, sr vp, dir-mktg; Nancy P. Barr, sr vp, dir-client svcs; John S. Brinkerhoff, sr vp, creative dir-copy; C. Douglas Fisher, sr vp, creative dir-art. Employees: 84.

Phone: (614) 846-8500.

Rank 259

LSGE Advertising, Avon, Conn., reported consolidated figures in Section I that included subsidiary: LSGE Public Relations.

In 1987, the agency gained: State of Connecticut Dept. of Economic Development, tourism; Park Place Towers; Tetra Pak Inc.; Computer Processing Institute.

The agency lost: Computer Processing Institute; Alcort Sailboats.

Top execs: Gary Lessner, chmn-ceo; Marvin B. Elbaum, president; Richard A. Slossberg, exec vp; John J. Gahl, sr vp-creative dir; Albert A. Curt, Jr., sr vp; Kenneth Seiter, Judith Pawlowski, Roberta Abend, Shirley A. MacGregor, vps; Lori Plocharczyk, vp-media dir. Employees: 33.

Phone: (203) 674-1902.

Rank 194

Lyons Inc., Wilmington, Del., reported consolidated figures in Section I that included subsidiary, Lyons Simpson & Associates.

The agency reported consolidated figures that did not include subsidiary, LSI Publishing.

In 1987, the agency gained: Abu Garcia; Healthcare Delaware; ARA Services; Caldwell Temporary Services; Du Pont Performance Products.

The agency lost: W.L. Gore & Associates.

Top execs: William N. Spiker, chmn, ceo; Mark H. Samuels, exec vp; Michael Nolan, sr vp, creative dir, Lyons Adv & Design; David Swajeski, sr vp creative dir, Lyons Presentations; P. Coleman du Pont, vp, mgmt super; Robert Simpson, mng partner, Lyons Simpson. Employees: 84.

Phone: (302) 654-6146.

Rank 390

Maleson Advertising, Owings Mills, Md., did not list accounts gained or lost in 1987.

Top execs: James Naylor, exec vp; Kathleen Hedrick, vp-mktng; Michael Elliott, creative dir; Laura Howard, media dir; Sheila Maleson, cfo. Employees: 15.

Phone: (301) 363-4480.

Rank 435

Mallof, Abruzino & Nash Marketing, Lombard, Ill., reported consolidated figures in Section I that did not include subsidiary, Print Pro.

In 1987, the agency gained: L'Brandy's; Faul Auto Dealers.

The agency lost: Grossinger Auto Group; Currie Motors.

Top execs: Edward G. Mallof, president; Edward J. Mallof, secty; Matthew Nash, vp. Employees: 15.

Phone: (312) 964-7722.

Rank 229

John Malmo Advertising, Memphis, in 1987 gained: McDonald's Memphis Mid-South Co-op; Charter Lakeside Hospital; Conwood Co.'s L.P.-smokeless tobacco.

The agency lost: Mid-South Beverages, Pepsi; Hoover Div; Inertia Dynamics Corp., Lawnboy.

Top exec: John R. Malmo, president. Employees: 58.

Phone: (901) 523-2000.

Rank 158

Malone Advertising, Akron, in 1987 gained: Goodyear General Products Div; Southeastern Savings & Loan; State of Ohio Department of Natural Resources; State of Ohio Department of Development.

The agency did not report accounts lost.

Top execs: Bain L. Malone, president & ceo; Harry P. Stitzlein, chmn; W. Lawrence Weltin, John R. Wirtz, Don Casselman, sr vps & genl mgrs; James B. Fry, vp, dir of client svc; Larry R. Lubenow, vp; Lynne R. Abramovich, vp & genl mgr; Don VanMeter vp-corp comms; Fred Bidwell, Lou Nonno, vps, creative dirs. Employees: 103 in 4 offices.

Phone: (216) 376-6148.

Rank 137

MARC Advertising, Pittsburgh, reported consolidated figures in Section I that included subsidiary, MARC Direct.

In 1987, the agency gained: Sears Chicago; Sears Houston, Sears Greensboro, Rax Restaurants.

The agency lost: Weight Watchers, Forest City Home Centers.

Top execs: Louis J. Cardamone, president & ceo; Anthony L. Bucci, exec vp, dir-client svcs; Gary P. Boens, exec vp, dir-business devel; Norbert J. Sieber, sr vp, dir-oper; Cynthia L. Zeth, sr vp, dir-creative svcs. Employees: 99.

Phone: (412) 562-2000.

Rank 236

Marcus Advertising, Cleveland, in 1987 gained: J.C. Penney Co.; Paramount Pictures; Nissan Dealers of Cleveland.

The agency lost: Gray Drugfair; E.B. Brown Optical; Greater Cleveland Oldsmobile Dealers.

Top exec: Harvey Scholnick, president. Employees: 41.

Phone: (216) 292-4700.

Rank 132

Margeotes Fertitta & Weiss, N.Y., in 1987 gained: American Society of Composers; Danskin; The Fur Vault;

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Celauro Sales; Cleopatra; *Business Week*.

The agency lost: Germaine Monteil; Kirin USA.

Top execs: John Margeotes, chmn; George Fertitta, president. Employees: 65.

Phone: (212) 620-3838.

Rank 275

Maris, West & Baker, Jackson, Miss., in 1987 did not report accounts gained or lost.

Top execs: Gerrit A. Maris, president; Norman L. West, exec vp; Harry C. Brown, vp-secty. Employees: 36 in 2 offices.

Phone: (601) 362-6306.

Rank 456

MarketAide Inc., Salina, Kan., in 1987 gained: Bunting Magnetics Co.; Asbury-Salina Regional Medical Center; Golden Plains Ag Technologies, formerly ACE Services Inc.

The agency lost: ACE Services Inc.

Top execs: Gary D. Ray, chmn, ceo; Russell C. Norwood, president. Employees: 15.

Phone: (913) 825-7161.

Rank 464

Marketing Associates International, Green Bay, Wis., in 1987 gained: Acme/Chaston; Wisard Software; Catenation; Green Bay Packaging, coated products division; Wisconsin Protective Coatings, Plasite; J.J. Keller & Associates. The agency lost: Vetter Mfg Co.; Tolibia Cheese.

Top execs: David A. Wood Jr., president, ceo; Barbara E. Wood, cfo, exec vp. Employees: 15.

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Rank 305

Marketing Communications Group, Toledo, in 1987 gained: Great Lakes Feedscrews; LAN Group; A.C. Leadbetter & Son; Sterling Engineered Products; Tel-Matic Systems.

The agency lost: Radisson Hotel, Toledo.

Top execs: Michael J. Zapiecki, ceo; Larry G. Williams, exec vp. Employees: 40.

Phone: (419) 249-7000.

Rank 385

Marketing Directions, Newport Beach, Calif., in 1987 gained: Fountain Valley Regional Hospital; Myocure Inc.; ICL Scientific; Cal-Surance Benefit Plans, Inc.; Hycor Biomedical Inc.; Northview Corp.; Bay Shores Medical Group.

The agency lost: Inner Spec; Anaheim Memorial Hospital.

Top execs: Richard L. Lawrence, chmn-ceo; Michael B. Cole, president-coo; James J. Lawrence, exec vp-creative dir; Timothy J. Friday, vp-professional svcs; Diane E. Manning, vp-fin. Employees: 19.

Phone: (714) 752-6211.

Rank 503

Marketing Lab, Danbury, Conn., in 1987 did not gain or lose any accounts.

Top execs: Allen F. Flouton, president; Ella S. Flouton, secty; Constance A. McManus, treas; Henry A. Mattoon, exec vp. Employees: 8.

Phone: (203) 790-7939.

Rank 175

Marketing Resources/WB&H Advertising, Lenexa, Kan., reported consolidated figures in Section I that included subsidiaries:

·The Project House

·MRI Market Research Field Service

In 1987, the agency gained: Navistar Intl Transportation Corp.; Kim Hotstart Mfg.; SKF Automotive Products.

The agency lost: Kenworth Truck Co.; Peterbilt Motors.

Top execs: Frank G. Weyforth Jr., president; Thomas Hyder, exec vp; Robert F. Higney, Jon Irish, Alan Hunsaker, sr vps; Chuck Bua, president, creative dir of WB&H; Robert A. Reagan, exec vp, coo of WB&H. Employees: 171.

Phone: (913) 492-9494.

Rank 214

Marketing Support, Chicago, in 1987 gained: US Brass Div, Household Intl; Doerr Electric; Von Schrader; Indian Seal; Superior Rubber; Imperial Eastman.

The agency lost: Allied Hardware buying group.

Top exec: David L. Weiner, president. Employees: 52.

Phone: (312) 565-0044.

Rank 230

Marquardt & Roche, Stamford, Conn., reported consolidated figures in Section I that included subsidiaries:

·Public Relations

·Direct Mail

In 1987, the agency gained: Donnelley Marketing; NAC RE Corp.; Singer Co.; GE Capital Fleet Services.

The agency lost: None.

Top execs: James Marquardt, president; Edwin Roche, exec vp; Allan Clamage, George Pryde, Howard Meditz, Angelo Sannasardo, Tom Hackett, vps. Employees: 45.

Phone: (208) 327-0890.

Rank 154

Martin Marshall Jaccoma Mitchell Advertising and Fox/MMJM Direct, New York, formerly MSSM Advertising, in 1987 gained: Olympia Office Equipment; Aruba (direct); Panasonic Electric Razors; F&W Publishing; Healthtex Children's Clothing; JC Penney Travel Services; Publishers Clearing House, telemarketing; Ralston Purina, RyCrisp, new product.

The agency did not lose any accounts.

Top execs: John Martin, president-ceo; Dan Marshall, George Jaccoma, creative dirs; R.B. Mitchell, coo; Neil Fox, president, Fox/MMJM Direct. Employees: 50.

Phone: (212) 683-0001.

Rank 118

Martin-Williams, Minneapolis, in 1987 gained: American MedCenters; USA Cafes Inc.; Chicago Cutlery; Minneapolis Children's Medical Center; Pillsbury; 3M Commercial Graphics.

The agency lost: Cargill, seed div; Northwestern National Life Insurance Co.

Top execs: David D. Floren, president; Tom F. Weyl, exec vp, creative dir; Tim C. Frojd, vp, treas; D. Steve Collins, Ronald N. Counton, Gerry W. Kleckner, Joseph F. Rabaglia, vps, mgmt supers; Kenneth M. Morrison, vp, exec art dir; William W. Zabowski, Lyle D. Wedemeyer, Pete P. Smith, vps, assoc creative dirs; Kathleen M. Garrity, vp, rsch dir; Daniel R. Woodbury, vp, media dir; Joyce A. Hovanes, vp mgr-business devel. Employees: 111.

Phone: (612) 340-0800.

Rank 400

Martiny & Co., Cincinnati, in 1987, the agency gained: Building Technologies Corp.; Cowgill-Harberer; Fischer Special Mfg; City of Forest Park; Krauss-Maffei; Meridian Diagnostics; Plastic Moldings Corp.; Swallens, Sweco Inc.; Weaver Corp.

The agency lost: Shopsmith Inc.; Vernon Manor Hotel.

Top exec: Kim R. Martiny, president. Employees: 22.

Phone: (513) 784-0400.

Rank 266

Mason & Madison, New Haven, Conn., in 1987 gained: Duracell REM; POP Rivet; Heli Coil; Baybank Connecticut, pr; Cablec; James River Corp.

The agency lost: U.S. Electrical Matons.

Top execs: Charles Mason, president-ceo; Harry Viens, exec vp, acct svcs; Stephan Earley, vp-creative dir; Judy Boncek, vp fin & admin; Darcey DiMenna, vp prod. Employees: 33.

Phone: (203) 393-1101.

Rank 492

Jack Mathis Advertising, Libertyville, Ill., did not gain or lose any accounts in 1987.

Top execs: Jack Mathis, president; Dene Hoffman, exec vp. Employees: 3.

Phone: (312) 367-1826.

Rank 129

McAdams, Richman & Ong, Bala Cynwyd, Pa., is the result of the August 1987 merger of MRI Advertising, Bala Cynwyd, and McAdams & Ong, Philadelphia.

Consolidated figures in Section I include subsidiaries:

·McAdams, Richman & Ong PR

·Richman Sales Promotion & Corporate Design.

In 1987, the agency gained: Oztec Corp.; Warminster General Hospital; AMTI; Johnson & Johnson, Sundown Sunscreen; Delaware Management Group; Hershey Park.

The agency lost: General Battery Corp.; Beneficial National Bank; Softswitch.

Top execs: Hank Kozlowski, chm; Brian McAdams, president, ceo; Tom Ong, exec vp, creative dir; Richard D. Booth, exec vp, cfo; Dennis Geraghty, exec vp-mkting; Frank Mercurio, sr vp, dir of client svcs; Gerald F. Selinger, sr vp, dir of home furnishings div; Richard M. Keith, sr vp, assoc creative dir; Alan Kline, Debbey Racano, vps, assoc creative dirs; John DeSanto, vp-media svcs. Employees: 90.

Phone: (215) 667-8900.

Rank 401

McConnaughy Barocci Brown, Chicago, a joint venture with Earle Palmer Brown Co., Bethesda, Md., in 1987 gained: Boulevard Bank; Broadacre Management Co.; Chicago Convention & Visitor's Bureau; HealthChicago; Spiegel Inc.; Thomas J. Lipton Inc.; Twinoak Products; Wisconsin Pharmacal Co.

The agency lost: None.

Top execs: Robert Barocci, chmn; Tom McConnaughy, president; Donald Campbell, mng dir; Lynn Hughes, dir-client svcs. Employees: 23.

Phone: (312) 280-5300.

Rank 397

McCormick Advertising Agency, Amarillo, Tex., in 1987 gained: Nusser Oil; Hereford Bi-Products; Western National Life.

The agency lost: None.

Top execs: Kathryn Cornett, president; G. Don Curphey, chmn; A.C. Henneman, exec vp & treas; Robert Phillips, vp. Employees: 22.

Phone: (806) 374-5333.

Rank 253

McDougall Associates, Peabody, Mass., in 1987 gained: Thermal Dynamics; Octocom; Mass Dental Assn; Voxx.

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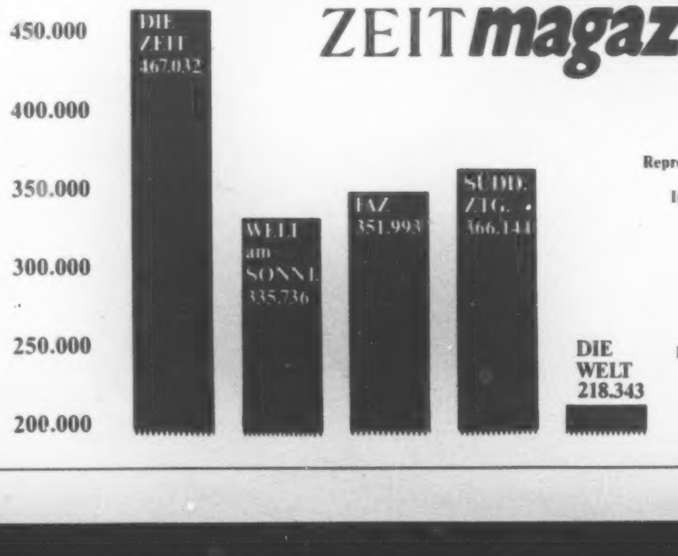

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The agency lost: Consumers Mortgage.

Top execs: Michael McDougall, chmn; Daniel McDougall, president; Phillip Hureau, sr vp, treas. Employees: 33.

Phone: (617) 532-6500.

Rank 160

McFarland & Drier, Miami, Fla., in 1987 gained: American Savings & Loan Assn; Beall's Department Stores; Carnival's Crystal Palace Resort & Casino; Flagler Greyhound Track; Florida Dept of Tourism; *Miami Herald*; *Miami News*; Omni International Hotel; Sheraton Key Largo; Sheraton Royal Biscayne; Wendy's South Florida Co-op. The San Juan, Puerto Rico office gained America Cyanamid; Business Men's Insurance; Ford and Lincoln Mercury Dealer Advertising Fund for Puerto Rico; Deya Elevator Co.; Four Winds Construction Co.; National Financial Group.

In Miami, the agency lost: CenTrust Savings Bank; Wendy's South Florida Co-op. The San Juan office lost Business Men's Insurance; Caribbean Hydrofoils; Southern Mortgage Corp.

Top execs: William Drier, president; William McFarland, chmn; John Nuccio, sr vp, dir mktg srvcs; William Adams, vp, assoc creative dir; John Arnholt, vp, fin/admin; Geri Donnelly, vp, media dir; David Romano, vp, assoc creative dir; Carol Singer, vp, mgmt super; Tim Swies, vp, acct super. Employees: 68 in two offices.

Phone: (305) 358-0108.

Rank 350

McFarland Group, Elm Grove, Wisc., in 1987 gained: J.F. Ahern; Bristol Development Corp.; Bristol Mills Shopping Center; Doucas Oldsmobile; Elm Grove Medical; Family Podiatry; King Juice; Mitsubishi Tractor; North Shore Dodge; Saber Dental Labs; Southgate Mall; Stuart-Peterson Commodities; Wildeck Mezzanines.

The agency lost: Western Development Corp.; Horst Distributing.

Top execs: Michael McFarland, president; Janice Penlesky, vp-media admin; Byron Foster, sr vp. Employees: 19.

Phone: (414) 786-5891.

Rank 413

McKee Advertising, Elk Grove Village, Ill., reported consolidated figures in Section I that included subsidiary, McKee Public Relations.

In 1987, the agency gained: American Colloid Co.; Chicago Specialty; NoviAmerican; Sangamon Inc.; Easy Heat; Daubert Coated Products; Broan Mfg., Nautilus Div.

The agency lost: None.

Top execs: Edward H. McKee, president & ceo; Thomas M. Behan, exec vp; Walter B. Denny, sr vp; William O. Makely, vp, dir-McKee PR. Employees: 18.

Phone: (312) 956-8188.

Rank 388

Robert McKim Advertising, Los Angeles, in 1987 gained: Westec Security; Educational Credit Corp.; MAI Basic Four.

The agency lost: Consumer Automotive Network.

Top execs: Robert McKim, president; Evelyn Schlaphoff, vp, genl mgr; Daniel Bockman, vp, creative dir; Philip Callihan, vp, client svcs. Employees: 17.

Phone: (213) 382-2358.

Rank 210

McKinney Inc., Philadelphia, reported consolidated figures in Section I that did not include subsidiary, Matrix Intl.

In 1987, the agency gained: Alp Lighting; ICI Americas; Meadowlands Country Club; Pioneer Screw & Nut Co.; Rank Precision Industries; Roseman Mfg.; Ricerca; Stradley Ronon Steven & Young; TRI-Clover; Camag Scientific.

The agency lost: Gelco Space; Synthane Taylor.

Top execs: George G. Thompson, chmn; Francis W. Callahan. Employees: 83 in 3 offices.

Phone: (215) 922-2635.

Rank 242

McKone & Co., Irving, Tex., in 1987 did not report accounts gained or lost.

Top exec: Peter J. McKone, president. Employees: 45.

Phone: (214) 550-7433.

Rank 128

M.E.D. Communications, Woodbridge, N.J., in 1987 gained: Du Pont Critical Care; Du Pont Pharmaceuticals; Sandoz; G.D. Searle & Co.; Smith Kline & French/national accounts; Wallace Laboratories; Meadox Medicals; Ortho Diagnostics.

The agency lost: None.

Top execs: Robert Portman, president; Tom H. Rosenwald, exec vp; Edward Cohen, exec dir-creative svcs; Skip Hurley, sr vp-computer graphics svcs; Fanita Taskier, sr vp-scientific svcs. Employees: 105.

Phone: (201) 636-6600.

Rank 252

Stan Merritt Advertising, New York, reported consolidated figures in Section I that included subsidiaries:

·Goodworth & Young
·Stan Merritt Production

In 1987, the agency gained: Olin Corp.; Sterling Drug; Martlet Importers; Blistex Inc.'s Kank-a Mouth Sore Medication, Ivarest Poison Ivy Cream, Foille First Aid Cream.

The agency lost: None.

Top execs: Stanley S. Merritt, president, creative dir; William H. Croke, exec vp; Richard A. Foley, sr vp/dir mktg svc; James S. Witherell, mng dir-Chicago; Bernard Ackerman, sec/legal; William Blaney, exec art dir; Harry C. Doolittle, assoc creative dir; Michael Keenan, exec media dir. Employees: 20 in 2 offices.

Phone: (212) 867-4650.

Rank 153

Messner, Vetere, Berger, Carey Advertising, New York, in 1987 gained: *Life* magazine; Pyramid Companies; Rockport Co.; Schrafft's Ice Cream Co.; Sparks Tune-Up Centers; Royal Crown Candies.

The agency did not report accounts lost.

Top execs: Walter Carey, president; Tom Messner, Barry Vetere, Ron Berger, creative dirs. The agency did not report number of employees.

Phone: (212) 832-7722.

Rank 377

R.L. Meyer Advertising, Milwaukee, Wis., in 1987 gained: Federated Foods; Krier Foods; Gillick, Murphy, Gillick & Wicht; Milwaukee Art Museum.

The agency lost: None.

Top exec: Robert L. Meyer, president. Employees: 18.

Phone: (414) 933-3344.

Rank 349

Michael & Partners, Dallas, reported consolidated figures in Section I that included subsidiary, Michael & Lane.

In 1987, the agency gained: American Airlines; Nautilus Sports/Medical Industries; Pearle Health Services; Winstead, McGuire, Sechrest & Minick.

The agency lost: McGraw-Hill (CCMI)

Top execs: George Michael, president; Peggy McCurry, Kelly Lane, Carlo Flores, group vps; Michael Lawrence, creative dir. Employees: 27.

Phone: (214)520-1200.

Rank 141

Miller Meester Advertising, Minneapolis, in 1987 gained American Pop Corn Co.; Chemical Bank Properties; Farberware; Guthrie Theater; Mister Donut of America; Natl Computer Systems; Northrup King Co.

The agency lost: Farm Credit Services, Louisville; National City Bank.

Top execs: Robert V. Miller, president-ceo; Karen Kangas, exec vp-coo; Ted Priebe, Dick Damrow, exec vps; Dan Oberpriller, Dean Oberpriller, J. David Tinnen, Amelia Grinstead, sr vps. Employees: 92, up from 80 in 1986.

Phone: (612) 854-8944.

Rank 290

Mills Hall Walborn & Associates, Cleveland, in 1987 gained: Century 21, Buffalo, N.Y.; East Ohio Gas Co.; Fidelty Leasing Corp.; Gardner Inc.; Gorant Candies/Yum Yum Tree Stores; Kenco Group Enterprises; Kenny Carpet; Laurel Lake; Medart Engines & Parts; Neurological Diagnostic Clinic; Ontario Honda; Precision Selling Consultants Inc.; Selling Edge; Warren Roofing & Insulating Co.

The agency lost: Adventure River; Springer Group, hotel mgmt.

Top execs: Bruce C. Walborn, ceo; Michael A. Mooney, president; Alfred J. Hall, exec vp-treas; Raymond Serraglio, vp-dir movie adv; Tim B. Cantwell, vp-bus devel; Victor Gozion Jr., vp-creative dir; Gerald R. Giles, vp-sr acct exec; Sally H. Boggins, vp-media dir; Tracey F. Miner, vp-genl mgr-Rochester; Carol Kuk, vp-co-op adv mgr; Henry Dietz, vp-controller. Employees: 42.

Phone: (216) 464-7500.

Rank 480

William Mills Advertising & Marketing, Atlanta, in 1987 gained: Ideal Optics; Lundy Electronics; Data Systems Design; Tristar Systems.

The agency lost: Steinemann.

Top execs: William E. Mills Jr., president; Eloise B. Mills, corp sec, media dir; Herbert C. Morgan III, exec art dir. Employees: 10.

Phone: (404) 261-4900.

Rank 419

Minturn Advertising, Shawnee Mission, Kan., did not report accounts gained or lost in 1987.

Top exec: Brian N. Minturn, dir-acct svcs. Employees: 21.

Phone: (913) 831-3601.

Rank 144

Mintz & Hoke, Avon, Conn. in 1987 gained: Partners Health Plan of Southern New England; VHA of Southern New England; Monitor Productions.

The agency lost: Multi-Group; ConnectiCare Inc.; Unimation Inc.; Macmillan Software Monitor Productions.

Top execs: Joseph Hoke, president, creative dir, ceo; Alan Mintz, chmn; Dale Kessel, exec vp, genl mgr; Tim Adams, sr vp-acct mgmt; Dik Haddad, sr vp, assoc creative dir; James C. Steuer, sr vp, dir mkt rsch; Stephen G. Sullivan, sr vp, genl mgr-Boston; John F. Mennis, ceo; Glenn Meyers, dir mktg svcs. Employees: 102 in 2 offices.

Phone: (203) 678-0473.

Rank 359

Mitchell & Comer, Toledo, in 1987 gained: Armstrong Ceilings; Weyerhaeuser Commercial Doors; Weyerhaeuser Paneling; Growing Family; TRINOVA.

The agency lost: Commodore Island; Instalert; Hillcrest Hotel.

Top execs: Lee Comer, president, creative dir; Mark Mitchell, exec vp; Mike Hardman, Vyto Bendoraitis, sr vps; Jim Lundberg, treas. Employees: 36 in 2 offices.

Phone: (419) 243-7600.

Rank 110

Mojo, San Francisco, reported consolidated figures in Section I that included subsidiaries:

·Mojo Public Relations
·Target Direct Response

In 1987, the agency gained: Armanino Foods; Calavo Avocados; Iron City Beer; Lone Star Beer; Mug Root Beer; Northern California Toyota Dealers; Otis Spunkmeyer Cookies; Ramada Renaissance Hotel; Rainier Beer; Stubbies Sportswear; Sun World Fresh Produce; Swan Beer; Tourism Australia; Dresser Industries; DuPont Health; HEI; Heidys; PennWell Publications; Petrolite; Powercise; Shell Signature Card; Texas Iron Works; TF Hudgins; Trident; Trinity Computing; Beecham Products; Revelations Shoes; Rosemount Wines.

The agency lost: Bank of America; Northern California Chevrolet Dealers; Micropro; Airco/Temescal; Easton Sports; Lucky Stores; Sapporo Beer; Shamitoff Foods; Toyje foods; Gerlands; G.E. Credit.

Top execs: Don Dorward, chmn; Bob Hoffman, president & ceo; Bob Riddell, exec vp-finance & admin; Richard Bell, Ed Bennett, Barbara Frazier, John Galbraith, Fred Greene, Les Mullins, Steve Wille, sr vps-acct svcs; Kurt Olson, sr vp-media planning; Dawn Tognoli, sr vp-media buying; Art Abel, sr vp-creative; John Coll, Fran Huelse, Mort Kohn, Greg Wilson, sr vps, assoc creative dirs; Bob Blomquist, dir-sales promo; Gil Lindberg, rsch dir; Connie Fox, dir-print production; Jerry Kreeger, dir-broadcast production. Houston: Joe Van Trump, president; Ross LeFevre, exec vp; Bill Manos, sr vp-acct svcs; Jim Whaley, vp, creative dir; Scott Haslam, media dir. N.Y.: Julian Martin, vp, genl mgr; Rodd Martin, George Betsis, creative dirs. Employees: 130 in 6 offices.

Phone: (415) 956-7470.

Rank 142

Eric Mower & Associates, Syracuse, N.Y., in 1987 gained: Agway Data Services; Asway Petroleum Corp.; Ensign Bank; Funk & Wagnalls Galleries of Syacuse; Bruno Magli Shoes; Philips ECG; Signature Golf Shoes; Summa Computer Systems.

The agency lost: Comstock Foods; Hobe CIE Ltd.; Twincraft.

Top execs: Eric Mower, president, ceo; Francis T. Nichols, Jay Quinn, exec vps; Ann Higbee, sr vp-pr; Dr. John Huppertz, sr vp-mktg & rsch; Ray Seide, sr vp-creative. Employees: 115.

Phone: (315) 472-4703.

Rank 485

MSA Advertising, Philadelphia, in 1987 gained: Schaffner EMC; Two Technologies; Sussex Semiconductor; Touches Boutique.

The agency did not report accounts lost.

Top exec: Michael Schwartz, president. Employees: 7.

Phone: (215) 546-8000.

Rank 150

Mullen Advertising, South Hamilton, Mass., in 1987 gained: Hit or Miss; The New England; Banyan Systems; Uno Restaurants; Bull Peripherals.

The agency lost: Maserati; *Inc. Magazine*; Domain; Lojack; Raben Publishing.

Top execs: James X. Mullen, president; Paul H. Silverman, exec vp, creative dir; Joseph M. Grimaldi, exec vp, dir-client svcs; Carin I. Warner, sr vp, dir-pr; Edward E. Boches, John Doyle, Stephen W. Haesche, sr vps-creative; Harry L. Barrett, vp, dir-mktg; Ray V. Belles, vp, acct dir; Vivian Christiano, vp-production; James E. Hartrich, vp, dir-rsch; Alan B. Johnson, vp, dir-media svcs; Robert B. Kiel, vp, acct dir; Judy Penny, vp, sr art dir; Jeanne P. Ridgway, vp, treas; Paul M. Slack, vp, controller; Janet E. Swaysland, vp-pr. Employees: 65.

Phone: (617) 468-1155.

Rank 140

Muller Jordan Weiss, New York, in 1987 gained: Blair Entertainment; Hearst Corp.; WearEver-Proctor Silex.

The agency lost: Levolor Lorentzen; Society For Savings, Hartford.

Top execs: John T. Jordan, chmn & ceo; Jane Maas, president; Frank B. Muller, exec vp, treas; Andrew M. Weiss, exec vp, sec. Employees: 88 in 2 offices.

Phone: (212) 603-6600.

Rank 165

Mutual Media, New York, in 1987 gained: B&B Medical Supply; G.N.P. Corp.

The agency did not report accounts lost.

Top execs: Richard Blank, president; David Blank, chmn, advisory board; Roslyn Shaw, treas; Helen Richman, admin dir; Jacqueline France, creative dir; Pam Daniels, art dir; Elizabeth Lips, media dir Employees: 30.

Phone: (212) 490-2077.

Rank 335

MWA Direct, Minneapolis, in 1987 gained: Canon USA; Electronic typewriter div; Haworth; Ricoh, Communication Products Group; Valcom Computer Stores. The agency lost: None.

Top execs: Michael Wikman, president; Peter Wuebker, vp. Employees: 7.

Phone: (612) 522-3673.

Rank 207

Frank C. Nahser Inc., Chicago, did not report accounts gained or lost in 1987.

Top execs: F. Byron Nahser, president & ceo; R. Bruce Marsh, exec vp. Employees: 42.

Phone: (312) 845-5000.

Rank 191

Newmark, Posner & Mitchell, New York, in 1987 did not report accounts gained or lost.

Top execs: Sidney Posner, president; Peter Posner, sr vp; Steven Posner, vp, dir-oper; Richard Pines, Nick Chavin, Lanny Lambert, Ron Shafran, vps-acct svcs. Employees: 68 in 2 offices.

Phone: (212) 867-3900.

Rank 325

New Trend Agency, Hackensack, N.J., in 1987 gained: Woodbridge Dodge, auto dealership; Olsten Temporary Services; Access Data Systems.

The agency lost: Leonard Kreusch Wines; Gene Hacker, Inc., camera & video retailer.

Top execs: Geri Boxer, president; Richard Friedman, exec vp; Kenneth Klein, sr vp. Employees: 15.

Phone: (201) 342-3444.

Rank 336

NKH&W Marketing Communications, Kansas City, in 1987 gained: Farm Credit Services-Wichita; Lietz Co.; Metlife Healthcare; Concrete Producers Group; ProSoCo Inc.; ADCOM.

The agency lost: Hillyard Chemical Products.

Top execs: F. Peter Kovac, president; Paul Welsh, exec vp; John Nicholson, exec vp-sec; C.N. Foxworthy, treas; Robert Merrigan, vp. Employees: 38.

Phone: (816) 753-8881.

Rank 119

Noble Communications, Springfield, Mo., reported consolidated figures in Section I that included subsidiary: Noble Marketing Group.

The agency acquired Don Tennant Inc., Chicago, in October, 1987, and Liller Neal Inc., Atlanta, in November creating two new divisions.

In 1987, the agency gained: Colombo Yogurt, frozen products; Durkee-French Foods. No losses were recorded in 1987, although in early 1988 Tyson Foods departed.

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Phone: (417) 882-5050.

Rank 167

North Castle Partners, Greenwich, Conn., in 1987 gained: Ocean Spray Cranberry Juice Drinks, Concentrated Drinks, Chilled Drinks; Konica Cameras, Film & Photographic Papers.

The agency lost: Ocean Spray Grapefruit Juice; Sugar Assn.

Top execs: William L. Ballard, chmn; Lynn A. Rotando, president; Harold Rosen, exec creative dir; Robert N. Lelle, creative dir; Clifford McFeely, Robert Pallotta, Sheffield Halsey, sr vps, mgmt rep; Grant MacDonald, sr vp-strategic plng; Shelly Milchman, vp, media dir; Deborah Sawch, vp, business devel dir; Robert Schneider, vp, production dir. Employees: 53.

Phone: (203) 622-1122.

Rank 496

NPC & Associates, Landover, Md., in 1987 gained: D.C. SuperCola; Vern Dean, Redskins; Crumwell Group; WMMJ-102.3 FM; *Small Business Journal;* Md. You're Beautiful, D.C. minority campaign.

The agency lost: *Black Family Magazine*.

Top exec: Nathaniel Tope, president, creative dir. Employees: 10 in 2 offices.

Phone: (301) 925-9475.

Rank 121

Omni Marketing, Oakbrook Terrace, Ill., in 1987 gained: GTE Telephone Operations, Stamford, Conn., direct marketing; Nestle-Beich, fund-raising candies.

The agency did not report accounts lost.

Top execs: Gerald E. Graunke, chmn-ceo; Terence M. Graunke, president-coo; Grace F. Graunke, corp vp; Russell D. Graunke Jr., vp-mgmt super; Deborah J. Carmichael, genl mgr, oper. Employees: 60.

Phone: (312) 932-8400.

Rank 463

Oppenheim Herminghausen Finley, Dayton, Ohio, did not report accounts gained or lost in 1987.

Top execs: Robert Oppenheim, president; Warren Herminghausen, vp-treas, creative dir; John Finley, vp-sec, art dir. Employees: 12.

Phone: (513) 296-0697.

Rank 410

O'Sullivan Advertising/PR, Morristown, N.J., reported consolidated figures in Section I that included subsidiary: Graphicus 14 Inc.

In 1987, the agency gained: Kendall Homes; Wellington Product Co.; Contempro Intl; NJ Natural Gas; Purolator Courier Projects; Abu Garcia, Inc.; Aetna Chemical Corp.; Datacor; Bell Atlantic Mobil Systems.

The agency lost: Karcher Pressure Washers; Lime Stone Products; Prismo; Amcest Corp.; Stauff Mfg Inc.

Top execs: Owen M. O'Sullivan, president, creative dir; Sheldon Axler, vp, genl mgr; Sam Scillieri, vp, art dir; Dianne Enger, vp, media dir. Employees: 12.

Phone: (201) 267-1440.

Rank 227

Paolin & Sweeney, Cherry Hill, N.J., in 1987 gained: Metrologic Instruments; Eaglespeed Oil & Lube; Berman Development.

The agency lost: Jiffy Lube; Greentree Mortgage.

Top execs: John R. Paolin, president; Thomas B. Sweeney, exec vp. Employees: 38.

Phone: (609) 667-7700.

Rank 273

Patchen Brownfeld, Phoenix, in 1987 gained: DMB Associates; AmeriWest Vacations.

The agency lost: Continental Homes; The Ryerson Co.; National Health Enhancement Systems; Paradise Valley Resort.

Top execs: Steve Patchen, president-acct svcs; Fred Brownfeld, president-creative svcs. Employees: 31.

Phone: (602) 274-7707.

Rank 439

Patterson Advertising Agency, Topeka, Kan., reported consolidated figures in Section I that included subsidiary: First Impressions.

In 1987, the agency gained: Food 4 Less; McGaw Communications; PCA Keystone.

The agency lost: Productive Training Corp., San Jose, Calif.

Top exec: Donald M. Shurtz, president. Employees: 19.

Phone: (913) 266-3636.

Rank 289

Pedone & Partners, New York, in 1987 gained: Chesebrough-Ponds; Colgate-Palmolive; Cumberland Packing Corp.; Dorman, N. & Co.; S.T. Dupont-Div of Gillette Corp.; Goebel Promotion-Div of Goebel; Knomark Inc.; Lindy's Food Products; Thomas J. Lipton; Shaw Ross International Importers; Textron Inc.; Tivall Soy Protein Products; Tradex Brokerage Service.

The agency lost: None.

Top execs: Michael F. Pedone, president & ceo; Camille Staciva, sr vp, dir-strategic plng; Kathleen Kiely, exec vp, creative dir. Employees: 22.

Phone: (212) 319-2000.

Rank 300

Penny/Ohlmann/Neiman, Dayton, Ohio, reported consolidated figures in Section I that included subsidiary: Telad Intl, yellow pages.

The agency did not report accounts gained or lost in 1987.

Top execs: Walter Ohlmann, president-ceo; Robert L. Penny, chmn; Ralph Neiman, exec vp. Employees: 50.

Phone: (513) 278-0681.

Rank 383

Penny & Speier, Houston, in 1987 gained: CITGO Petrolum Products; Service Corp. Intl; Mortgage Guaranty Insurance Corp.

The agency lost: Daniel Industries.

Top execs: C.R. Penny, chmn; Stephen S. Speier, president. Employees: 27.

Phone: (713) 965-0331.

Rank 344

Peterson-Morris MacLachlan, Minneapolis, in 1987 gained: Aamodt's Apple Farm; Austin Utilities; Chute Companies; Perma Groove; Southern Minnesota Municipal Power Agency; Superior-Dairy Fresh.

The agency lost: Cardio-Pace Medical; Woodlake Point; FutureCare Systems.

Top execs: Jack Morris, president; Nate Morris, Jim MacLachlan, exec vps; Stu Almleaf, sr vp; Mike Larson, CPA, controller. Employees: 35.

Phone: (612) 331-8000.

Rank 262

Pihas, Schmidt, Westerdahl Co., Portland, Ore., in 1987 gained: No-nonsense Pantyhose, direct mktg; Oil Can Henry's.

The agency lost: Oil Can Henry's; Oregon State Lottery; National Christmas Tree Assn.

Top execs: John S. Pihas, president; Ronald G. Schmidt, exec vp; Edward G. Westerdahl, chmn. Employees: 45.

Phone: (503) 279-4000.

Rank 426

Poindexter Associates, Roanoke, Va., in 1987 gained: Bernard's Landing, lake resort; Dragon Chemicals Co.

The agency lost: Huff-Cook MBA.

Top execs: Dale Poindexter, president; Lee Garth, exec vp; Herb Weaver, vp-oper; Dave Purdum, assoc creative dir; Marty Ryan, media dir. Employees: 14.

Phone: (703) 345-2400.

Rank 357

Point Communications, Dallas, in 1987 gained: Sculpture Inc.; Baker & McKenzie; Promenade National Bank; Meakings Group.

The agency lost: Stroh Brewery; Depalma-Korsmeier.

Top execs: Bill R. Neale, president; Willard B. Moon, exec vp; Robert E. Sherman, Joseph D. Polk, Lloyd Sheep, Wayne P. Banks, vps; Patsy R. Fain, vp-media dir. Employees: 34.

Phone: (214) 851-1100.

Rank 402

Polese Clancy, Boston, in 1987 gained: Streetcars; Northern Isles; Falcone Piano; Met Life State Street; Eliot Bank; Logus Corp.

The agency also gained two foreign accounts: Forum Reinsurance; Ocean Fleet Yachts—Hamilton Bermuda.

The agency did not lose any accounts.

Top execs: Marcia Polese, president; Ellen Clancy, treas, sr creative dir; Bill Lane, sr vp. Employees: 12.

Phone: (617) 367-6730.

Rank 316

Pool/Sarraille Advertising, Los Angeles, did not report accounts gained or lost in 1987.

Top execs: Harvey Pool, president, creative dir; Ed Sarraille, exec vp. Employees: 30.

Phone: (213) 479-4166.

Rank 484

Bernard Popick Associates, Atlantic City, in 1987 gained: Harrah's Marina Hotel-Casino; Pratt Hotels, Atlantic City, N.J., Dallas; Society of Real Estate Appraisers, Chapter 26.

The agency lost: Golden Nugget Hotel Casino; Carousel Club Hotel; George A. Fuller Co.

Top execs: Bernard A. Popick, president; Frances L. Popick, vp-treas; Fay P. Catando, vp-opers; Judith S. Perskie, vp-acct svcs. Employees: 7.

Phone: (609) 348-2600.

Rank 115

Poppe Tyson, New York, in 1987 gained: ITT Gilfillan; Osram; Wheelabrator; Summit Chatam Bancorp.; Elizabethtown Gas Co.; ITT Gallium Arsenide.

The agency lost: Monroe Business Systems; U.S.I. Chemicals; Amoco Performance Products.

Top execs: Ronald G. Vrba, chmn; Fergus O'Daly, president & ceo; Gary Davis, exec vp; Larry Wattman, Gary Watson, sr vps, creative dirs. Employees: 124 in 3 offices.

Phone: (212) 725-2900.

Rank 298

Posey, Quest, Genova, Greenwich, Conn., in 1987 gained: Sandoz Consumer Health Care Group; Beiersdorf Medical Div; Humphrey's Pharmacal.

The agency lost: Requa Inc.

Top execs: James H. Quest, president-ceo; Joseph Genova, exec vp-creative dir; Louise K. Erdman, vp-dir acct svc; Sharon Antonios, vp-co-creative dir; Robert L. Liddel, vp-dir media & programming; Matthew C. Tokatlian, vp-dir finance. Employees: 28.

Phone: (203) 531-4900.

Rank 235

Potterhazlehurst Inc., East Greenwich, R.I., reported fiscal figures ended June 30, 1987 in Section I.

In 1987 it gained: Simplex Time Recorder Co.; Wright Line; Country Home Bakery.

The agency lost: Bank of New England; BarclaysAmerican.

Top execs: Thomas E. Hazlehurst, chmn & ceo; Herbert C. Sawyer, president; Nathanel Frothingham, sr vp. Employees: 54.

Phone: (401) 885-4300.

Rank 446

Praco Ltd., Colorado Springs, in 1987 gained: City of Colorado Springs Convention & Visitors Bureau; Winne Furniture; Colorado Springs Municipal Airport; Pikes Peak Highway.

The agency lost: Athletic Factory; Jocque Shops; Calmet Corp.

Top execs: James W. Hall, president; Nechie T. Hall, vp-sec; Geri Vanderwar-

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Rank 197
Price McNabb Advertising Agency, Asheville, N.C., in 1987 gained: Dial Page; Elk River; First Home Federal Savings & Loan; Modern Globe; McDonald's; Rex Hospital; Business North Carolina; Northern Telecom; Volvo-GM Truck; Axiom.

The agency lost: Adams Millis; Concord.

Top execs: Charles R. Price Jr., chmn; Robert B. Boettcher, president-Asheville div; Ron Campana, president-Raleigh div; Powell Blue, exec vp-fin/admin; Harris J. Fields, exec vp-creative dir-Asheville; Craig Jackson, sr vp-creative dir-Raleigh; David E. Rogers, sr vp-media svcs; Thomas E. Eppes, sr vp-pr div; Peter F. Lloyd, sr vp-Columbia div; S. Christopher Starin, vp-Charlotte div; Judy Dalton, vp-media svcs; David L. Moody, vp-mktg/strategic devel. Employees: 86.

Phone: (704) 254-7461.

Rank 267
Pringle Dixon Pringle, Atlanta, in 1987 gained: First American Bank; McDonald's Co-op; Mitre.

The agency lost: Wild Dunes; Southeastern Savings; Jack's Food Systems.

_ Top execs: James A. Pringle, ceo; Janice S. Pringle, president, pr; R. Jobie Dixon, sr exec vp; Mary Adams, exec vp. Employees: 48 in 2 offices.

Phone: (404) 688-6720.

Rank 455
Qually & Co., Chicago, in 1987 gained: Taito America Corp; Windy City Cafe; Ringo Inc.; Museum of Broadcast Communications. Overseas, it gained Taito America Corp.

The agency did not report accounts lost.

Top execs: Robert Qually, president, creative dir; Michael Iva, vp-acct svcs; Fred Saleh, vp-mktg, genl mgr; Holly Thomas, vp, creative dir; Dennis McInerney, sales mgr. Employees: 15.

Phone: (312) 944-0237.

Rank 487
L. Quillin & Associates, LaCrosse, Wis., in 1987 gained: Ken-Way Corp.; Radisson Hotel-LaCrosse; Post Design Development.

The agency did not list accounts lost.

Top exec: Lawrence J. Quillin, president Employees: 5.

Phone: (608) 788-8292.

Rank 428
Jules Rabin Associates, Valley Stream, N.Y., in 1987 gained: Liberty Mortgage Corp.; Nassau Pain & Stress Center; Long Island Sports Hall of Fame.

The agency did not lose any accounts.

Top execs: Jules W. Rabin, president; Melvin Weber, exec vp; Melvin Kaplan, vp. Employees: 20.

Phone: (516) 561-9160.

Rank 244
Reimel Carter Advertising, Philadelphia, in 1987 gained: Assist America; Delaware Trust Co.; Fox & Lazo; Kody Lighting; Retirement Life Planners; Robinson Luggage; A. Pomerantz & Co.; Variety Charity for Handicapped Children.

The agency lost: Health Corp. of America; Poquessing Corp.; World Life & Health Insurance; Yorkship Business Supply.

Top execs: Theodore L. Reimel, president, treas; Edward P. Carter, exec vp, sec; Karen L. Connor, sr vp-acct svcs; David M. Rackow, sr vp, creative dir; Laurence L. Bazar, vp-fin & oper; Donald F. Danese, vp, sr acct group; Mark Von Zech, vp, art dir; Judith M. Titch, vp, media dir; Maureen A. Kennard, vp-production, traffic; Joseph F. Piper, vp, assoc creative dir; Frederick A. Zimmer, vp-audio visual. Employees: 31.

Phone: (215) 735-3200.

Rank 131
Richardson, Myers & Donofrio, Baltimore, in 1987 gained: Du Pont, fabricated products; Arcata Graphics; Chipman Chemicals; Sakrete Licensees Group; Philadelphia Electric Co.; ICI Americas, Force; Karate.

The agency lost: American Cyanamid Animal Health Dept, domestic; Delaware Group.

Top execs: Hal Donofrio, president-ceo; Jamie Rice, Chuck Donofrio, exec vps; Ken Majka, exec vp-creative dir; Chris Hartman, exec vp-genl mgr pr; Bill Porter, sr vp, media dir; Jed Lafferty, Sarah Adams, Jim Palmer, sr vps; Bob Cooke, sr vp-assoc creative dir. Employees: 103.

Phone: (301) 576-9000.

Rank 403
John Risdall Advertising, New Brighton, Minn., in 1987 gained: Waldoch Crafts; Victory Arms Ltd.; Haas Display Co.

The agency did not report accounts lost.

Top exec: John Risdall, president. Employees: 12.

Phone: (612) 631-1098.

Rank 228
Rizzo Simons Cohn, Boston, in 1987 gained: a/d/s, hi-fi components; Autographix; Bachman Information Systems; Polaroid Corp, floppy disks; Delta Computer.

The agency lost: Harvard Health; Staples, office products; Delta Computer.

Top execs: J. Peter Rizzo, chmn-ceo; Thomas S. Simons, president; Richard E. Cohn, exec vp, creative dir; John G. Maruskin, exec vp, mktg svc dir. Employees: 43.

Phone: (617) 423-2700.

Rank 174
Robinson, Yesawich & Pepperdine, Maitland, Fla., in 1987 gained: La Costa Hotel & Spa.

The agency lost: Royal Concordia.

Top execs: John Robinson, Jr, chmn; Peter C. Yesawich, president; Jim Pepperdine, sr vp.

Employees: 70 in 4 offices.

Phone: (305) 875-1111.

Rank 409
Roggers, French & Co., Irvine, Calif., in 1987 gained: Triathon Business Computers; Wil Wrights Ice Cream; Triathon, Canada.

The agency lost: Asta Designs; Tricom Systems.

Top execs: William C. French, president; Jane B. Roggers, Carol L. Malek, vps. Employees: 21 in 3 offices.

Phone: (714) 261-6122.

Rank 109
Rosenfeld Sirowitz Humphrey & Strauss, New York, in 1987 gained: Bain de Soleil.

The agency lost: Charles of the Ritz; Thompson Medical Products.

Top execs: Ronald Rosenfeld, Leonard Sirowitz, Harold Strauss, co-chmn; Linda Srere, exec vp, dir-acct mgmt; Leslie Amozig, exec vp, dir-media operations; Lou Carvell, sr vp, creative dir; Robert Mayer, Harvey Kipnis, sr vps, mgmt super. Employees: 97.

Phone: (212) 505-0200.

Rank 117
Rolf Werner Rosenthal Inc., New York, a subsidiary of Ogilvy & Mather Worldwide, reported consolidated figures in Section I that included subsidiary, World Health Communications.

In 1987, the agency gained: Sandoz Pharmaceutical Corp.; Parke-Davis, div. of Warner Lambert, Trimetrexate; Metro Med, oral contraceptives.

The agency lost: None.

Top execs: Rolf Werner Rosenthal, chmn; Ronald J. Souza, president & ceo; Philip Brady, exec vp; Sylvio deRouin, sr vp, creative dir; Howard Reiss, sr vp, mng dir-WHCI; Barry Strumwaser, sr vp, dir-client svcs; Marjorie Vincent, sr vp, assoc creative dir. Employees: 91.

Phone: (212) 684-0909.

Rank 102
Rumrill-Hoyt, Rochester, N.Y., part of the Saatchi & Saatchi network, in 1987 gained: Xerox Voice Messaging Systems; Widmers PR, wine; Phoenix Integrated, athletic shoes; R.T. French, mustard.

The agency lost: None.

Top execs: Richard Thomson, chmn & ceo; Nick Orloff, president & coo; Gale Johnson, vp, dir-pr; Kurt Minwell, vp-finance; Tim Cronin, dir-client svcs; Robert Heberger, vp, dir-mktg svcs. Employees: 150.

Phone: (716) 272-6100.

Rank 155
Sacks & Rosen, New York, reported consolidated figures in Section I that included subsidiary, Response Strategems.

In 1987, the agency gained: Pratesi Italian Linens; Enamelique Cosmetic Dentistry of New York; Cox & Hawkens Men's Clothing; Martec, Inc.; Swiss Gold-Coffee Filter System; Perlier-Honey-based Toiletries.

The agency lost: *House & Garden*.

Top execs: Leonard Sacks, president; Michael Rosen, exec vp; Amy Gold, David Griffing, creative dirs; Sheldon Lipton, vp-mktg; Pamela Weiss, sr vp, mgmt super-direct response. Employees: 49.

Phone: (212) 826-4004.

Rank 477
Sader & Associates, New York, in 1987 gained: National Football League Properties; Warren, Gorham & Lamont; Highlights for Children; East Coast Sheet Metal Fabricating Corp.; Athletic Supply Co.

The agency did not list accounts lost.

Top execs: Archie A. Sader, president; Richard Povill, creative dir; Gregory Curran, media dir. Employees: 3.

Phone: (212) 725-0770.

Rank 445
Sandage Inc., Burlington, Vt., reported consolidated figures in Section I that included subsidiary, On-Line Direct; MKQ.

The agency did not list accounts gained or lost in 1987.

Top execs: Barbara Sandage, president; Bill Peters, vp. Employees: 18.

Phone: (802) 658-4800.

Rank 406
Peter Scannell Inc., New York, in 1987 gained: Metlife; Medco.

The agency lost: New York Health & Hospitals Corp.; Showtime.

Top execs: Peter Scannell, president; Carol T. Savage, vp. Employees: 8.

Phone: (212) 947-3822.

Rank 317
Scharfberg & Associates, Jenkintown, Pa., in 1987 gained: Weight Watchers, Vixen Motor Co.; Sassafrass; Wall Vault; Ira Lish Clothier; CMQ.

The agency lost: Atomic Tires; Hyatt Cherry Hill.

Top execs: Sheldon Scharfberg, president, R.S. Menapace Jr., exec vp, creative dir; Doug Scharfberg, vp. Employees: 28.

Phone: (215) 885-7050.

Rank 321
Schenkein/Associates, Englewood, Colo., in 1987 gained: National Demographics and Lifestyles; X—Press Information Services; Western Partek; Joseph Farber, real estate; Mile High Cablevision; Hiex International.

The agency lost: Candy's Tortilla Factory; Evans Furs.

Top execs: Robert A. Schenkein, president; Greg Taucher, vp-acct svcs; Carl Kay, vp-pr; Wade Blacketor, vp-fin. Employees: 28.

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Most significantly, while network television billings among the top 25 agencies fell 1.4 percent, network billings among the remaining agencies grew 1.7 percent.

To identify these agencies, AD AGE lists them in ranked order in the top 50 markets below. Billings totals are only for local shops in the respective market. For example, Evans Communications is ranked No. 1 in Salt Lake City on the basis of its billings in that city only. Its Seattle shop ranks No. 2 in that city.

Most of the agencies listed by market reported billings information via questionnaires verified by outside accountants. However, those with asterisks (*) did not report in this issue and required phone calls. Local business journals and advertising associations were consulted at times to arrive at an accurate market list when agencies did not cooperate.

The chart covers the top 50 markets, but only 47 are listed because of the merging of adjacent, inter-dependent markets (e.g. Oakland and San Francisco) or the lack of at least four agency reports from a market (e.g. Anaheim). Only the top 50 are considered because few agencies of size are found in leading markets beyond that point.

Market rankings are based on 1986 U.S. Census data.

1. New York: 8,465,800

($ in millions)	1987	1986
Saatchi & Saatchi DFS Compton	1,392.0	1,311.1
Grey	1,202.4	1,122.8
Backer Spielvogel Bates	983.7	974.6
Young & Rubicam	890.0	794.6
Ogilvy & Mather	733.0	708.0

2. Los Angeles: 8,108,700

($ in millions)	1987	1986
Foote, Cone & Belding	259.0	229.0
Saatchi & Saatchi DFS	235.0	150.0
Admarketing Inc.	201.0	184.0
Chiat/Day	140.0	141.0
Grey Western Div.	131.7	117.4

3. Chicago: 6,176,900

($ in millions)	1987	1986
Leo Burnett Co.	1,550.0	1,361.6
Foote, Cone & Belding	499.0	459.0
DDB Needham	434.5	405.0
J. Walter Thompson	387.4	415.0
Tatham-Laird & Kudner	241.8	238.5

4. Philadelphia: 4,784,200

($ in millions)	1987	1986
Lewis, Gilman & Kynett	128.0	122.0
Earle Palmer Brown	86.6	86.3
Ketchum Comm.	77.5	53.6
Elkman Adv.	61.4	46.3
Weightman Group	58.6	54.0

5. Detroit: 4,784,600

($ in millions)	1987	1986
Lintas:Campbell-Ewald	493.0	464.6
Ross Roy Group	335.0	293.2
J. Walter Thompson	322.5	341.0
D'Arcy Masius B & B	283.9	234.2
Young & Rubicam	197.0	182.0

6. Washington, D.C.: 3,489,500

($ in millions)	1987	1986
Earle Palmer Brown	125.4	105.0
Henry J. Kaufman	50.0	34.0
Stackig, S&W*	48.5	46.0
J.Walter Thompson	42.1	44.5
Adams Group*	21.0	17.8

7. Houston: 3,221,700

($ in millions)	1987	1986
Ogilvy & Mather	87.0	76.0
McCann-Erickson	64.5	58.6
Goodwin, Dannenbaum L&W	44.0	42.0
N W Ayer	41.7	N/A
Winius-Brandon	37.1	31.6

8. Boston: 2,831,700

($ in millions)	1987	1986
Hill, Holliday C&C	245.0	211.4
HBM/Creamer	149.0	142.0
Ingalls, Quinn & Johnson	135.0	117.4
Harold Cabot & Co.	80.6	68.0
Epsilon	49.0	47.7

9. Nassau-Suffolk: 2,644,700

($ in millions)	1987	1986
J. Richard Smith	35.6	31.3
S.R. Leon & Co.	29.3	27.0
Chris Thomas & Assoc.*	26.5	22.0
Ackerman Adv. Comm.	20.0	19.5
Greenstone & Rabasca*	19.0	18.0

10. Atlanta: 2,471,700

($ in millions)	1987	1986
BDA/BBDO	109.9	83.0
Tucker Wayne/Luckie	78.5	82.3
Fahlgren & Swink	52.3	47.6
Ogilvy & Mather	39.0	37.0
BJK & E	38.0	36.0

11. St. Louis: 2,412,400

($ in millions)	1987	1986
D'Arcy Masius B & B	177.7	196.0
Gardner Adv.	126.0	120.0
Kenrick Adv.	50.5	52.0
Kerlick, Switzer & Johnson	41.6	35.0
BHN Adv. & PR	20.4	20.2

12. Dallas: 2,311,700 [1]

($ in millions)	1987	1986
BJK & E	245.0	225.0
Tracy-Locke	199.6	201.6
Bloom Agency	117.0	133.0
Richards Group	89.1	82.4
Rapp & Collins USA	64.6	45.2

13. Minneapolis: 2,262,400

($ in millions)	1987	1986
Campbell-Mithun	277.9	246.0
Fallon McElligott	142.5	93.3
Martin-Williams	76.0	65.0
Carmichael Lynch	70.9	63.5
BJK & E	56.0	72.5

14. Baltimore: 2,252,800

($ in millions)	1987	1986
W.B. Doner & Co.	77.7	66.1
Richardson M&D	58.0	56.9
Eisner & Assoc.	45.5	37.7
Smith, Burke & Azzam	37.5	40.3
Trahan, B&C	35.0	31.0

15. Pittsburgh: 2,142,700

($ in millions)	1987	1986
HBM/Creamer	100.0	97.0
Ketchum Comm.	89.1	81.0
MARC Adv.	49.0	37.0
Dudreck DePaul F&M	17.4	16.4
Hallmark Adv.	15.2	14.1

16. San Diego: 2,132,700

($ in millions)	1987	1986
Phillips-Ramsey*	31.0	29.0
Kenneth C. Smith Assoc.*	31.0	24.0
Franklin & Assoc.*	28.0	18.0
Knoth & Meads*	21.0	20.0
Arnold-Buck*	14.2	14.0

19. Riverside, Calif.: 1,906,700 [2]

($ in millions)	1987	1986
Chandler-Dubois & H*	6.0	2.6
Uber Adv.*	3.2	2.9
Zimmer Adv.*	2.7	2.0
Ford Adv.*	1.0	0.9
Sutton Place*	0.6	0.9

20. Newark, N.J.: 1,882,200

($ in millions)	1987	1986
Venet Cos.	76.0	69.1
M.E.D. Comm.	73.0	67.9
Keyes Martin	58.0	53.0
Poppe Tyson	42.0	N/A
McCann Healthcare	23.0	26.2

21. Tampa, Fla.: 1,868,700

($ in millions)	1987	1986
Benito Adv.	31.5	20.0
W.B Doner & Co.	22.8	20.3
Ensslin & Hall*	20.0	17.3
FKQ*	4.0	4.1
BJK & E	4.0	N/A

22. Cleveland: 1,860,000

($ in millions)	1987	1986
Nationwide Adv.	157.2	102.0
Wyse Adv.	78.9	73.2
Meldrum & Fewsmith	73.0	82.8
Liggett-Stashower	70.2	65.1
Griswold Inc.	45.9	40.2

23. Phoenix: 1,846,600 [3]

($ in millions)	1987	1986
Owens & Assoc.*	22.0	20.0
Phillips-Ramsey*	20.6	19.5
E.B. Lane & Assoc.*	17.5	15.0
Patchen Brownfeld	16.6	11.3
Moses Anshell*	14.7	10.0

24. Miami: 1,753,100

($ in millions)	1987	1986
Tinsley Adv.*	44.7	39.0
McFarland & Drier	40.0	33.0
Ad Team*	35.0	30.0
Ryder & Schild*	20.0	21.0
Lintas:Campbell-Ewald	17.2	16.2

25. Seattle: 1,724,000

($ in millions)	1987	1986
Cole & Weber	64.0	53.0
Evans Comm.	46.0	41.5
Elgin Syferd	35.3	28.2
Livingston & Co.*	26.5	19.0
Sharp-Hartwig	16.3	13.3

26. Denver: 1,614,000

($ in millions)	1987	1986
Tracy-Locke	29.9	27.8
Karsh & Hagen	28.7	24.4
Barnhart & Co.	18.2	19.2
Schenkein & Assoc.	12.9	13.2
Evans Comm.	12.0	13.5

27. San Francisco: 1,576,000 [4]

($ in millions)	1987	1986
Foote, Cone & Belding	221.0	205.0
J. Walter Thompson	141.0	151.0
Ketchum Comm.	137.3	147.4
Hal Riney & Assoc.	125.0	125.0
McCann-Erickson	113.4	103.0

28. Kansas City: 1,493,900

($ in millions)	1987	1986
Bernstein-Rein	78.9	69.1
Valentine-Radford	75.9	66.4
Barkley & Evergreen*	42.5	33.0
Marketing Resources	35.6	20.3
NKH&W Mktg. Comm.	11.8	9.0

29. Cincinnati: 1,412,000

($ in millions)	1987	1986
Sives & Assoc.	30.0	38.0
Wolf Blumberg Krody	27.2	16.6
Stockton West Burkhart*	25.0	33.1
Tepe H&W	9.0	8.3
Lawler-Ballard	8.5	7.1

30. San Jose: 1,398,500

($ in millions)	1987	1986
Tycer Fultz Bellack	26.3	25.4
Winkler, Tawa, McManus*	23.0	23.6
Carlick Adv.*	18.2	13.3
Austin & Assoc.*	17.0	18.0
Winston Adv.*	13.5	10.3

31. Milwaukee: 1,378,600

($ in millions)	1987	1986
Bader, Rutter & Assoc.	49.2	46.8
McDonald Davis*	47.0	31.0
Cramer-Krasselt	40.1	36.2
Hoffman Y&C*	38.6	31.5
Yellow Pages Marketing	37.5	34.8

32. New Orleans: 1,324,400

($ in millions)	1987	1986
Bauerlein Inc.	15.3	15.4
Peter A. Mayer Adv.*	9.5	8.4
Fitzgerald Adv.*	8.5	10.5
Watts/Wohl & Assoc.*	7.5	6.6
Montgomery & Stier*	6.2	6.5

33. Bergen-Passaic: 1,301,000

($ in millions)	1987	1986
Thomas G. Ferguson Assoc.	84.1	61.8
Dugan/Farley Comm.	44.5	39.2
Lohmeyer Simpson	26.0	25.0
New Trend Agency	12.5	7.0
Arthur Falconer Assoc.*	12.4	11.6

34. Norfolk, Va.: 1,289,500

($ in millions)	1987	1986
Barker Campbell & F*	22.0	14.0
Lawler-Ballard	18.3	22.2
Arthur Polizos Assoc.*	15.0	13.0
Davis & Phillips*	14.4	12.0
Redmond, Fugate	12.0	9.0

35. Columbus, Ohio: 1,287,600

($ in millions)	1987	1986
Fahlgren & Swink	66.3	66.3
Lord, Sullivan & Yoder	35.8	29.5
Hameroff/Milenthal*	30.5	27.0
Shelly Berman Comm.*	16.2	13.5
Gerbig, Snell*	14.9	13.9

36. Sacramento: 1,258,200

($ in millions)	1987	1986
Girvin, Conrad & Girvin*	42.1	39.6
E. Clark & Assoc.*	19.0	12.1
Curran Hitomi*	9.5	8.5
Runyon-Saltzman*	6.0	4.5
Grant Media Services*	5.1	5.2

37. San Antonio: 1,235,700

($ in millions)	1987	1986
Pitluk Group*	26.0	24.0
Sosa & Assoc.*	16.0	13.5
Atkins & Assoc.*	15.0	12.8
Thompson-Marince*	14.1	6.2
Anderson Adv.*	12.5	12.3

38. Indianapolis: 1,203,100

($ in millions)	1987	1986
Montgomery, Zukerman, Davis*	30.5	30.0
Pearson/C&F Group*	16.0	14.0
Handley & Miller*	15.2	16.0
CRE Inc.	10.7	9.9
Hickman & Assoc.	7.0	5.1

40. Portland, Ore.: 1,146,600

($ in millions)	1987	1986
Evans/Kraft	46.0	41.5
Wieden & Kennedy	40.0	30.0
Borders, P&N	37.0	20.2
Pihas, Schmidt, Westerdahl	20.0	17.7
Gerber Adv.	16.5	17.0

41. Ft. Lauderdale: 1,125,200

($ in millions)	1987	1986
Forsyth & Connors*	24.0	17.2
Group 3hree*	22.0	34.0
Harris & Drury*	22.0	19.3
Wexler, M&R*	15.2	13.5
Levy & Asch*	12.5	9.5

42. Charlotte, N.C.: 1,049,000

($ in millions)	1987	1986
Wray/Ward Adv.	14.5	10.6
Shotwell & Partners*	12.0	12.0
Loeffler Ketchum/Mountjoy	11.5	9.3
Downs Group*	10.2	9.5
Price-McNabb	5.8	2.3

43. Salt Lake City: 1,024,800

($ in millions)	1987	1986
Evans Comm.	21.0	22.0
Bonneville Comm.	13.4	11.0
Harris & Love*	12.1	11.5
Fotheringham & Assoc.*	12.0	9.0
Gillham Adv.*	5.5	9.2

44. Rochester, N.Y.: 982,300

($ in millions)	1987	1986
Rumrill-Hoyt	68.8	N/A
Hutchins/Y & R	55.0	60.0
CMS Direct	33.8	45.7
Perri Debes L&C*	10.1	8.5
Winterkorn Lillis	9.7	7.7

45. Oklahoma City: 975,900

($ in millions)	1987	1986
Ackerman, H&M	63.2	61.5
Jordan & Assoc.	18.0	16.8
Runkle-Moroch	12.0	12.0
Sully & Rozier	5.0	5.5

46. Buffalo, N.Y.: 971,400

($ in millions)	1987	1986
Vickers & Benson/FKQ	33.9	40.3
Faller, Klenk & Quinlan*	33.9	40.3
Levy, King & White	27.3	29.1
Healy Schutte & Co.*	18.5	19.2
Ellis-Singer Group*	14.0	17.0

47. Louisville, Ky.: 964,300

($ in millions)	1987	1986
Doe-Anderson	27.5	27.3
McCann-Erickson	18.5	23.5
Bon Adv.*	11.2	10.5
Ketchum Comm.	9.8	8.9
Fessel, S&M	7.2	7.2

48. Memphis, Tenn.: 944,700

($ in millions)	1987	1986
John Malmo Adv.	22.5	19.0
Cochran & Sanford*	10.0	9.5
Durham & Assoc.*	8.0	6.5
Thompson & Co.*	7.5	6.0
Chandler-Simmons*	5.3	4.1

49. Dayton, Ohio: 331,100

($ in millions)	1987	1986
Penny, Ohlman, Neiman	20.1	16.1
Flynn/Sabatino*	19.8	15.8
David K. Burnap Adv.	19.3	17.0
Willis Case Harwood*	13.0	12.0
Oppenheim, Herminghausen	4.0	3.2

50. Mid-N.J.: 930,400 [5]

($ in millions)	1987	1986
M.E.D. Comm.	73.0	67.9
Paul A. De Jesse Inc.*	19.0	16.0
Cummins, M&N*	9.8	12.4
Simms & McIvor	8.7	12.9
H.T. Fenton Assoc.*	4.1	3.8

Note: Population totals for the footnoted markets are not included in population reported for merged markets. (17.) Anaheim market eliminated because of insufficient response.

[1] Includes (39.) Ft. Worth-Arlington market (1,199,900).

[2] Includes, (74.) Oxnard-Ventura market (600,000).

[3] Includes (77.) Tucson market (585,900).

[4] Includes (18.) Oakland market (1,907,800).

[5] Includes (51.) Monmouth-Ocean, N.J. market (918,000).

Reported by Tony Ralenkotter.

Rank 343
Ken Schmidt Co., Milwaukee, in 1987 gained: Dresser Industries; Vilter Mfg. Corp.

The agency lost: Custom Farm Seed.

Top execs: Kenneth W. Schmidt, chmn; Timothy J. O'Brien, exec vp-client svcs; Dean C. Johnson, sr vp-admin. Employees: 30.

Phone: (414) 224-0210.

Rank 472
Schroeder Advertising, New York, in 1987 gained: Pandick, Inc.; Pandick Technologies; The Kitchen Co.; Je Suis!; President's Committee on Hiring the Handicapped; N.Y. Office of Highway Safety; Jackson Steel Products. It also gained Pandick Int'l. overseas.

The agency lost: Hotel Ibis.

Top execs: Charles Schroeder, president-creative dir; Greg Crossley, exec art dir; Lyn Machleidra, media dir. The agency did not report number of employees.

Phone: (212) 674-3030.

Rank 506
Scott Associates, Champaign, Ill., in 1987 gained: Kankakee Water Co.

The agency lost: Thor-O-Bred Seed Co.; United Agri-Seeds.

Top exec: Marshall J. Scott, owner-mgr. Employees: 1.

Phone: (217) 352-4491.

Rank 263
Sefton Associates, Grand Rapids, Mich., in 1987 gained: Irving-Cloud Publications; Blodgett Memorial Medical Center.

The agency lost: Eaton Corp.

Top execs: G. William Sefton, chmn; David D. Teater, president; Gary W. Petertyl, Guy E. Greene, exec vps. Employees: 42 in 2 offices.

Phone: (616) 957-0600.

Rank 405
Semel/Kaye & Co., Northbrook, Ill., reported consolidated figures in Section I that included subsidiaries:

·Semel/Kaye Outdoor
·Semel/Kaye PR

In 1987, the agency gained: E-T-A Circuit Breakers; Newly Weds' Foods; National Assn Retail Dealers of America; VCH Intl; Lane Hotels Inc.; General Binding Corp.; Trustel Packings Ltd.

The agency lost: Thermoweb Inc.; Fabrico Inc.; Nagel Pumps; AMD Inc.

Top execs: Richard L. Kaye, president; Charles E. Semel, exec vp; James Leman, dir pr division. Employees: 20.

Phone: (312) 564-8860.

Rank 368
SGM & Co., also known as S. Gunnar Myrbeck & Co., Norwell, Mass., in 1987 gained: Aqua Leisure; Brockton Sole & Plastics; Design Components; Galveston Mfg.

The agency lost: Dental Insurance Service; K&M Associates; STD Mfg.

Top execs: Robert H. Brandt, president, ceo; Aristides Viegas, vice chmn; Betty C. Georgaklis, treas, vp; Joseph W. Nevins, sr vp; Steven D. Valorz, vp-mktg; Thomas R. Rush, vp-opers. Employees: 25.

Phone: (617) 871-2730.

Rank 280
Sharp Hartwig, Seattle, in 1987 gained: Paccar Sales of North America; American Lung Assn; Seattle City Light; John Fluke Mfg.

The agency lost: Western Star Trucks; Puget Sound Accura Dealer Assn.

Top execs: David Sharp, president & ceo; Cynthia Hartwig, exec vp, creative; Bill Fritsch, vp-direct mktg; Ron Christianson, vp-client svcs; Dick Pattison, exec vp, coo. Employees: 50 in 3 offices.

Phone: (206) 282-6242.

Rank 501
Shea & Ziegler, Darien, Conn., founded in mid-1986, during 1987 gained: Farmhill Trading Group; Valhal Inc.; A&B Family Memorials.

The agency did not report accounts lost.

Top exec: Michael S. Ziegler, president. Employees: 1.

Phone: (203) 655-9100.

Rank 451
Sheffer Advertising, South Bend, Ind., in 1987 gained: Krex Inc.; Bivouac Commercial Vehicles; Centurion Corp.

The agency did not report accounts lost.

Top execs: Richard D. Sheffer, ceo; Wayne A. Kramer, president. Employees: 14.

Phone: (219) 233-6970.

Rank 437
Sheldon Fredericks Advertising, New York, did not report accounts gained or lost.

Top execs: Frederick A. Schwartz, president; Sheldon O. Schwartz, exec vp. Employees: 16.

Phone: (212) 867-0110.

Rank 231
Sherwood & Schneider, New York, part of WCRS Group PLC, a London-based holding company, in 1987 gained: DuCair Bioessence; *Consumers Digest Magazine*; Curtain Country; Donlevy's Backroom.

The agency lost: Sunshine, moved to affiliate, DFT&Partners.

Top execs: Marvin Schneider, chmn-ceo; Lew Sherwood, president, creative dir; Brendan Hawk, exec vp, genl mgr; Edward Zurndorfer, sr vp, dir mktg svcs; Marshall Bucci, sr vp, John Ansado, sr vp, assoc creative dir; Murray Smith, Mark Schneider, vps, assoc creative dirs. Employees: 45.

Phone: (212) 627-8100.

Rank 441
Shorey & Associates, Greenville, S.C., in 1987 gained: W.P. Hickman Co.; Superior Machines; BK Industries; WABCO Westinghouse Air Brake.

The agency lost: Communications Properties; Piedmont Municipal Power Agency; Eurosport.

Top execs: Gregory D. Shorey Jr., president & ceo; G. Day Shorey III, exec vp; D. Wayne Cameron, vp, media dir. Employees: 18.

Phone: (803) 242-5407.

Rank 225
Siddall, Matus & Coughter, Richmond, Va., in 1987 gained: iNet Co. of America; Potomac Mills Mail; National Tire Wholesalers; Vie de France Corp.

The agency lost: Keystone Financial; Virginia Div of Tourism; Chesapeake Bay Brewing Co.

Top execs: John N. Siddall, chmn & ceo; Peter J. Coughter Jr., president; Donna Weaver, exec vp, genl mgr. Employees: 48.

Phone: (804) 788-8011.

Rank 327
H. Richard Silver Inc., New York, in 1987 gained: Listeff; Searle; Marksman; Moss Music.

The agency lost: Sami; Jacquet.

Top execs: H. Richard Silver, president; Harvey Dreyer, exec vp; Charles Auerbach, sr vp. Employees: 16.

Phone: (212) 867-6800.

Rank 384
Simms & McIvor, Bound Brook, N.J., in 1987 gained: Merck, Sharpe & Dohme; Johnson & Johnson Hospital Services Co.; McNeil Consumer Products; Bard Home Health Div; General Biscuit Brands; Norwich Eaton; Thomas J. Lipton Co.

The agency lost: Johnson & Johnson Patient Care Div.

Top execs: Patrick J. McIvor, president; Gene E. Hollen, exec vp-acct svcs; Stanley Cohen, vp-dir of prod/acct; Eugene T. McLoughlin, vp-acct super. Employees: 32.

Phone: (201) 560-1410.

Rank 226
Simons Michelson Zieve, Troy, Mich., in 1987 gained: Action Auto; Aronson Furniture Co.; Big Boy National Cooperative Advertising; Cadillac Coffee; Mount Clemens General Hospital; Shifrin Jewelers; Troy Motor Mall.

The agency lost: Fretter Inc.; Lawn Equipment.

Top execs: Morton Zieve, chmn; James A. Michelson, president. Employees: 62.

Phone: (313) 362-4242.

Rank 173
Slater Hanft Martin, New York, in 1987 gained: Quotron Systems; Sony, 'My First Sony'; Richardson-Vicks/Procter & Gamble, Dramamine, Icy Hot.

The agency lost: Dreyfus Corp.

Top execs: Jerry Martin, chmn; Adam Hanft, president, creative dir; Don Slater, exec vp, creative dir; Terry Koch-Bostic, Linda Christian, sr vps-mgmt supers; Saul Cohen, sr vp, dir programming svcs. Employees: 48.

Phone: (212) 674-3100.

Rank 369
Smith, Badofsky & Raffel, Chicago, in 1987 gained: Cellular One; Creative Construction; *Chicago Times*; Alzheimer's Disease & Related Disorders Assn.; Coldwell-Banker.

The agency lost: Reggie Packing Co.; The Great Frame-Up; WMAQ-TV.

Top execs: Robert J. Smith, president; Jack Badofsky, William D. Raffel, exec vp. Employees: 20.

Phone: (312) 642-0500.

Rank 192
Smith Burke & Azzam, Baltimore, reported consolidated figures in Section I that included subsidiaries:

·Big Picture Production
·Charles Street Graphics
·SB&A Direct

In 1987, the agency gained: Aloha Pacific Cruise Lines. The agency lost: *Washington Times*; *Playboy Magazine*, trade; Cort Furniture Rental.

Top execs: Barry L. Smith, president; Graham V. Kirk, exec vp; Roger L. Gray, Jeffrey Millman, sr vps. Employees: 60.

Phone: (301) 727-4306.

Rank 151
J. Richard Smith Ltd., Old Bethpage, N.Y., in 1987 gained: Frankels; Print 360; Vibrance; Altran; Barard; Kogel Giant.

The agency lost: Vitamins for Women; Sportique Motors.

Top execs: Gerald Smith, president; Wayne Gastman, sr vp-creative, production; Michael Smith, sr vp-acct svcs. Employees: 33.

Phone: (516) 293-8700.

Rank 346
Smith, Kaplan, Allen & Reynolds Advertising Agency, Omaha, in 1987 gained: Breadeaux Pisa-Nebraska, Iowa: AK-SAR-BEN; Commercial Federal Savings & Loan.

The agency lost: Bluffs Run.

Top execs: H.W. Smith, president, treas; R.N. Kaplan, exec vp, secty. Employees: 40.

Phone: (402) 330-0110.

Rank 411
Smith & Yehle, Kansas City, Mo., in 1987 gained: Jason Empire; Ericsson Cabling Systems; J.D. Reece Co.; American Trust Administrator; Creative Thinking.

The agency lost: Vista Intl Hotel; Southland Corp.

Top execs: Karl J. Yehle, president; Harold F. Smith, chmn: S. Brad Himi, sr vp. Employees: 18.

Phone: (816) 842-4900.

Rank 239
Soghigian & Macuga Advertising, Washington, in 1987 gained: Reston Town Center; Sibley Hospital; Kennedy Center; Washington Ballet; D.C. Committee to Promote Washington; Home Recording Rights; Washington Post Writers Guild; Parsons Paper Co.

The agency did not lose any accounts.

Top execs: Harant Soghigian, chmn; Sarah A. Macuga, president; Drew Babb, exec vp; Marty Kramer, president, Philadelphia. Employees:32.

Phone: (202) 337-5151.

Rank 352
Solin Associates Inc. Advertising, New York, in 1987 gained: American Star Lines, Betsy Ross Cruiseship.

The agency did not lose any accounts.

Top execs: Darrol B. Solin, chmn-ceo; Kenneth A. Glaser, exec vp; Mary-Ann Lambert, Ralph Pucci, John Voulgaris, sr vps. Employees: 13.

Phone: (212) 661-9540.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 4.*

Rank 329
Sommer Inc., Englewood, N.J., reported consolidated figures in Section I that included subsidiaries:

·Sommer Public Relations
·Sommer Market Research

In 1987, the agency gained: Matrix Corp.; Software Directions.

The agency lost: None.

Top execs: Bernard Sommer, president; William Brennan, vp. Employees: 17.

Phone: (201) 568-3838.

Rank 459
Spangler/Fischer, Minneapolis, in 1987 gained: Pannekoeken Huis Restaurants; Minnesota Dept of Health-WIC Project; Luggage World.

The agency lost: Luggage World; Institute of Cosmetic Surgery & Hair Transplants; Carroll's Furniture Gallery.

Top execs: Phil Fischer, president-ceo; Dave Distad, vp-finance. Employees: 15.

Phone: (612) 339-0549.

Rank 278
Spencer Bennett Nowak, Seekonk, Mass., reported consolidated figures in Section I that included subsidiaries:

·SBN-Public Relations
·SBN-Marketing

In 1987, the agency gained: John Brown Plastics Machinery; ITT Engineered Valves; Leviton; Balzers Corp.

The agency lost: Datel; Monsanto Plastics; Windmoeller & Hoelscher; Grinnell.

Top execs: Sheldon D. Spencer, chmn; Edward G. Nowak Jr., pres-ceo; Glenn M. Spencer, exec vp; Stephen M. DeCollibus, sr vp. Employees: 38.

Phone: (617) 336-5801.

Rank 218
Franklin Spier Inc., New York, a subsidiary of Omnicom Group, in 1987 gained: Franklin Spier Inc.—Bantam Spectra; Bantam Books For Young Readers; Consumer Reports; Globe Pequot Press; North Point Press. Spier/BBDO—"FENCES"; Circle Repertory Co.

The agency lost: None.

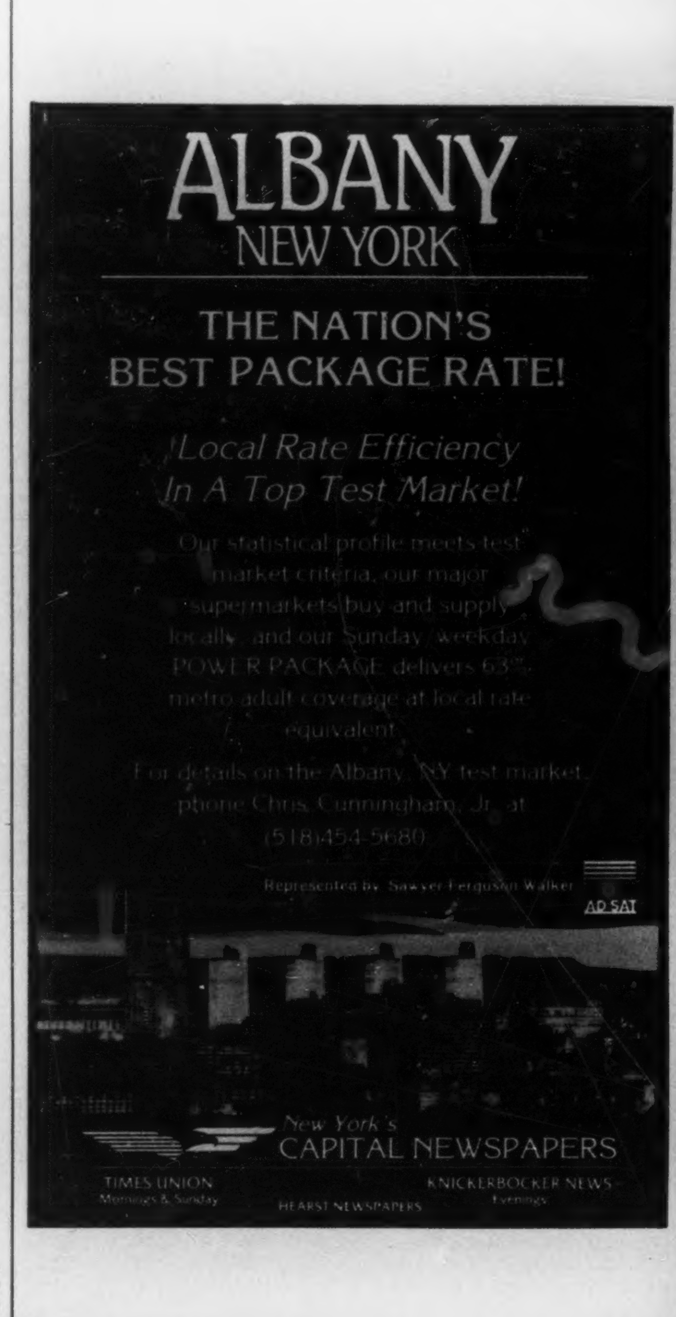
Top execs: Alix Nelson, president & ceo; David Cathers, exec vp, dir-client svcs; Robert Adler, sr vp-finance & admin; Dorsey Gray, sr vp, mgmt super; Robert Grekin, sr vp, dir-print & broadcast production; Philip Cimo, sr vp, exec art dir; Ken Atkatz, Erin McHugh, vps, assoc creative dirs; Lou D'Angelo, vp-copy; Rhonda Hall, vp, acct exec; Phil Mendelson, vp, print production mgr; Helen Strauss, media dir. Spier/BBDO: Tom Wells, president; George Grant, vp, acct mgr, creative super; Lee Tannen, creative dir. Employees: 45.

Phone: (212) 679-4441.

Rank 288
Stephan & Brady, Madison, Wis., in 1987 gained: Aunt Nellies Farm Kitchens; Wisconsin Milk Marketing Board; Oscar Mayer, food service, national pr.

The agency lost: Grain Processing Corp.

Top execs: Jack Ragel, pres-ceo; Frank Fueger, exec vp; George Whitely, Katherine Johnson-Becklin, sr vps-acct dirs;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CAPITAL NEWSPAPERS

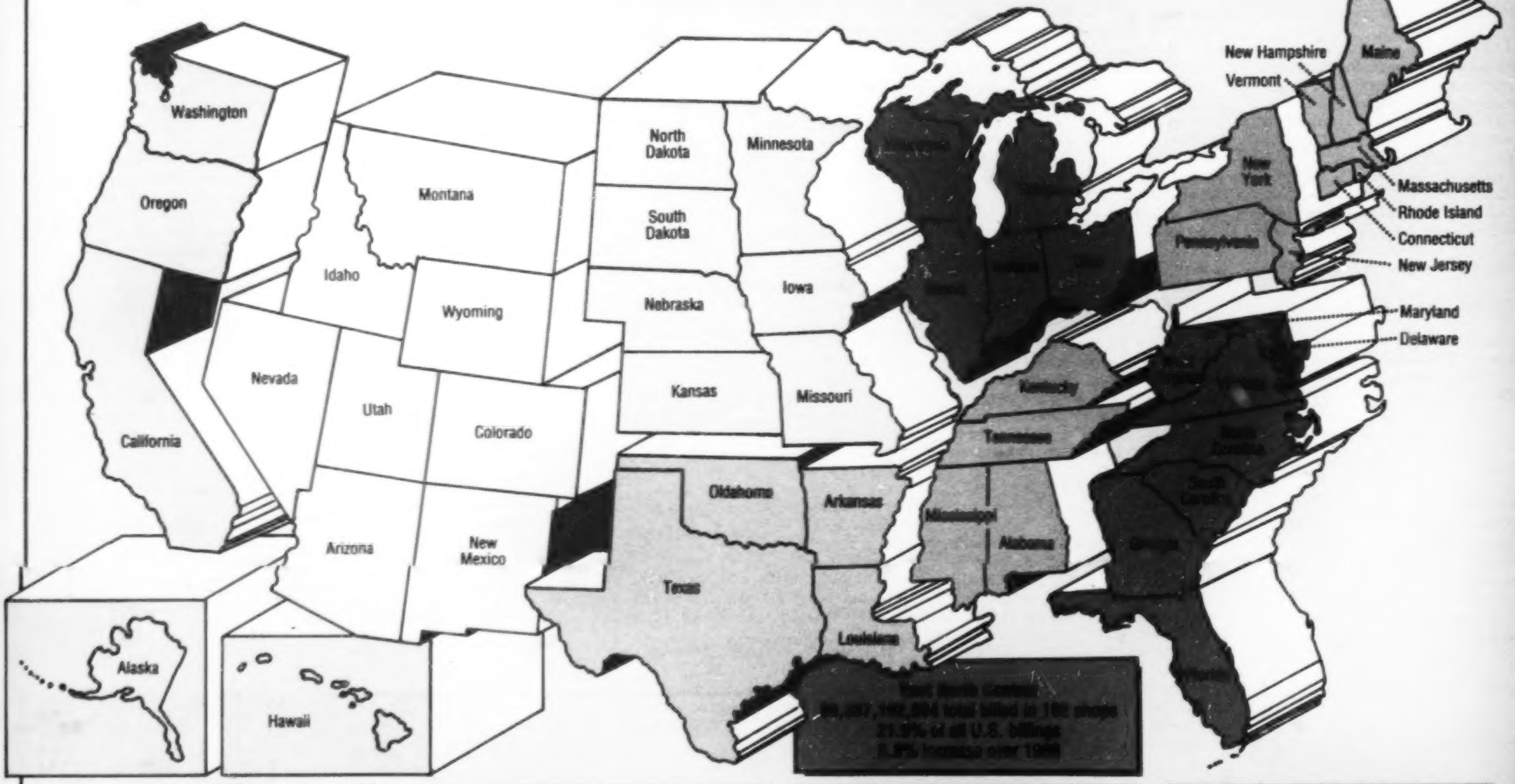
TIMES UNION
Mornings & Sunday

HEARST NEWSPAPERS

KNICKERBOCKER NEWS
Evenings

U.S. billings by region

Reporting from more than 800 offices of 500 agencies


Washington
Oregon
California
Idaho
Nevada
Montana
Wyoming
Utah
Arizona
Colorado
New Mexico
North Dakota
South Dakota
Nebraska
Kansas
Minnesota
Iowa
Missouri
Oklahoma
Arkansas
Texas
Louisiana
Mississippi
Alabama
Kentucky
Tennessee
New York
Pennsylvania
New Hampshire
Vermont
Maine
Massachusetts
Rhode Island
Connecticut
New Jersey
Maryland
Delaware
Alaska
Hawaii

East North Central
$[illegible] total billed in [illegible] shops
21.9% of all U.S. billings
[illegible] increase over 1986

Pacific
$4,549,879,724 total billed in 123 shops
10.7% of all U.S. billings
5.6% increase over 1986

West North Central
$1,680,411,925 total billed in 50 shops
3.9% of all U.S. billings
9.5% increase over 1986

Middle Atlantic
$21,838,887,128 total billed in 243 shops
51.2% of all U.S. billings
7.9% increase over 1986

New England
$1,310,594,536 total billed in 46 shops
3.1% of all U.S. billings
12.1% increase over 1986

Mountain
$239,880,046 total billed in 21 shops
0.6% of all U.S. billings
9.7% increase over 1986

West South Central
$1,584,884,889 total billed in 45 shops
3.7% of all U.S. billings
8.1% increase over 1986

East South Central
$210,875,716 total billed in 12 shops
0.5% of all U.S. billings
7.8% increase over 1986

South Atlantic
[illegible] total billed in [illegible] shops
4.5% of all U.S. billings
7.1% increase over 1986

NOTES: Data from agency reports and Ad Age estimates. See Page 4 for more footnotes. Regions are divided according to the U.S. Bureau of the Census, Department of Labor Statistics. Graphics by Jeffrey Toth.

Top 25 U.S. cities by local shop billings

Rank	City	Local shop billings 1987	1986	% chg	No. of shops 1987	1986	Top shop in city by billings	Local office billings 1987	1986	% chg
1	New York	$19,717	$18,422	7.0	159	155	Saatchi & Saatchi DFS Compton	$1,392	$1,311	6.2
2	Chicago	5,145	4,801	7.2	71	68	Leo Burnett Co.	1,550	1,362	13.8
3	Los Angeles	2,815	2,683	4.9	61	57	Foote, Cone & Belding Communications	259	229	13.1
4	Detroit	2,619	2,358	11.1	31	26	Lintas:Campbell-Ewald	493	465	6.1
5	San Francisco	1,307	1,281	2.0	35	34	Foote, Cone & Belding Communications	221	205	7.8
6	Dallas	898	880	2.0	20	21	Bozell, Jacobs, Kenyon & Eckhardt	245	225	8.9
7	Boston	859	793	8.4	20	20	Hill, Holliday, Connors, Cosmopulos	245	211	15.9
8	Minneapolis	815	718	13.5	17	16	Campbell-Mithun	278	246	13.0
9	Philadelphia	743	648	14.7	29	29	Lewis, Gilman & Kynett	128	122	4.9
10	Cleveland	595	528	12.7	14	14	Nationwide Advertising Service	157	102	54.1
11	Newark, N.J.*	561	458	22.4	20	18	Thomas G. Ferguson Associates	84	69	21.8
12	Atlanta	468	479	(2.3)	27	26	BDA/BBDO	110	83	32.4
13	St. Louis	467	475	(1.7)	11	11	D'Arcy Masius Benton & Bowles	178	196	(9.3)
14	Houston	423	341	24.3	16	15	Ogilvy & Mather	87	76	14.5
15	Connecticut**	366	299	22.5	20	20	Ted Colangelo Associates	67	47	42.0
16	Pittsburgh	292	263	11.2	10	10	HBM/Creamer Inc.	100	97	3.1
17	Baltimore	281	263	6.7	10	10	W.B. Doner & Co.	78	66	17.7
18	Washington	279	240	15.9	11	10	Earle Palmer Brown Cos.	125	105	19.4
19	Kansas City, Mo.	217	177	22.9	8	8	Bernstein-Rein Advertising	79	69	14.3
20	Milwaukee	216	202	7.1	10	10	Bader Rutter & Associates	49	47	5.1
21	Rochester, N.Y.	203	144	40.7	8	6	Rumrill Hoyt	69	60	14.7
22	Seattle	176	147	19.6	8	8	Cole & Weber	64	53	20.8
23	Richmond, Va.	166	178	(6.6)	5	5	Martin Agency	103	131	(21.7)
24	Portland, Ore.	162	131	23.3	8	8	Evans/Kraft	46	42	10.8
25	Raleigh, N.C.	122	110	11.5	2	2	McKinney & Silver	115	103	11.2

NOTES: Dollars are in millions. Data represents billings by more than 800 offices of 500 agencies. * Includes Northeastern New Jersey. **Mostly Southwestern Connecticut. See Page 4 for more footnotes.

Gus Gusek, sr vp-creative dir. Employees: 43.

Phone: (608) 241-4141.

Rank 176

Stern/Monroe Advertising, Dallas, in 1987 gained: Rent-A-Center, Wichita; American Airlines Freight, Dallas.

The agency lost: Trailways Corp.

Top execs: Lawrence N. Stern, president; Jim Hradecky, creative dir; Tom Bolger, media dir; Lee Andrews, mgmt super; Lisa Bell, Barbara Mitchell, acct supers; Barbara Brown, Maureen McHugh, print prod mgrs; Al Mercado, cfo; Chris Kelly, controller; Jan Patterson, business mgr. Employees: 47.

Phone: (214) 871-7171.

Rank 217

Stern Walters Partners, Chicago, was part of the Ted Bates network under the name, Stern Walters/Earle Ludgin, until its management purchased the agency in 1987.

During 1987, the agency gained: American Dental Assn; Little Caesars Chicagoland Restaurants; General Biscuits of America; Hershey Foods; Hiram Walker & Sons; Schulze and Burch Biscuit Co.; Vogel Peterson; W.E. Long.

The agency lost: Samsonite Furniture; Boulevard Bank; Radio Steel Toys; Arby's Chicagoland and Northwest Indiana Restaurants.

Top execs: William Quigley, chmn; Kathleen Harrington, president, ceo, creative dir; William Thomas, vice chmn, dir client svcs; Maryanne Friend, exec vp, coo, acct mgmt; Don Kaminky, exec vp, cfo, media; Warren Menaker, exec vp, dir new prod devel. Employees: 45.

Phone: (312) 642-4990.

Rank 308

Stiegler, Wells & Brunswick, Bethlehem, Pa., in 1987 gained: Balfour, Maclaine; C.F. Martin; Supac Systems.

The agency lost: None.

Top execs: Ernie G. Stiegler, chmn; Daniel C. Wells, president-ceo; Paul E. Brunswick, vp, coo; Ernie R. Stiegler, vp, cao; Glenn R. Ossiander, vp, creative svcs. Employees: 37.

Phone: (215) 866-0611.

Rank 271

Stogel Cos., New York, in 1987 gained: Phonex; Chase Manhattan Bank.

The agency did not lose any accounts.

Top execs: Philip Stogel, president; Will Waldron, exec vp. Employees: 38.

Phone: (212) 302-5500.

Rank 222

Stone, August, Baker Communications Co., Birmingham, Mich., reported consolidated figures in Section I that included subsidiary, Stone, August, Baker Public Relations.

In 1987 it gained: Allnet Communication Services; Federal Broadcasting; Mendelli Inc.; Murray's Discount Auto Stores; Olivers Pizza; Comprehensive Health Services; Havenwyck Hospital; Chateau Estates; Visiting Nurses Corp.

The agency lost: Weight Watchers Resorts & Spas; Walboro Corp.; Vixen Motor Co.

Top execs: Ronald Stone, chmn; James August, president-Stone, August & Co.; William Ford, exec vp-dir creative svcs; Pat Pearce-Martin, vp-media dir; R.J. Baker, president-R.J. Baker & Co.; Fred Hooper, vp-creative dir; Gil Testa, Bill Muir, vp-acct supers. Employees: 48.

Phone: (313) 646-9200.

Rank 188

Stone & Simons Advertising, Southfield, Mich., in 1987 gained: Supreme au Creme Brand; Thomas J. Lipton Foodservice Canada; Shedd's Country Crock cheeses. No lost accounts reported.

Top execs: Charles Stone, president; Sarah Martin, treas; Christopher Gaffield, Robert Sorock, exec vps-acct svcs; Paul Stevens, exec vp-creative svcs. The agency did not report number of employees.

Phone: (313) 358-4800.

Rank 380

Storey Berman & Freer Advertising, Chicago, in 1987 gained: Tenex Corp.; Inacomp Computer Centers of Illinois; Lattice Inc.

The agency lost: Stein Roe & Farnham.

Top execs: Jane C. Storey, Robert A. Berman, William B. Freer, dirs. Employees: 17.

Phone: (312) 280-8900.

Rank 248

Sutton Communications, New York, reported consolidated figures in Section I that included subsidiary, Infocus.

In 1987, the agency gained: Dupont Critical Care; Life Technologies; Technicon Data Systems; Abbott Diagnostics; Friends of National Library of Medicine.

The agency lost: Becton Dickinson, infusion pumps.

Top execs: Glenn DeSimone, president; Norton Bramesco, exec vp; Steve Spittel, sr vp; Stan Dornfest, Kinton Hall, Nick Manganiello, Rich Norman, vps; Roy Weidemann, genl mgr, Infocus; Ed Rady, vp, Infocus. Employees: 43.

Phone: (212) 682-7090.

Rank 429

Symon & Hilliard, New York, in 1987 gained: Martinair.

The agency lost: None.

Top execs: James Symon, chmn; Tony Hilliard, vice chmn. Employees: 9.

Phone: (212) 505-0688.

Rank 181

Taylor Brown & Barnhill, Houston, in 1987 gained: Conoco Inc.; Chevron Chemical; Westin Hotels of Texas; University Savings; Hi-Lo Auto Supply.

The agency lost: Charter Hospital.

Top execs: Larry Taylor, chmn; Don Brown, president; Steve Barnhill, vice chmn; Patsy Perrault, Dick Smith, exec vps. Employees: 61.

Phone: (713) 877-1220.

Rank 378

TCI Advertising, Stamford, Conn., in 1987 gained: Data Switch.

The agency lost: EnMasse Computer Corp.; Dynaforce Corp.

Top execs: Michael F. Murphy, president; William P. Kennedy, exec vp-creative dir; John E. Willimott, vp. Employees: 20.

Phone: (203) 327-9900.

Rank 330

G. Temple Associates, Southfield, Mich., reported consolidated figures in Section I that included subsidiary, Wide Angle Production.

In 1987, the agency gained: Mazak; Gleason; Acu-Rite.

The agency lost: Cross Co.

Top execs: Gerald L. Temple, president; Eric C. Doherty, treas. Employees: 16.

Phone: (313) 353-9750.

Rank 386

Tepe, Hensler & Westerkamp, Cincinnati, in 1987 gained: Internet; Klosterman Baking Co.; Cincinnati Art Museum.

The agency lost: None.

Top execs: John Tepe, president; George Hensler III, Tom Westerkamp, vps. Employees: 19.

Phone: (613) 241-0100.

Rank 312

Townsend Agency, Rosemont, Ill., in 1987 did not report accounts gained or lost.

Top execs: Gary G. Tillery, chmn; Philip S. Walkenshaw, president-ceo; David W. Ives, vp, genl mgr. Employees: 30.

Phone: (312) 318-9010.

Rank 433

Tri-State Advertising, Warsaw, Ind., in 1987 gained: Precision Motion Controls Components/NSK Precision Products Div.; Laminated Veneer Lumber; Tecton Laminates Corp.; Feed/Grain Design Builders/Wilson Design Builders.

The agency lost: None.

Top execs: William L. Kreicker, president; E. Tweed Robinson, sr vp. Employees: 16.

Phone: (219) 267-5178.

Rank 185

Tycer Fultz Bellack, Palo Alto, Calif., in 1987 gained: Keytronic, Inmax, John Fluke, Viasoft, Visual Software.

The agency lost: Monolithic Memories; DEST; Maxim; Emerald Technology; Microphonics Technology.

Top execs: Robert D. Fultz, president (TFB); Daniel W. Bellack, coo (TFB); Peter C. Horan, president (TFB/D). Employees: 57.

Phone: (415) 856-1600.

Rank 345

Umphenour Martin Lonsdorf, Atlanta, in 1987 gained: Life Insurance Co. of Georgia.

The agency lost: None.

Top execs: Russell V. Umphenour Jr., chmn; Margaret Ann Martin, vice chmn; Joseph C. Lonsdorf, president. Employees: 21.

Phone: (404) 881-8080.

Rank 251

Van Brunt & Co. Advertising-Marketing, New York, reported consolidated figures in Section I that included subsidiaries:

·Van Brunt/Mahta

·Van Brunt/Schaeffer

In 1987, the agency gained: Arrow Electronics; Conde Nast, Street & Smith Sports Group; Crain Communications Inc., ADVERTISING AGE; Caramba Restaurants; Barbados Board of Tourism; Elegant Resorts of Barbados/Hotels.

The agency lost: Hearst Publications, *Sports Afield*; Polimeni Enterprises; Rigoletto Sportswear; Sarne, handbags; Moroci, apparel.

Top execs: Edwin Van Brunt, chmn; Albert Van Brunt, president; Arlene Jaffe, exec vp-creative dir; Stephan Bassett, exec vp-business operations; Thomas Breckenridge, media dir; William D. Buckley, dir-bdctg; Burton Zelner, sr vp-acct grp super. Employees: 38.

Phone: (212) 949-1300.

Rank 182

VanSant, Dugdale & Co., Baltimore, Md., in 1987 gained: American Bank Stationery; Baltimore Orioles; Legg Mason Wood Walker Inc.; Mercy Medical System; Pennsylvania Blue Shield; Provident Bank of Maryland; Student Loan Marketing Assn.

The agency lost: Boeing Vertol; Hersheypark; Maryland Port Administration; Pace Inc.

Top execs: Kenneth E. Mayhorne, president; Robert G. Duke, exec vp; Glen M. Bentley, sr vp-creative dir; E. Patrick McDonough, sr vp-fin & admin; J. Stanley Paulus, sr vp-exec creative dir; Sheldon T. Taule, sr vp-media dir; C. Barry Truax, sr vp-acct super; James R. Williams, sr vp-strategic mktg. Employees: 58.

Phone: (301) 539-5400.

Rank 172

Vickers & Benson/FKQ, Buffalo, reported consolidated figures in Section I that included subsidiaries:

·Photo Pro's

·Direct Response Marketing

·Public Relations

The agency's consolidated figures did not included subsidiary, ASAP Delivery.

In 1987, the agency gained: Merchants Mutual Insurance.

The agency lost: Marvel Comics Group; Artpark; Good Neighbor Chevy Dealers; Crystal Beach Park; Independent Health.

Top execs: Robert O. Faller, chmn; Reginald V. Williams III, president; Raymond D. Owczarzak, Lawrence Spada, Christye Peterson, James Titus, Walter Frazier, exec vps. Employees: 97 in 5 offices.

Phone: (716) 688-1177.

Rank 360

John Volk Co., Chicago, in 1987 gained: Nitragin Co.; Sandoz Crop Protection; DeKalb-Pfizer Genetics; Spraying Systems; Synbiotics.

The agency lost: Heartland Lysine.

Top execs: John Volk, president; Mary Kowalczyk, vp, pr; John Larkin, Robert Wetmore, vp, group super; Margaret O'Brien, vp, business mgr; Tom Wright, vp, creative dir; Eleanor Noble, media dir. Employees: 29.

Phone: (312) 787-7117.

Rank 293

Waldbillig & Besteman, Madison, in 1987 gained: First Financial Savings; Innovision; Madison Kipp Products; Madison Pharmacy Associates; Moseleys Inc.; Slender Center; Wisconsin div of Health & Social Services.

The agency lost: Gilson Medical Electronics; Jung Seed Co.; Persoft Inc.

Top execs: William Waldbillig, president; Robert Besteman, creative dir; Mike Knapstein, dir-client svcs. Employees: 35.

Phone: (608) 238-4767.

Farewell, Ricotta & Kline

Messrs. Ricotta and Kline, who left Wunderman, Ricotta & Kline before the DM agency joined Y&R in 1973, were dropped from the masthead in 1987, when it became Wunderman Worldwide.

Rank 320

Wardrop Murtaugh Temple, Chicago, in 1987 gained: Bresler's Ice Cream; Symons Corp.

The agency lost: Handy Andy.

Top execs: John C. Wardrop, president; Philip R. Murtaugh, sr vp; John Temple, vp; Robert J. Milhizer, vp, treasurer. Employees: 22.

Phone: (312) 750-9200.

Rank 221

Warner, Bicking & Fenwick, New York, in 1987 gained: Polly-O Cheese, Kraft/Polio Corp.; Vendor Liaison Div, AT&T; Thomas Online, Thomas Publishing; Hydrotech Pool Equiment & Chemicals; Sundial Beach & Tennis Club.

The agency lost: Protocol Message Management.

Top execs: Jack Warner, chmn; Andrew Morris, president; John Bicking, treas; Ron Plummer, president-Plummer Group div; Michael Buri, vp-acct svc; Nancy Foster, vp-creative dir. Employees: 29.

Phone: (212) 759-7900.

Rank 215

Warren/Kremer Advertising, New York, in 1987 gained: B.W.I.A. Airlines; Curacao Tourist Board; Marriott, Princeton; J.C. Penney Travel Services; Petrossian Restaurant.

The agency lost: Inter-Continental Hotel, San Diego; Inter-Continental Hotel, Hilton Head.

Top execs: Peter Warren, president; John H. Pollok, exec vp; Philip Growick, sr vp; Jane Nielsen, Ira Goldberg, vps. Employees: 52.

Phone: (212) 686-2914.

Rank 358

Weiser Group, Chicago, in 1987 gained: Charter National Life; Clover Financial; Elders Futures; Fortress Security Systems; Philadelphia Stock Exchange.

The agency lost: Chicago Mercantile Exchange; PC Quote.

Top execs: Michael L. Weiser, chmn; Raymond D. Minkus, president. Employees: 20 in 2 offices.

Phone: (312) 368-1500.

Rank 232

Welch, Currier, Curry, Anderson, Boston, reported consolidated figures in Section I that included its public relations subsidiary.

In 1987, the agency gained: Addison-Wesley; Welch Foods; MasterDrug; Biltrite; Howland Place; Davox.

The agency lost: International Career Consultants; Markem Corp.

Top execs: William Anderson, president; Ray Welch, chmn, creative dir; Geoff Currier, Bob Curry, vice chmns, creative dirs; Tom Woodard, sr vp, dir acct svc. Employees: 45.

Phone: (617) 267-2670.

Rank 379

Wendt Advertising, Great Falls, Mont., reported consolidated figures in Section I that included subsidiary, INTERcom.

In 1987, the agency gained: Montana Power Co.; First Interstate Bank of Casper; Big Sky Country GMC Dealers; The Big Mountain.

The agency lost: Pentron Products; Koolfire West; Kim Hotstart.

Top execs: Stanley F. Meyer, chmn-dir; Mary W. Tietjen, president-dir; Robert L. Lindborg, sr vp-dir; Anne M. Tucker vp/Spokane mgr-dir. Employees: 30.

Phone: (406) 452-8581.

Rank 457

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How the top 50 agency brands line up

Brand name agency rank 1987	1986	Agency	Agency group	U.S. brand billings 1987	1986	% chg	Parent agency 1987
1	2	Saatchi & Saatchi Advertising	Saatchi & Saatchi PLC	1,679.0	1,448.1	15.9	2,187.0
2	3	Leo Burnett Co.		1,550.0	1,361.6	13.8	1,550.0
3	1	J. Walter Thompson Co.	WPP Group PLC	1,544.3	1,536.4	0.5	1,620.8
4	5	Foote, Cone & Belding		1,369.7	1,215.0	12.7	1,628.6
5	4	DDB Needham Worldwide	Omnicom Group	1,245.1	1,230.5	1.2	1,726.6
6	7	Young & Rubicam		1,227.3	1,073.4	14.3	2,573.0
7	8	Grey Advertising		1,164.3	1,072.0	8.6	1,455.4
8	11	Lintas:Worldwide	Interpublic Group of Cos.	1,107.9	1,004.8	10.3	1,107.9
9	13	BBDO Worldwide	Omnicom Group	1,107.8	985.2	12.4	2,244.7
10	6	Ogilvy & Mather Worldwide	Ogilvy Group	1,098.2	1,081.0	1.6	1,745.2
11	12	D'Arcy Masius Benton & Bowles		1,033.1	998.0	3.5	1,332.3
12	10	Bozell, Jacobs, Kenyon & Eckhardt		1,023.5	1,005.0	1.8	1,150.0
13	14	McCann-Erickson	Interpublic Group of Cos.	1,023.4	937.3	9.2	1,078.0
14	9	Backer Spielvogel Bates	Saatchi & Saatchi PLC	983.6	1,034.8	(4.9)	1,069.0
15	15	NW Ayer		859.3	854.0	0.6	878.0
16	16	Wells, Rich, Greene		639.0	544.6	17.3	765.0
17	18	Campbell-Mithun	Saatchi & Saatchi PLC	393.3	353.6	11.2	425.8
18	22	Ketchum Communications		384.4	304.8	26.1	610.0
19	21	Chiat/Day		350.0	314.1	11.4	350.0
20	26	Ross Roy Inc.		346.0	293.2	18.0	475.3
21	25	Ally & Gargano	Marketing Corp. of America	316.7	296.1	7.0	316.7
22	17	William Esty Co.	Saatchi & Saatchi PLC	315.0	510.0	(38.2)	315.0
23	20	AC&R/DHB&Bess	Saatchi & Saatchi PLC	313.2	321.2	(2.5)	313.2
24	24	Tracy-Locke	Omnicom Group (BBDO)	309.5	298.8	3.6	326.0
25	38	McCaffrey & McCall	Saatchi & Saatchi PLC	308.9	203.7	51.6	308.9
26	19	Lowe Marschalk	Interpublic Group of Cos.	304.2	326.9	(6.9)	304.2
27	27	Laurence, Charles, Free & Lawson	Lowe Howard-Spink & Bell PLC	302.0	287.0	5.2	302.0
28	33	Della Femina, Travisano & Partners	WCRS/Belier	283.6	212.9	33.2	283.6
29	30	Jordan, McGrath, Case & Taylor		280.0	240.0	16.7	280.0
30	28	Scali, McCabe, Sloves	Ogilvy Group	261.7	269.2	(2.8)	506.8
31	32	Wunderman Worldwide	Young & Rubicam	260.0	224.5	15.8	260.0
32	36	W.B. Doner & Co.		247.2	210.1	17.7	247.2
33	35	Hill, Holliday, Connors, Cosmopulos		245.0	211.4	15.9	245.0
34	31	Tatham-Laird & Kudner		241.8	238.5	1.4	241.8
35	29	HBM/Creamer	WCRS/Belier	234.0	267.0	(12.4)	272.0
36	37	Ogilvy & Mather Direct Response	Ogilvy Group	222.0	205.0	8.3	260.0
37	34	Lord, Geller, Federico, Einstein	WPP Group PLC	221.3	212.2	4.3	221.3
38	47	Earle Palmer Brown Cos.		221.1	125.9	75.6	248.2
39	39	Admarketing		201.0	184.0	9.2	201.0
40	49	Hal Riney & Partners		200.0	125.0	60.0	200.0
41	23	HDM		199.4	298.8	(33.3)	205.9
42	48	Levine, Huntley, Schmidt & Beaver		181.8	125.2	45.2	181.8
43	40	Bloom Cos.		181.5	177.5	2.3	181.5
44	45	Bernard Hodes	Omnicom Group	180.3	138.7	30.0	180.3
45	41	Ammirati & Puris		170.0	150.0	13.3	170.0
46	44	Griffin Bacal		160.4	142.3	12.7	160.4
47	50	Nationwide Advertising Service		157.2	102.0	54.1	157.2
48	42	Evans Communications		152.0	145.0	4.8	152.0
49	46	Direct Marketing Group		149.8	138.7	8.0	149.8
50	43	Doremus & Co.	BBDO	146.2	143.9	1.6	297.4

NOTES: Dollars are in millions. 1986 figures are historical.

Composition of brand name agencies

Agency	Included	Excluded
N W Ayer	N W Ayer named shops, Ayer Pacific	Direct Marketing Agency
Backer Spielvogel Bates Worldwide	BSB named shops	AC&R/DHB&Bess, Campbell-Mithun, Kobs & Brady
BBDO Worldwide	BBDO Chicago, BBDO Inc., BBDO Minneapolis, BBDO/West, BDA/BBDO	Baxter Gurian & Mazzei, Blair Advertising, Caravetta Allen Kimbrough, Cargill, Wilson & Acree/Tracy-Locke, Doremus & Co., Frank J. Corbett Inc., Franklin Spier Inc., Ingalls, Quinn & Johnson, Lavey/Wolff/Swift, MARCOA DR Group, RC Communications, Waring & LaRosa
Bozell, Jacobs, Kenyon & Eckhardt	BJK&E named shops	Custom Production Services, Robinson, Lake, Lerer & Montgomery
Earle Palmer Brown Cos.	EPB named shops	EPB Public Relations, MarketSearch
Campbell-Mithun	C-E named shops	Cash Plus Inc., Promotion Works Inc.
D'Arcy Masius Benton & Bowles	DMB&B named shops	Manning Selvage & Lee, Medicus Consumer Communications, Medicus Intercon, Ted Colangelo Associates, Science & Medicine
DDB Needham Worldwide	DDB Needham named shops	Bernard Hodes Advertising Group, Fletcher/Mayo/Associates, Kallir, Philips, Ross, Kresser Craig/D.I.K., Milici Valenti Park & Gabriel, Rapp & Collins USA
Doremus & Co.	Doremus & Co. named shops	Doremus Porter Novelli
Foote Cone & Belding	FCB named shops	Albert Frank-Guenther Law, Lewis, Gilman & Kynett, Vicom
Grey Advertising	Grey named shops	Beaumont-Bennett, Grey Communications Inc., LBS Communications, Grey Direct
HBM/Creamer	HBM/Creamer named shops	HBM Direct, Heller Breene Inc (WCRS Group Co.)
HDM	HDM named shops	HDM Direct
Jordan, McGrath, Case & Taylor	JMC&T named shops	C.L. Stewasz
Ketchum Advertising	Ketchum named shop	Ketchum Direct, Ketchum Public Relations, Ketchum Yellow Pages
McCann-Erickson Worldwide	M-E named shops, McCann Healthcare	McCann Direct
Ogilvy & Mather Direct Response	O & M Direct Response, O & M Yellow Pages	A. Eicoff & Co., Targeted Communications Corp.
Ogilvy & Mather Worldwide	O & M named shops	Direct Response, O & M Promotions, O & M Public Relations Group, Graphic Services, Speech Dynamics, Rolf Werner Rosenthal
Ross Roy Group	Ross Roy named shops	Calet Hirsch & Spector, Gray & Kilgore, Griswold Inc.
Saatchi & Saatchi Advertising	S&S DFS, S&S DFS Compton	Cochrane Chase, Kleminer, McCaffrey & McCall, Rumrill-Hoyt
Scali, McCabe, Sloves	SMS named shops	Fallon McElligott, Martin Agency
Tracy-Locke	T-L named shops	Geographic Marketing, Tracy-Locke Promotions
J. Walter Thompson Co.	JWT named shops	Brouillard Communications
Wells, Rich, Greene	WRG named shops	Gardner Advertising
Young & Rubicam	Y&R named shops	Burson-Marsteller, Cato Johnson/Y&R, Chapman/Stone & Adler, Creswell, Munsell, Fultz & Zirbel, HDM (1/3 of billings), Hutchins/Y&R, Siva Associates, Sudler & Hennessey, Wunderman Worldwide

'Brands' explained

Saatchi & Saatchi Advertising broke the tape just ahead of Leo Burnett Co. and J. Walter Thompson Co. in the race to the top of the 1987 "brand" chart

Burnett's finish gave the agency its third silver medal in the "brand" competition while a poor year for JWT put an end to its two-year reign as "brand" champ.

Saatchi's jump from 14th to 1st in the "brand" list came from the merging of DFS Dorland Worldwide with Saatchi & Saatchi Compton. With the merger, core billings for Saatchi were up almost 14%. Burnett's finish resulted from sheer growth in U.S. billings, up 12%. Burnett edged out JWT by $6 million in core agency billings.

The ADVERTISING AGE "brand" chart was created three years ago to rank agencies by pure advertising billings. As listed, these agencies are stripped of subsidiaries that have their own identity and/or deal in specialties such as PR, direct response, Yellow Pages, medical or sales promotion.

In this era of mergers, such simplification helps advertisers examine the octopus-like agencies whose arms continue to grab at new shops and subsidiaries.

The Saatchi merger was not the only consolidation that had an effect on the 1987 "brand" listing. In all, nine agencies were added to this year's list that had previously fallen short of the billings threshold. These additions came as a result of newly bolstered billings figures for merged agencies and elimination of agencies that were swallowed by bigger shops.

In compiling the agency core list, all subsidiaries of a "brand" name agency were excluded from "brand" totals, but branch offices, most of which bear the name of "brand" parent, were included. This can be controversial, because a number of the larger shops, particularly BBDO Worldwide, DDB Needham, Foote, Cone & Belding and Young & Rubicam, are now seeking to become "seamless," though in the case of some subsidiaries, they maintain separate identities.

AD AGE editors pared the shops based on their reporting of figures for subsidiaries. Where such information was not provided or incomplete, agencies were asked to provide the information. When estimates could not be obtained from the shops, they were assigned to the various components by AA editors.

In streamlining agencies by breaking down the consolidated, a number of "seamless" agencies emerged. The unbundling of Saatchi & Saatchi's components that gave it an overall ranking of No. 2 in this issue, included billings for Cochrane Chase, Klemtner, McCaffrey & McCall, Rumrill-Hoyt, leaving Saatchi & Saaatchi DFS units as the core.

Burnett, No. 10 among consolidated agencies, was free of subsidiary contributions. Burnett is the largest U.S. agency in billings under a single roof.

JWT fell from No. 1 to No. 3 in the brand list and from No. 4 to No. 7 in consolidated rankings. Management upheaval plagued JWT all year as lost accounts dropped U.S. billings 6.4%.

Much of the movement among this year's brands occurred at the bottom third of the chart. Newcomers Earle Palmer Brown Cos., Hal Riney & Partners, HDM, Levine, Huntley, Schmidt & Beaver, Doremus & Co., Nationwide Advertising Service and Direct Marketing Group were scattered at the back of the pack.

Two other first-timers made even stronger showings. Backer Spielvogel Bates, a marriage of Backer & Spielvogel and Ted Bates Advertising, finished No. 14 in the brand chart and No. 3 among consolidated agencies. Last year, Backer & Spielvogel and Ted Bates Advertising finished No. 19 and No. 15, respectively. Newly formed AC&R/DHB&Bess came in at No. 23, while among consolidated agencies it ranked No. 35.

Such a listing of core shops has the most impact on subsidiary-packed agencies like Young & Rubicam. The No. 1 U.S. agency on a consolidated basis, drops to No. 6 among "brand" agencies.

—*Kristine E. Stiven*

1987 gained: Adhesive Research; City Systems; Lebanon Foundry & Machine; Lebanon Redevelopment Authority; Peoples First Natl Bank.

The agency lost: Cornwall Manor; Ephrata Diamond Spring Water Co.

Top execs: Robert F. Good, president; Ann S. White, exec vp; Jeffrey Miller, Benjamin Neideigh, vp, co-creative dirs; Wanda Martin, vp, business mgr. Employees: 13.

Phone: (717) 274-8301.

Rank 149

Edwin Bird Wilson, New York, in 1987 gained: Adco Corp.; Riverbank Realty Corp.; HBO Video Corp., film distribution; M. Fabrikant & Sons.

The agency lost: J. Paton & Co.; Hamilton Watch Co..

Top execs: Delano W. Ladd, chmn; Hubert J. Donlon, vice chmn; Larry Adler, Laurence Boschetto, Howard Gelman, Bruce Wager, John H. Lambert, Rajendra Dayal, Richard Lapkin, sr vps; Richard W. Stevenson, exec vp; A. Michael Finn, sr vp-president EBW PR. Employees: 72.

Phone: (212) 684-5220.

Rank 190

Winius-Brandon Advertising, Bellaire, Texas, in 1987 gained: Randall's Food Market.

The agency lost: None.

Top execs: Arthur Casper, chmn, president; Ed Kennard, vice chmn, creative dir; Harold Green, vice chmn; Steve Haber, exec vp; Heidi Askew, vp, media dir; Roger Beckstead, vp, cfo. Employees: 43.

Phone: (713) 666-1765.

Rank 372

Winterkorn Lillis, Rochester, N.Y., in 1987 gained: Oncor; Baxter Clinical Assays; Ocean Scientific.

The agency lost: Baxter-Paramax Div.

Top execs: William Lillis, president; Wendy Nelson, Bob Flenthe, Charlie Myers, vps-creative; Terry McArdle, vp-pr; Paul Hoffman, vp-accts. Employees: 29

Phone: (716) 454-1010.

Rank 431

Don Wise & Co., New York, in 1987 gained: Dyeables; Crossings; Merona.

The agency lost: John Henry Shirts.

Top exec: Donald Wise, president, creative dir. Employees: 10.

Phone: (212) 371-3333.

Rank 201

Wolf Blumberg Krody, Cincinnati, did not report accounts gained or lost in 1987.

Top execs: Dale Wolf, president-ceo; James J. Lewis, exec vp-cfo; Richard Blumberg, genl mgr-agency; Barron Krody, genl mgr-studio; Ron Harley, genl mgr-publications; Joe Obermeyer, sr vp. Employees: 66.

Phone: (513) 751-0258.

Rank 430

Wolkcas Advertising, Albany, N.Y., in 1987 gained: Northeast Acura; Saratoga Honda; Super Shop 'N Save; WGY/WGFM; National Baseball Hall of Fame; Duross Design.

The agency lost: Capital Cablevision, Schatz Stationery Store; Your Office; Pearl Grant Richmond, Baretti.

Top execs: Stewart Sacklow, president; Harriette Sacklow, vp. Employees: 13.

Phone: (518) 869-4846.

Rank 342

Peter Wong & Associates, Richmond, Va., did not report accounts gained or lost.

Top execs: Peter Wong, president; Jennifer Wong, corp treas; Richard Wong, vp-acct mgmt & mktg svcs; Debra Angstadt, vp-plng & admin. Employees: 23.

Phone: (804) 648-1900.

Rank 408

Wooding & Housley, Providence, R.I., in 1987 gained: Dennison Mfg; Exercycle Corp.; Norton Co., High Performance Ceramics Div.; Sport Graphics; Standard Gage Co.; Trimont Chemical Corp.

The agency lost: Bill Rodgers & Co.; Truntec Shoes.

Top execs: Benjamin Wooding, president; John Housley, vp, CD; Dian DiLeo, vp, AS. Employees: 20.

Phone: (401) 272-9494.

Rank 306

Wray/Ward Advertising, Charlotte, N.C., in 1987 gained: Stanton Corp; Thurston Motor Lines.

The agency lost: Duke Power Co.

Top execs: Charles W. Wray Jr., president, treas; Robert L. Ward, exec vp, sec; Sylvia J. Cope, sr vp. Employees: 23.

Phone: (704) 332-9071.

Rank 328

Wyble Advertising, Millville, N.J., reported consolidated figures in Section I that included subsidiaries:

·Surveys-by-Mail

·Prodigy

The agency did not report accounts gained or lost in 1987.

Top exec: Henry Wyble, president. Employees: 22.

Phone: (609) 825-3403.

Rank 266

Yaffe & Co., Southfield, Mich. in 1987 gained: R&S Strauss Assn.

The agency lost no accounts.

Top execs: Frederick Yaffe, chmn-ceo; Michael Morin, sr vp-acct svc. Employees: 41.

Phone: (313) 552-7800.

Rank 162

Yellow Pages Marketing Services, Mequon, Wis., reported figures in Section I that did not include subsidiary, Creative Media. Figures included other offices located in Milwaukee, Hackensack, Los Angeles, San Francisco, Chicago, Kansas City, Mo., Minneapolis, Houston and Cleveland.

In 1987, the agency did not report accounts gained or lost.

Top execs: Richard C. Miller, president; Robert B. Kennedy, sr vp, genl sales mgr; James F. Ponce, sr vp; Rudy N. Magnolia, district vp-western region; David J. Madison, district vp-eastern region; George R. Boehm, Marilyn G. Young, vps; Mark O. Brown, vp-corp consulting svcs; Cynthia M. Dzikowski, vp-acct svcs; Helen B. Harper, vp-operations; Ann J. Kosack, vp, branch mgr; Kathleen L. Smith, vp-public info center; Richard M. Tuchalski, vp, controller; Donald A. Zimmel, vp, office mgr.

Employees: 123 in 9 offices.

Phone: (414) 241-8600.

Rank 281

Young & Roehr, Portland, Ore., in 1987 gained: Good Health Medicare; Karseal; TEK-DAG/CAE.

The agency lost: Intel; Willamette.

Top execs: Jeremy H. Young, president; Frank O. Roehr, treas. Employees: 36.

Phone: (503) 297-4501.

Rank 220

Zechman & Associates, Chicago, in 1987 gained: Gold Bond Ice Cream; Paterno Imports; Wabash Valley Broadcasting; WBBM-TV Chicago; American Cancer Society, Illinois Chapter.

The agency lost: Dove Intl; WTPI Radio, Indianapolis.

Top execs: Jan E. Zechman, president; Philip D. Davis, sr vp-client svcs; Jackie Morgan, sr vp-media; Richard Lemmon, vp-exec art dir; Richard Bach, dir-mktg & rsch. Employees: 30.

Phone: (312) 346-0551.

Rank 404

Zubi Advertising Services, Miami, in 1987 gained: Norwegian Caribbean Cruise Lines; Arvide/JMB Partners; Southeast Banks, N.A.

The agency lost: None.

Top execs: Teresa Zubizarreta, president. Employees: 17.

Phone: (305) 381-9222.

Rank 332

Zylke & Associates, Northbrook, Ill., in 1987 gained: Autotype; Alnor Instrument; Eagle Iron Works; Ircon; Mayville Engineering; National Castings; Novacor Chemicals; Nippon Electric Glass; Pfanstiehl.

The agency lost: Economy Engineering.

Top execs: Ralph B. Zylke, president; Charles H. Puls, exec vp. Employees: 27.

Phone: (312) 498-9300.

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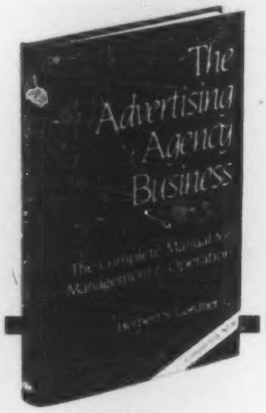
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Saatchi widens group lead

Top six agency mega groups by worldwide gross income

Rank	Group	Worldwide gross income 1987	1986	% chg	U.S. gross income 1987	1986	%chg	Worldwide billings 1987	1986	U.S. billings 1987	1986
1	Saatchi & Saatchi PLC*	1,684.6	1,473.2	14.3	822.5	802.7	2.5	11,357.0	10,024.9	5,623.6	5,574.1
2	Interpublic Group of Cos.	992.9	822.4	20.7	390.2	373.5	4.5	6,622.7	5,552.0	2,603.0	2,491.1
3	Omnicom Group	895.5	820.1	9.2	549.4	557.4	(1.4)	6,267.6	5,816.5	3,882.2	3,834.2
4	WPP Group PLC	892.5	NA	NA	491.5	NA	NA	5,952.9	NA	3,278.5	NA
5	Ogilvy Group	723.9	548.7	31.9	365.9	319.3	14.6	5,041.2	3,802.4	2,482.1	2,129.5
6	WCRS/Belier*	230.2	184.0	25.1	92.9	79.1	17.4	1,633.7	1,260.0	674.1	538.1

NOTES: Dollars are in millions. Figures for 1986 are reported on a historical basis, except those for cos. marked with an *, which are estimated on a historical basis. See Page 4 for more footnotes.

The mega agency leaders in 1987 had a decidedly British flavor as acquisitions elevated WPP Group PLC and WCRS/Belier, both London-based, to the select group that once again was paced by Saatchi & Saatchi PLC in worldwide gross income.

The order of finish was virtually a re-run from 1986 but within the groups themselves hardly one exited 1987 with the organizational structure that it began the year with.

Acquisitions were major forces behind restructuring. They opened the door for this year's two new British entities. WPP bought last year's No. 4, JWT Group, and WCRS acquired Ball Partnership and 49% of Groupe Belier.

Saatchi & Saatchi cooled its acquisition heels on the agency side of its business but reshaped itself from top to bottom as it folded U.S. acquisitions made in 1986 into its organization. It merged Ted Bates Worldwide into Backer & Spielvogel to form Backer Spielvogel Bates. DFS Dorland Worldwide was merged into Saatchi & Saatchi Compton Inc. to form Saatchi & Saatchi Advertising Worldwide.

The only Saatchi agencies outside either of these two monoliths are William Esty Co. and Conill Advertising, both New York based. Esty, in particular, was kept out so Saatchi could retain two car accounts—Jeep/Eagle with Esty and Toyota at Saatchi & Saatchi Advertising Worldwide.

Interpublic, No. 2, formed Lintas:Worldwide, which now includes once independent Campbell-Ewald Worldwide. In 1986 it broke up the Marschalk Campbell-Ewald Worldwide network and in 1987 merged Campbell-Ewald's remaining U.S. shops with SSC&B:Lintas. In the new order, the SSC&B moniker has been laid to rest.

Return on revenues by mega groups

Rank	Group	Return on revenues 1987	1986	Net income 1987	1986	Billings 1987	1986
1	Saatchi & Saatchi PLC	6.1	5.4	73.3	37.3	1,206.5	692.2
2	Interpublic Group of Cos.	5.1	5.0	49.3	41.1	970.7	814.4
3	Omnicom Group	4.3	N/A	34.7	(4.1)	811.4	753.5
4	Ogilvy Group	4.0	4.8	29.8	27.0	738.5	660.1
5	WPP Group PLC	2.5	4.5	11.9	1.8	477.3	39.8

NOTE: Dollars in millions

The tightest race was for No. 3 in worldwide gross income with Omnicom Group beating out WPP. Ogilvy Group, No. 5, grew the fastest—31.9% in worldwide gross income—but had too far to come to replace any of the top four mega groups.

Saatchi & Saatchi proved not only to be the biggest, but its return on revenue the best. Its 6.1% return outpaced No. 2 Interpublic with 5.1% and No. 3 Omnicom Group, 4.3%. *(See accompanying chart.)*

The Mickelberry Corp. mega group continued to break apart. The New York-based public holding company that began as a marketer of specialty meat products started collecting advertising agencies in early 1980s. And in the past year, it has systematically divested itself of all but BBDM, Chicago, and Calvillo, Shevack & Partners.

First to go in January, 1987, was its biggest unit, C&W Group, (formerly Cunningham & Walsh), sold to N W Ayer. In September, Laurence, Charles, Free & Lawson went to Lowe Howard-Spink & Bell PLC, London. Within LHS&B, LCF&L will network with Allen Brady & Marsh, London.

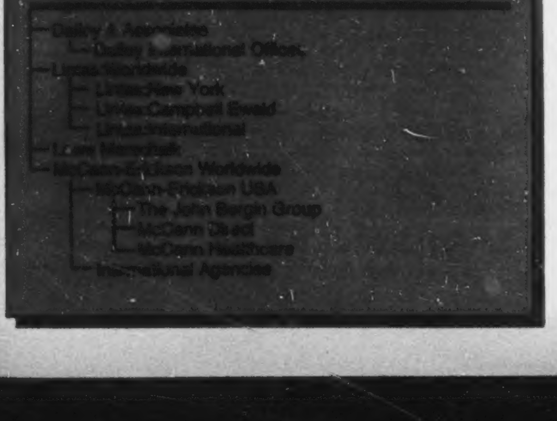
Mickelberry had trouble building its agency base. From 1982 when Mickelberry acquired Cunningham & Walsh, to the time of the sale of C&W, Mickelberry had not reported a gain in annual net income.

For the rankings of mega groups, Ad Age permitted mega groups to report fee income from non-media units in worldwide gross income. That figure is then capitalized to arrive at a billings equivalent *(See Page 4 for definition of capitalized billings.)* This is the same manner in which individual agencies treat their non-media units.

Saatchi & Saatchi is the only group to report pure "media advertising" figures, as it calls them. Media in Saatchi parlance does not include such disciplines as sales promotion, direct mail, consulting, design, market research. These non-media units balloon Saatchi's worldwide gross income to $1.68 billion on capitalized billings of $11.4 billion —figures picked up in the "Top six" chart for comparative purposes.

If non-media businesses were not included in the chart, only WPP would fall in the rankings—from No. 4 to No. 5, replaced by Ogilvy Group—based on WPP's drop in worldwide gross income to about $520 million from $892.5 million. Ogilvy's gross income would drop, too, but only to about $673 million from $723.9 million.

WCRS, however, counters Saatchi's methods indicating that the so-called, non-media advertising units are all part of a one-stop-shopping concept WCRS and many other mega groups are seeking to achieve. Since these units are integral to the rest of the business at a mega agency group, including media, they should be included in income.



THE INTERPUBLIC GROUP OF COMPANIES

- Dailey & Associates
  - Dailey International Offices
- Lintas:Worldwide
  - Lintas:New York
  - Lintas:Campbell-Ewald
  - Lintas:International
- Lowe Marschalk
- McCann-Erickson Worldwide
  - McCann-Erickson USA
    - The John Bergin Group
    - McCann Direct
    - McCann Healthcare
  - International Agencies

Saatchi & Saatchi PLC

Saatchi & Saatchi PLC, London, had worldwide gross income of $1.3 billion on billings of $9 billion in 1987 for media-advertising operations, compared with estimated gross income of $1.2 billion on billings of $8.4 billion in 1986.

Non-U.S. returns contributed all the year-to-year growth. Non-U.S. gross income was $704.6 million, up 26.3% from an estimated $558 million in 1986, and non-U.S. billings of $4.7 billion, were up 26.6% from an estimated $3.7 billion in 1986. U.S. contributions included $630 million in gross income, down 5.3% from an estimated $665.2 million, and $4.3 billion in billings, down 6.8% from an estimated $4.7 billion.

Prior-year estimates by Ad Age are based on the sum of returns in 1986 of the current components in the Saatchi network. Saatchi, unlike other groups, does not include non-media income in its totals.

Saatchi & Saatchi contains two big worldwide networks:

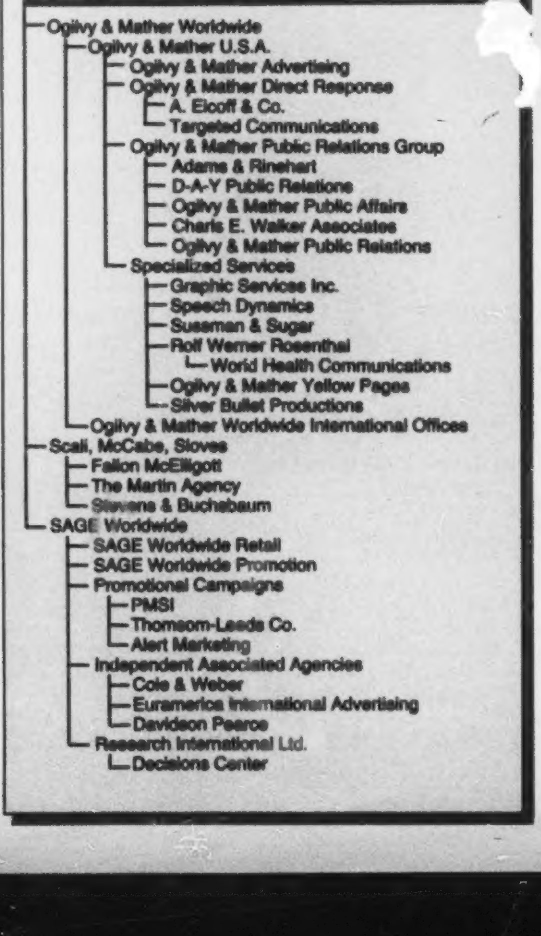
- Saatchi & Saatchi Advertising Worldwide.
- Backer Spielvogel Bates Worldwide.

Not part of either of the two agency networks are independent U.S. agencies, William Esty Co. and Conill Advertising.

The London-based group divides its organization into Saatchi & Saatchi Communications (all the advertising agencies) and Saatchi & Saatchi Consulting, the latter of which includes Yankelovich Clancy & Shulman in the U.S.

S&S went through extensive reorganization in 1987. Following the purchase in late 1986 of Ted Bates Worldwide and Backer & Spielvogel, S&S merged the two agencies into Backer Spielvogel Bates. Most former Bates subsidiaries were retained under the Backer Spielvogel Bates umbrella.

Names of core agencies in the U.S. were switched to Backer Spielvogel Bates, while the vast Bates international network fell under the Ted Bates International logo. This March, the big Dorland U.K. agency ($331.2 million in billings) was merged into the BSB office to form BSB/Dorland.



THE OGILVY GROUP

- Ogilvy & Mather Worldwide
  - Ogilvy & Mather U.S.A.
    - Ogilvy & Mather Advertising
    - Ogilvy & Mather Direct Response
      - A. Eicoff & Co.
      - Targeted Communications
    - Ogilvy & Mather Public Relations Group
      - Adams & Rinehart
      - D-A-Y Public Relations
      - Ogilvy & Mather Public Affairs
      - Charls E. Walker Associates
      - Ogilvy & Mather Public Relations
    - Specialized Services
      - Graphic Services Inc.
      - Speech Dynamics
      - Sussman & Sugar
      - Rolf Werner Rosenthal
        - World Health Communications
      - Ogilvy & Mather Yellow Pages
      - Silver Bullet Productions
  - Ogilvy & Mather Worldwide International Offices
- Scali, McCabe, Sloves
  - Fallon McElligott
  - The Martin Agency
  - Stevens & Buchsbaum
- SAGE Worldwide
  - SAGE Worldwide Retail
  - SAGE Worldwide Promotion
  - Promotional Campaigns
    - PMSI
    - Thomsom-Leeds Co.
    - Alert Marketing
  - Independent Associated Agencies
    - Cole & Weber
    - Euramerica International Advertising
    - Davidson Pearce
  - Research International Ltd.
    - Decisions Center

Dorland was the Saatchi & Saatchi arm is 1986 that bought Dancer Fitzgerald Sample to create DFS Dorland. In 1987, the DFS portion was then merged with Saatchi & Saatchi Compton Worldwide to form Saatchi & Saatchi Advertising Worldwide.

This new unit in the U.S. includes the old Compton Advertising's New York operation and DFS Dorland's three offices in Torrance and San Francisco, Calif., and New York. The international group of Saatchi & Saatchi Compton Worldwide—consisting of the former Compton international network and Saatchi & Saatchi network—remained essentially intact.

William Esty Co. gained a Detroit office when it got Saatchi & Saatchi Compton Worldwide's Jeep/Eagle account—funneled to the agency when S&S Compton merged with DFS Dorland. The merged unit was then able to retain the Toyota account brought into the merger by DFS Dorland.

In another office shift in the U.S., Rumrill-Hoyt's New York office was merged with McCaffrey & McCall, as was the entire Saatchi agency, Fairfax Advertising.

Top execs: J.K. Gill, president; Maurice Saatchi, chm; Charles Saatchi, dir; D.S. Perring, dir; Simon J. Mellor, dir; V. E. Millar, dir; D. B. Newlands, dir; J. T. Sinclair, dir; A. K. Woods, dir; V. E. Treves, non-exec.

Phone: (01) 930-2161 in London.

Interpublic Group of Cos.

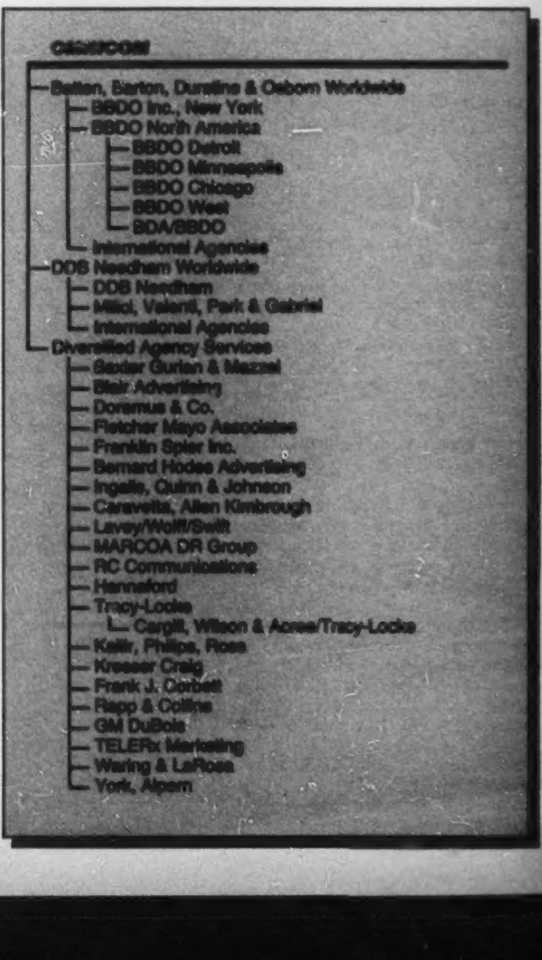
Interpublic, New York, registered worldwide growth of 20.7% in gross income and 19.2% in billings, with foreign contributions becoming even more a dominant factor than in the past. Foreign billings represented 60.7% of total billings in 1987 compared with 55.1% in 1986.

Interpublic had worldwide gross income in 1987 of $992.9 million on billings of $6.6 billion, compared with $822.4 million in gross income on billings of $5.6 billion in 1986. Comparisons are made on an historic basis.

In the U.S., gross income rose to $390.2 million on billings of $2.6 billion in 1987, compared with gross income of $373.5 million on billings of $2.49 billion in 1986. Both were up 4.5%.

Its foreign gross income grew 34.2% to $602 million on billings of $4 billion, up 31.3% from 1986.

Agencies assembled under the Interpublic banner include:



OMNICOM

- Batten, Barton, Durstine & Osborn Worldwide
  - BBDO Inc., New York
  - BBDO North America
    - BBDO Detroit
    - BBDO Minneapolis
    - BBDO Chicago
    - BBDO West
    - BDA/BBDO
  - International Agencies
- DDB Needham Worldwide
  - DDB Needham
  - Milici, Valenti, Park & Gabriel
  - International Agencies
- Diversified Agency Services
  - Baxter Gurian & Mazzei
  - Blair Advertising
  - Doremus & Co.
  - Fletcher Mayo Associates
  - Franklin Spier Inc.
  - Bernard Hodes Advertising
  - Ingalls, Quinn & Johnson
  - Caravetta, Allen Kimbrough
  - Lavey/Wolff/Swift
  - MARCOA DR Group
  - RC Communications
  - Hannaford
  - Tracy-Locke
    - Cargill, Wilson & Acree/Tracy-Locke
  - Keller, Phillips, Ross
  - Kresser Craig
  - Frank J. Corbett
  - Rapp & Collins
  - GM DuBois
  - TELERx Marketing
  - Waring & LaRosa
  - York, Alpern

- McCann-Erickson Worldwide. Its U.S. arm is McCann-Erickson Inc., and its international operation, McCann-Erickson International.
- Lintas:Worldwide. The U.S. half is called Lintas, U.S.A., with individual shops carrying the Lintas:Campbell-Ewald tag except for Lintas:New York. Lintas:International is the foreign arm.
- Dailey & Associates
- Lowe Marschalk Inc.

During the year, Campbell-Ewald became part of Lintas:Worldwide, a new mega agency in Interpublic. In the U.S., the Lintas shops, formerly called SSC&B:Lintas, were changed to Lintas:Campbell-Ewald, except in New York where the agency became just Lintas:New York.

Interpublic had begun reshaping the group formerly called Marschalk/Campbell-Ewald in 1986 when it divided the network into Campbell-Ewald and Lowe Marschalk, the Lowe in the title coming from Lowe Howard-Spink & Bell PLC, a London-based agency holding company that purchased 30% of the agency.

McCann-Erickson continued to acquire agencies. It bought Bogart Delafield Ferrier, a medical agency in New Jersey, and at yearend reached agreement to purchase the U.S. arm of Geers Gross Advertising. In January, 1988, it announced plans to buy Phillips-Ramsey, the largest agency in San Diego. McCann also made a number of foreign agency acquisitions.

Top execs: Philip H. Geier Jr., chmn & ceo; Eugene P. Beard, exec vp-fin & operations, cfo; Edwin A. Kiernan Jr., sr vp, genl counsel & secy; C. Kent Kroeber, sr vp-human resources; Charles A. Mittelstadt, sr vp-Center for Advertising Services; Henry Strock, sr vp-financial analysis & acquisitions; Thomas J. Volpe, sr vp-financial operations & treasurer; Arthur E. Wilen, sr vp-development & professional services.

The company had 14,060 employees in 1987 compared with 13,201 in 1986.

Phone: (212) 399-8000.

Omnicom Group

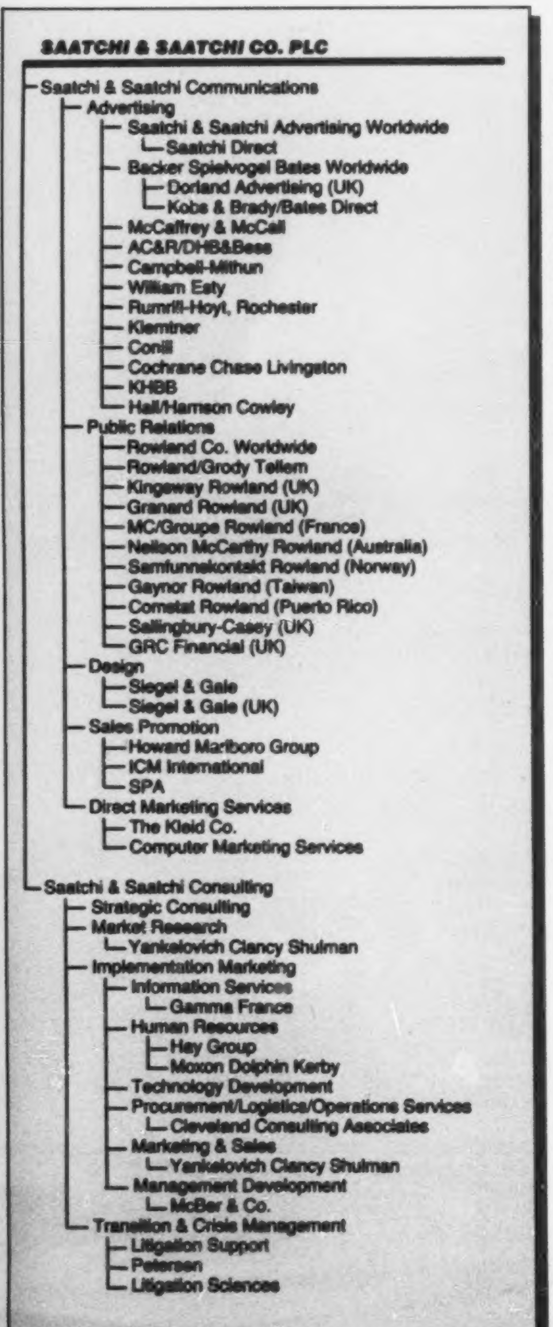
Omnicom Group got a boost from its foreign side in 1987. Foreign billings as a percent of worldwide billings grew from 34% to 38%. On the home front, Omnicom dropped 1.4% in gross income on a growth of only 1.3% in billings.

The decline in gross income was influenced by DDB Needham Worldwide's drop of 12.9% in U.S. gross income on a 6.4% decline in U.S. billings. BBDO Worldwide, the other big entity within Omnicom, registered small gains of 1.4% and 6.5% in U.S. gross income and billings, respectively.

Groups less non-advertising units

Rank	Group	W'wide gross income	W'wide billings
1	Saatchi & Saatchi PLC	1,334.6	9,023.0
2	Interpublic Group of Cos.	992.9	6,622.7
3	Omnicom Group	887.9	6,216.9
4	Ogilvy Group	672.7	4,700.0
5	WPP Group PLC	519.6	3,474.1
6	WCRS/Belier	216.2	1,540.3

NOTES: Dollars are in millions. Income figures are shown without contribution from non-advertising units such as pr, design, market research and consulting. The fee income associated with these units also was capitalized and removed from corresponding billings totals.



SAATCHI & SAATCHI CO. PLC

Saatchi & Saatchi Communications
  Advertising
    Saatchi & Saatchi Advertising Worldwide
      Saatchi Direct
    Backer Spielvogel Bates Worldwide
      Dorland Advertising (UK)
      Kobs & Brady/Bates Direct
    McCaffrey & McCall
    AC&R/DHB&Bess
    Campbell-Mithun
    William Esty
    Rumrill-Hoyt, Rochester
    Klemtner
    Conill
    Cochrane Chase Livingston
    KHBB
    Hall/Harrison Cowley
  Public Relations
    Rowland Co. Worldwide
    Rowland/Grody Tellem
    Kingsway Rowland (UK)
    Granard Rowland (UK)
    MC/Groupe Rowland (France)
    Neilson McCarthy Rowland (Australia)
    Samfunnskontakt Rowland (Norway)
    Gaynor Rowland (Taiwan)
    Comstat Rowland (Puerto Rico)
    Sallingbury-Casey (UK)
    GRC Financial (UK)
  Design
    Siegel & Gale
    Siegel & Gale (UK)
  Sales Promotion
    Howard Marlboro Group
    ICM International
    SPA
  Direct Marketing Services
    The Kleid Co.
    Computer Marketing Services
Saatchi & Saatchi Consulting
  Strategic Consulting
  Market Research
    Yankelovich Clancy Shulman
  Implementation Marketing
    Information Services
      Gamma France
    Human Resources
      Hay Group
      Moxon Dolphin Kerby
    Technology Development
    Procurement/Logistics/Operations Services
      Cleveland Consulting Associates
    Marketing & Sales
      Yankelovich Clancy Shulman
    Management Development
      McBer & Co.
  Transition & Crisis Management
    Litigation Support
    Petersen
    Litigation Sciences

Omnicom worldwide gross income was $895.5 million on billings of $6.3 billion in 1987, compared with gross income of $820.1 million on billings of $5.8 billion in 1986.

In the U.S., Omnicom had gross income of $549.4 million on billings of $3.9 billion in 1987, compared with gross income of $557.4 million on billings of $3.8 billion.

Formed in the spring of 1986, Omnicom consists of two groupings:

- BBDO Worldwide.
- DDB Needham Worldwide.

On an organizational level, subsidiary agencies of BBDO and DDB Needham form a third tier—Diversified Agency Services—although on a financial reporting basis, these DAS agencies are merged into the BBDO or DDB Needham networks.

Top execs: Allen Rosenshine, president & ceo; Raymond E. McGovern, secy, genl counsel; James A. Cannon, comptroller; Jack Kraushaar, dir corp svcs; Barry E. Longhrane, chmn & ceo, Diversified Agency Services Group; Thomas Watson, president, Diversified Agency Services Group.

Omnicom employed 9,898 worldwide in 257 offices in 1987, compared with 9,870 in 277 offices in 1986. The U.S., it employed 6,339 in 97 offices in 1987, compaed with 6,544 in 95 offices.

Phone: (212) 935-5660.

WPP Group PLC

WPP Group PLC, London, emerged as a megagroup through its acquisition of JWT Group, New York, in July, 1987. WPP prior to the acquisition was basically a marketing services company.

The group had worldwide gross income of $892.5 million on billings of $6 billion in 1987. In the U.S., gross income was $491.5 million on billings of $3.3 billion. No 1986 figures were provided because of the emergence of the group in 1987.

Components of WPP include:

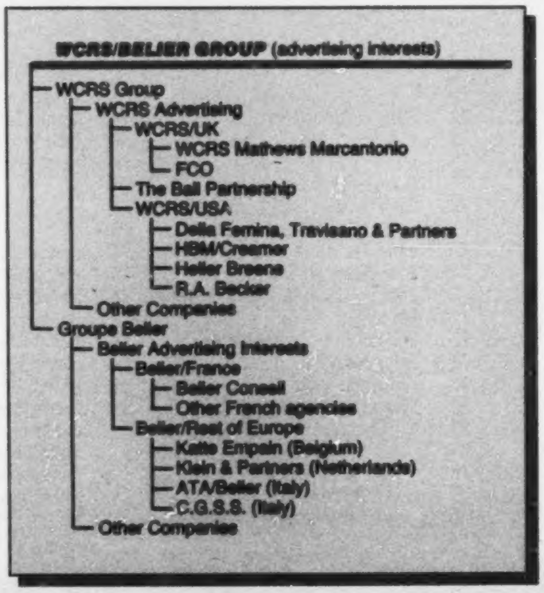
- J. Walter Thompson Co.
- Hill & Knowlton, pr.
- Simmons Market Research Bureau, market research.
- Winona Research. market research.
- Pace Communications, property marketing.
- Harvard Capital Group, financial communications
- Sidjakov Berman Gomez & Partners, graphics and design.
- Walker Group/CNI, graphics and design.
- Reese/Target Inc., public affairs direct marketing.
- Mendoza Dillon Asociados, specialist advertising.
- Lord, Geller, Federico, Einstein.

In mid-March, 1988, WPP suffered a rebellion in its ranks when six top executives from Lord, Geller, Federico, Einstein, New York, broke ranks to form Lord, Einstein, O'Neill & Partners, with financial support from Young & Rubicam.

Top execs: Martin Sorrell, group chief exec; Robert Lerwill, group fin dir; Jeremy Bullmore, John Quelch, dir (non-execs); Simeon Galpert, dir group treasury; Martyn Roberts, group tax dir; Doug Cheesman, corp devel U.S.; Anita Frew, corp devel, rest of the world; Chris Schulten, deputy group fin dir; Marie Hoban, group fin controller; Alicja Lesniak, controller, Europe; Peter Law-Gisiko, controller, Latin America/Asia Pacific; Lewis Trencher, controller, U.S.; Robert Emmins, fin dir, Rasor Communications Ltd; Daniel Tinkelman, fin dir, Rasor Communications Inc.

The group had 10,821 employees worldwide in 298 offices, of which 4,738 employees were in 100 U.S. offices.

Phone: (01) 408-2204 in London.



WCRS/BELIER GROUP (advertising interests)

WCRS Group
  WCRS Advertising
    WCRS/UK
      WCRS Mathews Marcantonio
      FCO
    The Ball Partnership
    WCRS/USA
      Della Femina, Travisano & Partners
      HBM/Creamer
      Heller Breene
      R.A. Becker
  Other Companies
Groupe Belier
  Belier Advertising Interests
    Belier/France
      Belier Conseil
      Other French agencies
    Belier/Rest of Europe
      Katte Empain (Belgium)
      Klein & Partners (Netherlands)
      ATA/Belier (Italy)
      C.G.S.S. (Italy)
  Other Companies

Ogilvy Group Inc.

The Ogilvy Group, New York, also drew its growth from the foreign side. Foreign billings, for example, rose from 44% of total agency billings in 1986 to 50.8% in 1987.

Worldwide gross income was $723.9 million on billings of $5 billion in 1987, compared with gross income of $548.7 million on billings of $3.8 billion.

In the U.S., the group had gross income of $365.9 million on billings of $2.5 billion, compared with $319.3 million in gross income on billings of $2.13 billion.

Ogilvy Group comprises:

- Ogilvy & Mather Worldwide Inc.
- Scali, McCabe, Sloves Group.
- Independent Associate Agencies (includes Cole & Weber).
- Research International Ltd. (includes Decisions Center Inc., New York, involved in custom research.
- SAGE Worldwide, retail consulting.

Ogilvy Group employed 10,007 in 344 offices worldwide in 1987, compared with 8,817 in 271 offices in 1986. The agency employed 4,016 in 76 U.S. offices in 1987, compared with 3,845 in 65 U.S. agency shops in 1986.

Top execs: Executive committee—William E. Phillips, chmn & ceo; Kenneth Roman, chmn, Ogilvy & Mather Worldwide; Norman Berry, worldwide creative head, president-creative N.Y.; Graham Phillips, chmn, Ogilvy & Mather U.S., president-North America, Ogilvy & Mather Worldwide; John P. Gill, secy & treas.

The group had 10,007 employees worldwide in 344 offices in 1987, up from 8,817 in 271 offices in 1986. In the U.S., it had 4,016 employees in 76 offices in 1987, up from 3,845 employees in 65 offices in 1986.

Phone: (212) 907-3400.

WCRS/Belier Group

Two years ago owners of U.K. agency, Wight Collins Rutherford Scott (now WCRS Mathews Marcantonio), saw their future as big player in the agency business providing one-stop shopping, and to do this, the agency needed to be both multi-disciplined and multinational. That meant expansion.

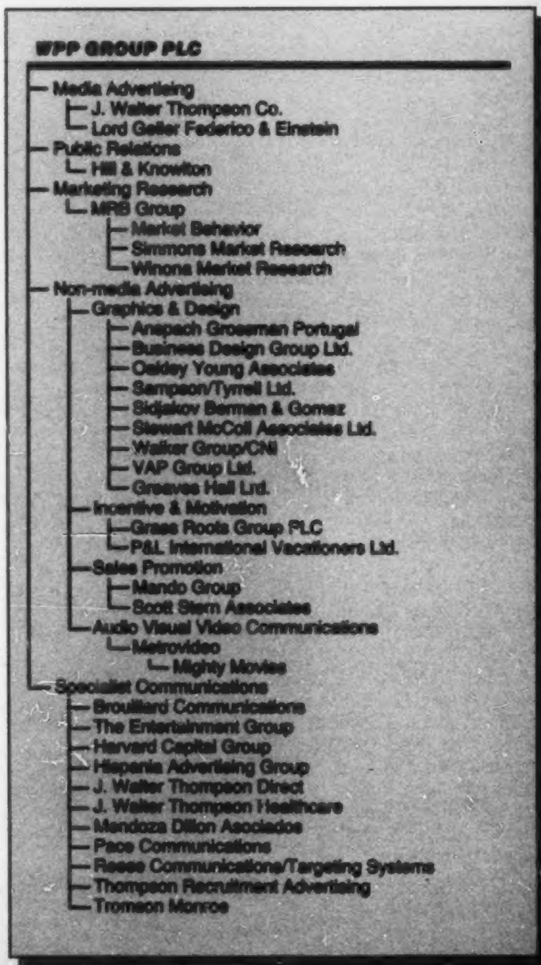
That decision has led to its latest metamorphosis: WCRS/Belier Group, London, which in 1987 had worldwide gross income of $230.2 million on billings of $1.6 billion, compared with estimated gross income of $184 million on billings of an estimated $1.3 billion in 1986. Figures are historic for a like comparison between the two years. WCRS is not listed in the tabular return-on-revenue chart because it has undergone meteoric growth since its last fiscal reporting period, April 1987.

The big growth for WCRS came in September, 1987, when it acquired 49% of Paris-based Groupe Belier from its owner Eurocom. Belier gave WCRS a Continental base. Earlier in the year, WCRS gained a Pacific presence through the acquisition of Ball Partnership from Ogilvy Group. On a constant basis, these non-U.S. acquisitions helped pushed non-U.S. income up from $23.7 million in 1986 to $137.3 million in 1987.

WCRS expanded into the U.S. mostly in 1986. Its U.S. properties include:

- Della Femina Travisano & Partners.
- HBM/Creamer.
- Creamer Dickson Basford, pr.

(Continued on Page 96)



WPP GROUP PLC

Media Advertising
  J. Walter Thompson Co.
  Lord Geller Federico & Einstein
Public Relations
  Hill & Knowlton
Marketing Research
  MRB Group
    Market Behavior
    Simmons Market Research
    Winona Market Research
Non-media Advertising
  Graphics & Design
    Anspach Grossman Portugal
    Business Design Group Ltd.
    Oakley Young Associates
    Sampson/Tyrrell Ltd.
    Sidjakov Berman & Gomez
    Stewart McColl Associates Ltd.
    Walker Group/CNI
    VAP Group Ltd.
    Greaves Hall Lrd.
  Incentive & Motivation
    Grass Roots Group PLC
    P&L International Vacationers Ltd.
  Sales Promotion
    Mando Group
    Scott Stern Associates
  Audio Visual Video Communications
    Metrovideo
      Mighty Movies
Specialist Communications
  Brouillard Communications
  The Entertainment Group
  Harvard Capital Group
  Hispania Advertising Group
  J. Walter Thompson Direct
  J. Walter Thompson Healthcare
  Mendoza Dillon Asociados
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  Tromson Monroe

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Top 100 by productivity

Rank	Agency	Employees/$1 million U.S. billings 1987	1986	% chg	Total U.S. employees 1987	1987	% chg
1	Towne, Silverstein, Rotter	0.54	0.69	(21.57)	45	56	(19.64)
2	Avrett, Free & Ginsberg	0.65	0.63	4.14	59	54	9.26
3	Admarketing	0.67	0.72	(7.08)	135	133	1.50
4	Ally & Gargano	0.81	0.93	(12.35)	255	274	(6.93)
5	Fallon McElligott	0.89	1.16	(13.00)	127	108	17.59
6	Hal Riney & Partners	0.93	1.08	(22.99)	185	135	37.04
7	Kornhauser & Calene	0.94	0.89	(14.35)	115	107	7.48
8	Lavey/Wolff/Swift	1.00	1.88	5.71	72	112	(35.71)
9	TBWA Advertising	1.02	1.05	(46.81)	128	110	16.36
10	Altschiller Reitzfeld	1.02	1.04	(3.23)	75	70	7.14
11	Ted Colangelo Associates	1.03	1.48	(2.16)	69	73	(5.48)
12	Wells, Rich, Greene	1.05	N/A	(30.63)	805	N/A	N/A
13	Laurence, Charles, Free & Lawson	1.07	1.10	N/A	322	317	1.58
14	Jordan, McGrath, Case & Taylor	1.11	1.19	(3.47)	310	285	8.77
15	Lally, McFarland & Pantello	1.15	1.62	(6.77)	78	70	11.43
16	McKinney & Silver	1.18	1.22	(28.67)	135	126	7.14
17	Chiat/Day	1.18	1.06	(3.64)	413	333	24.02
18	Thomas G. Ferguson Associates	1.19	1.13	11.32	100	70	42.86
19	Rubin Postaer & Associates	1.20	1.43	4.94	151	156	(3.21)
20	Leo Burnett Co.	1.21	1.30	(15.88)	1,877	1,768	6.17
21	Levine, Huntley, Schmidt & Beaver	1.24	1.66	(6.74)	225	208	8.17
22	Griffin Bacal	1.25	1.23	(25.49)	200	175	14.29
23	Lintas:Worldwide	1.25	1.43	1.39	1,390	1,494	(6.96)
24	Della Femina, Travisano & Partners	1.27	1.25	(12.31)	359	267	34.46
25	Tatham-Laird & Kudner	1.29	1.45	0.92	312	345	(9.57)
26	Rapp & Collins USA	1.31	1.34	(10.78)	130	110	18.18
27	GSDM	1.31	N/A	(2.74)	135	N/A	N/A
28	Keye/Donna/Pearlstein	1.32	1.63	N/A	105	103	1.94
29	Medicus Intercon International	1.32	1.54	(18.79)	136	127	7.09
30	Vicom/FCB	1.35	1.78	(14.16)	101	88	14.77
31	Warwick Advertising	1.35	1.38	(24.15)	190	190	0.00
32	Backer Spielvogel Bates Worldwide	1.36	1.55	(2.13)	2,458	2,814	(12.65)
33	Henderson Advertising	1.43	1.50	(4.50)	101	120	(15.83)
34	Ammirati & Puris	1.44	1.53	(6.01)	245	230	6.52
35	Sudler & Hennessey	1.46	1.55	(5.91)	191	192	(0.52)
36	The Bloom Cos.	1.46	1.71	(14.75)	265	304	(12.83)
37	Scali, McCabe, Sloves	1.47	1.57	(6.34)	744	714	4.20
38	Lord, Geller, Federico, Einstein	1.47	1.48	(0.79)	325	314	3.50
39	Geer, DuBois	1.48	1.43	3.48	170	150	13.33
40	MARCOA DR Group	1.48	1.57	(5.50)	177	173	2.31
41	Grey Advertising	1.49	1.65	(9.74)	2,165	2,238	(3.26)
42	Kallir, Philips, Ross	1.49	1.37	8.83	185	155	19.35
43	Wunderman Worldwide	1.51	1.80	(16.00)	393	404	(2.72)
44	Lowe Marschalk	1.52	1.57	(3.22)	461	512	(9.96)
45	AC&R/DHB&Bess	1.52	1.67	(9.23)	471	490	(3.88)
46	DDB Needham Worldwide	1.54	1.51	2.25	2,493	2,605	(4.30)
47	J. Walter Thompson Co.	1.55	1.75	(11.76)	2,506	3,035	(17.43)
48	William Douglas McAdams	1.56	1.59	(1.93)	159	165	(3.64)
49	Hill, Holliday, Connors, Cosmopulos	1.60	1.66	(3.63)	391	350	11.71
50	Tucker Wayne/Luckie & Co.	1.61	N/A	N/A	198	N/A	N/A
51	Bozell, Jacobs, Kenyon & Eckhardt	1.61	1.90	(15.35)	1,847	2,068	(10.69)
52	Ross Roy Group	1.62	1.75	(7.31)	771	728	5.91
53	Ogilvy & Mather Worldwide	1.64	1.71	(3.81)	2,863	2,840	0.81
54	Eisaman, Johns & Laws	1.64	1.77	(7.10)	168	158	6.33
55	Campbell-Mithun	1.66	1.91	(13.29)	705	726	(2.89)
56	McCann-Erickson Worldwide	1.66	1.70	(2.16)	1,789	1,661	7.71
57	D'Arcy Masius Benton & Bowles	1.67	1.81	(7.98)	2,219	2,314	(4.11)
58	N W Ayer	1.67	1.30	28.70	1,464	1,184	23.65
59	Richards Group	1.67	1.91	(12.24)	149	157	(5.10)
60	Dailey & Associates	1.67	1.29	30.12	189	181	4.42
61	BBDO Worldwide	1.68	1.84	(8.37)	3,760	3,873	(2.40)
62	Cole & Weber	1.69	2.25	(25.10)	147	204	(27.94)
63	Davis, Johnson, Mogul & Colombatto	1.70	1.84	(7.77)	228	240	(5.00)
64	HDM	1.71	1.65	3.77	353	510	(30.78)
65	Muir Cornelius Moore	1.72	1.98	(12.91)	125	125	0.00
66	Kobs & Brady Advertising	1.75	1.74	0.36	149	141	5.67
67	Doremus & Co.	1.77	1.89	(6.75)	525	535	(1.87)
68	HBM/Creamer	1.78	2.09	(14.68)	485	558	(13.08)
69	Ingalls, Quinn & Johnson	1.79	2.33	(22.94)	242	273	(11.36)
70	Valentine-Radford	1.80	2.15	(15.97)	146	152	(3.95)
71	Tracy-Locke	1.82	1.91	(4.68)	593	604	(1.82)
72	Foote, Cone & Belding Communications	1.82	2.04	(10.59)	2,972	3,300	(9.94)
73	Cramer-Krasselt Co.	1.87	1.98	(5.44)	158	139	13.67
74	Young & Rubicam	1.90	2.07	(8.54)	4,876	4,949	(1.48)
75	Ketchum Advertising	1.90	1.85	2.37	1,157	905	27.85
76	Ogilvy & Mather Direct Response	1.90	2.04	(6.75)	495	490	1.02
77	Harold Cabot & Co.	1.92	1.84	4.55	155	125	24.00
78	Wyse Advertising	1.98	1.98	0.41	185	173	6.94
79	Earle Palmer Brown Cos.	2.01	N/A	N/A	501	N/A	N/A
80	W.B. Doner & Co.	2.03	2.32	(12.75)	501	488	2.66
81	Meldrum & Fewsmith	2.04	1.80	13.42	149	149	0.00
82	Lewis, Gilman & Kynett	2.15	2.30	(6.39)	275	280	(1.79)
83	Weightman Group	2.15	2.56	(15.88)	201	220	(8.64)
84	Bernard Hodes Advertising Group	2.22	2.51	(11.34)	401	348	15.23
85	Evans Communications	2.25	2.38	(5.43)	342	345	(0.87)
86	Nationwide Advertising Service	2.28	3.51	(35.11)	358	358	0.00
87	Creswell, Munsell, Fultz & Zirbel	2.28	2.42	(5.63)	173	174	(0.57)
88	Carmichael Lynch	2.33	2.60	(10.37)	165	165	0.00
89	Miller Advertising Agency	2.36	3.04	(22.41)	180	180	0.00
90	Fallgren & Swink	2.55	2.67	(4.24)	303	304	(0.33)
91	Al Paul Lefton Co.	2.59	2.69	(3.82)	180	185	(2.70)
92	Venet Cos.	2.82	2.94	(4.16)	214	203	5.42
93	Telephone Marketing Programs	4.50	4.97	(9.42)	650	586	10.92
94	Direct Marketing Group	4.59	4.46	3.08	688	618	11.33
95	Keller-Crescent Co.	4.90	5.14	(4.76)	561	560	0.18
N/A	Saatchi & Saatchi Advertising Worldwide	N/A	N/A	N/A	N/A	N/A	N/A
N/A	McCaffrey & McCall	N/A	N/A	N/A	N/A	N/A	N/A
N/A	William Esty Co.	N/A	N/A	N/A	N/A	N/A	N/A
N/A	Martin Agency	N/A	N/A	N/A	N/A	N/A	N/A
N/A	Stone & Adler	N/A	N/A	N/A	N/A	N/A	N/A

NOTES: Employees per $1 million in billings is computed by dividing total U.S. employees by U.S. billings in millions of dollars. A negative percent change in employees per $1 million in billings—in parentheses—indicates an improvement in productivity from 1986 to 1987.

Six more agencies

By gross income beyond the 500

Rank	Agency	Gross income 1987	1986	Billings 1987	1986
501	Shea & Ziegler	93.5	24.6	615.1	161.9
502	N. Armstrong Advertising	89.9	91.0	639.4	701.8
503	Marketing Lab	82.5	53.9	712.3	510.1
504	High Plains Publishers	39.4	72.1	244.4	397.4
505	Lesko Inc.*	37.5	33.8	250.0	225.0
506	Scott Associates*	15.6	73.9	99.8	168.9

NOTES: Dollars are in thousands. * indicates figures are AA estimates. The companies listed above are included in the media billings chart in Section II, beginning on Page 18 and are profiled in Section IV, beginning on Page 68.

Footnotes to tables

(Continued from Page 4)

if the parent were allowed to fold in billings of its subsidiaries.

For example, in the chart headlined, "Top 10 U.S. agencies in farm publication billings," on Page 78, Creswell, Munsell, Fultz & Zirbel is ranked No. 2. If its billings were not subtracted from those of Y&R, both would appear on the chart and hence be double-dipped.

This policy does present problems. Some subsidiaries report media billings to their parent company differently than they are reported to AA. Sometimes direct response billings are reported to the parent company as capitalized fees and to AA as media billed, or vice versa. Newspaper and magazine categories often contain some or all of farm, business and medical publication billings in either parent or subsidiary.

Also, spot, network and cable TV billings are sometimes combined.

In all cases, subsidiaries are given the full benefit of media billings reported. The listing by media billings in Section II is all undouble-dipped.

Although this process is not undertaken to penalize parent companies, parent media billings must reflect the aggregate of all media billed by subsidiaries. As such, parent companies bear the full responsibility of subsidiary reporting. Parent companies which include the billings of subsidiaries are expected to reflect subsidiary totals within the parent's composite media totals.

Retrospective figures

The "Five-year gross income and billings review" and the "AA 500 Index" contain totals from 1983 to present, for the top 25, top 100 and top 500.

In both charts, all figures are constant, meaning all figures are for the year in which they were reported. The AA 500 for 1987 is not the same group of agencies as the AA 500 for 1986.

In all other cases in this issue, previous years' totals are historical unless otherwise noted. This is done for comparison purposes for individual agencies. Where agencies have been acquired within the last year, 1986 totals represent the parent agency's historical figures as if it owned the agency during the entire previous year.

AA reference to the top 25 agencies refers to those ranked by gross income in Section I, on Page 6, beginning with Young & Rubicam and ending with Chiat/Day. However, totals representing the top 25, top 100 and top 500 are all undouble-dipped. All subsidiaries have been subtracted.

This allows AA to maintain a constant top 25 agencies without double-dipping No. 20 Ogilvy & Mather Direct Response with parent, No. 5 Ogilvy & Mather Worldwide, for example.

Saatchi widens lead

(Continued from Page 93)

- Heller Breene, Boston, design, advertising.
- Robert A. Becker, New York, healthcare advertising.
- Cohn & Wells, San Francisco, direct marketing.

WCRS, which also has expanded into pr and design among other disciplines, in mid-March reached agreement to buy 50% of GGMD, Paris, Europe's leading media-buying unit.

WCRS and Groupe Belier are in the process of forming a board of directors. Principals of the two groups to be included on the board include: Robin Wight, chmn-WCRS Group, chmn-WCRS Advertising; Peter Scott, ceo-WCRS Group; Tim Breene, deputy ceo-WCRS Group; Roger Neill, deputy chmn-WCRS Advertising; Charles Stern, cfo-WCRS Group; Claude Douce, chmn-ceo Groupe Belier; Bernard Petit, mg dir-Groupe Belier.

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Philip Morris force behind new council

By STEVEN W. COLFORD

The spark behind the controversy over two similar industry "councils" set up to fight ad taxes and other issues is tobacco giant Philip Morris Cos.

Phil Smith, chairman-ceo of General Foods Corp., last week said his company's parent "took the initiative" in organizing a new Leadership Council on Advertising Issues, so far made up of GF, Mars Inc., Ogilvy Group, Procter & Gamble Co. and Time Inc.

The ad hoc group is being formed despite the startup of a similiar organization, the Council for Commercial Freedom, an advisory panel to the three advertising associations announced last week.

> *"I don't feel there is a need for two organizations working to the same purpose. . . . The existing structures . . . are doing the job."*
> **—AAF Chairman James Blocki**

The purpose of both groups is to fight government infringement on advertiser rights (AA, March 28).

PM took action because of the threat of higher tobacco taxes in lieu of the advertising tax that Florida unsuccessfully tried to implement last year.

Although it has yet to meet, the Leadership Council has been under consideration at least since mid-1987. That's about the same time the associations began hammering out plans for their Council for Commercial Freedom.

Already industry association leaders and their board members are questioning the need for two groups with similar goals, and leave no question as to which they'd like to see continue.

Dewitt Helm Jr., president of the Association of National

(Continued on Page 73)

Last Minute News

Diamandis seeks investors

NEW YORK—Diamandis Communications Inc. is negotiating to sell part of the company to interested investors, including Hachette Publications, sources say. Recent industry rumors had speculated that DCI was for sale. The company was created last year in a $650 million management-led buyout of CBS Magazines. But sources within DCI say CEO Peter Diamandis is only looking for an investor to help reduce the company's debt while he keeps management control.

Baseball, MasterCard team up

NEW YORK—Major League Baseball is close to finalizing a deal with MasterCard International to create affinity card programs for its 26 teams, sources say. The cards, which will be issued by local banks, will carry individual team logos. Lintas:Worldwide is agency of record for MasterCard.

Gallo talks to Noble

MODESTO, CALIF.—E&J Gallo Winery last week met with John Noble Advertising, San Francisco, fueling speculation

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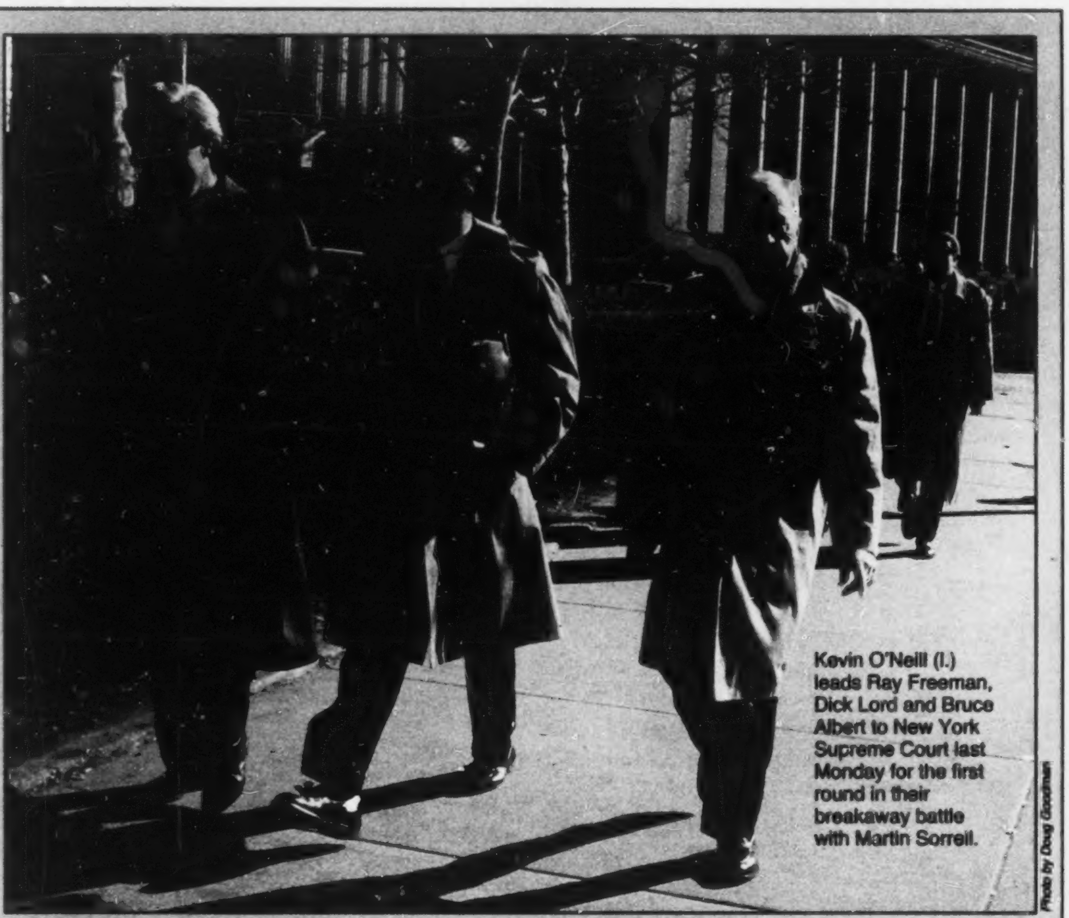

Kevin O'Neill (l.) leads Ray Freeman, Dick Lord and Bruce Albert to New York Supreme Court last Monday for the first round in their breakaway battle with Martin Sorrell.

Photo by Doug Goodman

'Conspiracy'

Sorrell claims breakaway is a plot to force LGFE sale

By JON LAFAYETTE and GARY LEVIN

NEW YORK—In a surprising courtroom tactic, WPP Group may try to prove that the walkout of six key Lord, Geller, Federico, Einstein executives was designed to force WPP to sell the agency at a devalued price.

WPP may claim that a circle of conspiracy had been formed by former LGFE Chairman-CEO Richard Lord, his associates and Young & Rubicam, and that Dean Witter Reynolds may be a part of it.

Under this scenario, Dean Witter, both LGFE's client and a contact of Mr. Lord in the breakaway, would try to arrange a purchase of the agency after the executive departure.

WPP Chief Executive Martin Sorrell refused to say whether he had been contacted about a possible sale of LGFE since the walkout on March 18, but he restated his position that the agency is not for sale. Prior to the breakaway,

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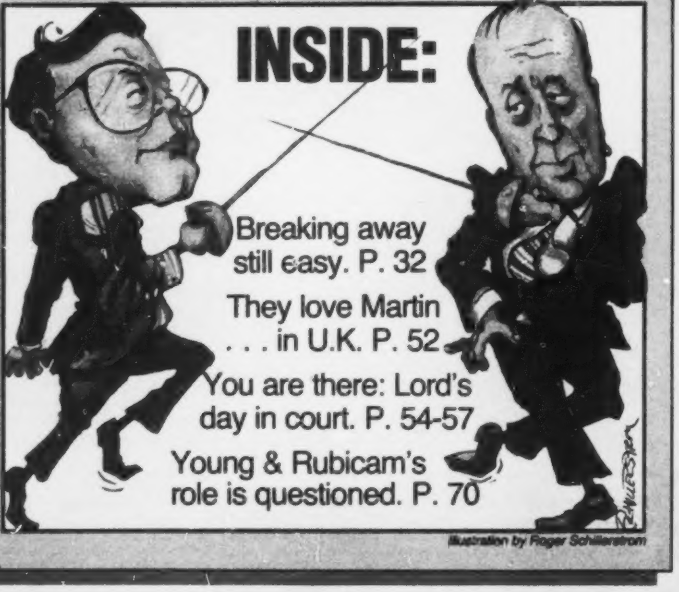

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Illustration by Roger Schillerstrom

P&G's new Folgers roasts GF

By JUDANN DAGNOLI and LAURIE FREEMAN

Procter & Gamble Co. is going national with its low-cost challenge to coffee market leader General Foods Corp., beginning in the leader's own backyard.

Sales materials being distributed in the New York metropolitan area on the new "fast-roast" Folgers call it P&G's "first major initiative to achieve share gains" in the stronghold market of GF's Maxwell House brand.

P&G's goal: to "be the No. 1-selling ground coffee brand in metro New York at the start of 1990."

Industry executives call the move a gamble. By replacing regular Folgers with the lower-price version, P&G will either force the $4.8 billion industry to follow suit or be left holding the bag, sources say.

The fast-roast Folgers, essentially a condensation of 16 ounces of coffee into a 13-ounce package, is made by roasting coffee beans "faster and hotter" so they "puff more," a P&G spokeswoman said.

As a result, the company uses fewer green beans and can reduce the list price of the new Folgers.

The launch begins on the East Coast the week of April 11, with shipments to the rest of the U.S. starting about two weeks later.

The product earlier was launched on the West Coast (AA, March 7).

> P&G apparently will support the new Folgers with regional marketing plans, varying in different parts of the country.

The ball is now in the court of GF, which will have to respond quickly—either by converting to or discrediting the product—or risk losing out to Folgers.

Sources close to GF say the company is concerned about P&G's strategy and may try to rally the industry against P&G's low-price move, which executives believe might reduce the "quality" image of major brands.

GF refused comment about its plans.

P&G apparently will support the new Folgers with regional marketing plans, varying in different parts of the country.

In the New York area, for example, P&G sales materials say plans include special events, co-op sampling programs with retailers, regionally targeted media and switchover to the new Folgers in advertising.

Sales materials also promise regional promotions, including New York-area tie-ins with Kraft's Lender's bagels, Fugazy Travel, Marriott Hotels, Thomas' English muffins, Canandaigua Wine Co.'s Manischewitz and P&G's own Duncan Hines products, according to the materials.

Folgers' new 20¢-per-can price reduction will give P&G a strong base in low-price coffee in a market where prices are again spiraling upward at retail. It's a particular advantage against GF, which has lost share and is boosting its retail coffee prices.

GF won't state how much share it has lost. But according to P&G sales materials, GF's national share of the regular coffee market stands at 34.6% of the market in cases, down from 35.9% a year ago. The materials also indicate P&G is closing in

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HELP
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ULCERS

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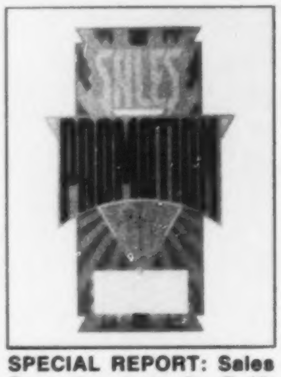

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Saturn voyage threatens Riney at Austin Rover

By RAYMOND SERAFIN

Austin Rover Cars of North America, feeling betrayed by Hal Riney & Partners' pursuit of the $80 million-plus Saturn business without its knowledge, may fire Riney from its $20 million account.

"To put it mildly, I am surprised and disappointed that we didn't know sooner," said Raymond Ketchledge, president of Austin Rover, U.S. marketer of the British-built Sterling luxury sedan.

Riney won that business just last May.

"We're assessing what's best for Sterling and its dealers. I don't feel we have to do anything in the next 48 hours, but we do want to get this whole issue behind us," Mr. Ketchledge said in an April 1 interview.

Mr. Ketchledge, in an interview with ADVERTISING AGE about a week earlier, dismissed rumors of Riney's pursuit of the Saturn account. He praised the agency's work on Sterling. And he said he'd been led to believe by Riney officials that they wouldn't go after a large automotive account because that would change the independent nature of the agency by making it overly dependent on a single account.

Mr. Ketchledge said that even if Austin Rover let Riney handle a second automotive account, he doubted General Motors Corp., Saturn's parent, would bend its longstanding policy prohibiting its agencies from working for another auto marketer.

"Even if we're not in direct conflict now, what would happen if we bring in another, smaller car?" Mr. Ketchledge asked.

He added that a number of qualified agencies expressed interest in the account when it was up for review last year.

"I'm confident we can get a good agency in 90 days," he said. Before Riney, the account was handled by Beber Silverstein & Partners, Miami.

Riney President Jim Travis broke the news to Austin Rover Chairman Norman Braman March 29. That was a day after Saturn reduced its

(Continued on Page 72)

ABC pulls guarantee for kids' TV audience

By VERNE GAY

NEW YORK—ABC-TV last week said it won't give guarantees on commercial time bought on its Saturday morning schedule, which will radically affect how children's TV—and possibly other dayparts—will be purchased.

ABC's decision against providing "make-goods" to advertisers could be dramatic. Networks traditionally agree to make good, or reimburse advertisers, when the actual audience delivered falls short of the networks' guarantees. Already, one major buyer of time on children's shows—Saatchi & Saatchi DFS Compton—said it won't buy time on ABC's schedule.

The confusion over children's TV isn't the only event that threatens to disrupt upfront buying. This week and next, advertisers will begin to pick up options on their third-quarter network inventory, which will be an indication of the 1988-89 prime-time and daytime upfront market's strength or weakness.

In addition, the actors' strike promises to disrupt this summer's buying market.

But ABC's decision will have the most immediate impact because the children's marketplace is expected to start within two weeks.

The Big 3 networks—especially CBS—have sent signals that they wish to drop guarantees in other dayparts. If ABC succeeds in doing that with children's TV, other dayparts on other networks could follow.

The last time a major network—CBS—decided not to guarantee demographics was in 1982 and the consequences were disastrous: Many advertisers refused to place

(Continued on Page 72)

AIDS spots to test TV policies

Is it OK to say 'condom'?

By JANET MEYERS

The Big 3 TV networks' ad-clearance policies will be put to the test this month by the federal government and other AIDS information groups, whose new public service campaigns will specifically recommend using condoms.

The word "condom" has been a red flag to the networks. But the government's AIDS campaign, which had steered clear of controversy, is entering a second, more explicit phase with public service announcements scheduled for distribution this month.

The spots will target women at risk for contracting AIDS and describe condoms as one of the best ways to avoid the disease.

The American Foundation for AIDS Research, a fund-raising group whose spokeswoman is Elizabeth Taylor, also plans a public service campaign this spring focusing on condoms. The Advertising Council handles, with creative by Scali, McCabe, Sloves, New York.

Recently, representatives from AmFAR, the Centers for Disease Control, the Red Cross, the Surgeon General's office and other groups met to discuss how to persuade the networks to ease their standards.

The CDC campaign's first phase, which broke last October, generally steered clear of mentioning condoms (AA, Sept. 28). Only one of the more than 20 AIDS spots mentioned the word, and only NBC put the message on the air. CBS rejected the spot, while ABC accepted but hasn't aired it.

The total campaign got more than $6 million in free network time through January.

"It's not the word 'condom' that gives us the problem," said George Dessart, CBS/-Broadcast Group VP-program practices. CBS turned down the spot because it advocated contraceptive use, he said.

Some CBS affiliates say commercials and PSAs for condoms wouldn't be accepted in their communities, Mr. Dessart said.

NBC aired the condom spot three or four times without any viewer complaints, said Dom Giofre, manager of corporate information at the network.

ABC will air PSAs that mention condoms in "an informative sense," said David Horowitz, manager of public relations. ABC last year aired an AmFAR spot that featured a replay of Surgeon General C. Everett Koop's congressional testimony advocating the use of condoms. But the network prefers to confine the discussion of condoms to programming, Mr. Horowitz said.

The CDC believes it must use a more targeted approach for the second part of the government's campaign, said Steve Rabin, senior VP for Ogilvy & Mather, Washington, which handles the effort.

In researching how to educate women whose sexual partners may be drug users or bisexuals, O&M discovered "condoms will have to be part of the strategy," he said.#

For Your Own Benefit

Do Not Sign Interim Agreements During the SAG/AFTRA Strike.

Since the beginning of the SAG/AFTRA strike against the advertising industry on March 21, 1988, the talent unions have been peddling a so-called "interim agreement" which they are asking advertisers, agencies and production houses to sign.

The A.N.A./A.A.A.A. Joint Policy Committee on Talent Union Relations *strongly* advises that *no one* sign an interim agreement.

Here's why:

- The terms of the interim agreement contain provisions proposed by the unions and rejected by the industry in the negotiations. These include a brand new residual scheme for commercials used on cable systems based on cumulative numbers of subscribers to the systems, retention of the cost-of-living allowance clause that the industry had proposed be deleted and which the unions had tentatively agreed to delete, and costly provisions on stunt performers and precision drivers.
- Producers who sign interim agreements will be bound by the unfavorable conditions of those agreements for the entire three-year period of the contract for commercials produced while the interim agreements are in effect.
- By signing interim agreements, producers would be breaking ranks with the industry negotiating team—the Joint Policy Committee—and would accede to the union's "divide and conquer" strategy.
- By signing interim agreements, producers would signal to the unions that they don't care what is in the final contract negotiated between the Joint Policy Committee and the talent unions—a bad signal for this and future negotiations.
- By signing interim agreements, producers would give broad employment and financial support to union members who are *on strike* against this industry.
- Producers do not need interim agreements to produce commercials. The industry is today producing and will, for the duration of the strike, continue to produce commercials with whatever talent is willing to work.

Do Not Sign SAG/AFTRA Interim Agreements.

**This advertisement was placed and paid for by the A.N.A./A.A.A.A.
Joint Policy Committee on Broadcast Talent Union Relations.**

Ross Roy buys shop in Canada

By PATRICIA STRNAD

Ross Roy Group this week will announce its acquisition of the Nathan Fraser Agency, Toronto, which has billings of at least $15 million.

The acquisition will raise Ross Roy's Canadian billings by 37.5% to about $55 million, putting it among Canada's top 20 agencies.

G. Fortinberry

Ross Roy Chairman-CEO Glen Fortinberry said late last year that his agency was negotiating to buy agencies in Toronto and the U.S. (AA, Dec. 21). The U.S. agency apparently is Group 243, Ann Arbor, Mich., which holds Domino's Pizza's $50 million-plus national account (*see story, Page 22*).

Bloomfield Hills-based Ross Roy is expected to merge Nathan Fraser with Ross Roy Advertising, Toronto, one of its two Canadian affiliates. The other affiliate is Commercial Associates/Ross Roy, Windsor, Ontario.

Nathan Fraser's Robert Monk, chairman-executive creative director, and Richard Brightling, president, are likely to keep those titles at the merged agency, sources said.

Dennis Ricketts, senior VP at Ross Roy Advertising, also is expected to play a major role and will spend more time servicing K mart Canada.

Nathan Fraser recently won Continental Airlines' Canadian account from Scali, McCabe, Sloves, Toronto, and has picked up several other accounts that will be disclosed soon, a source said.#

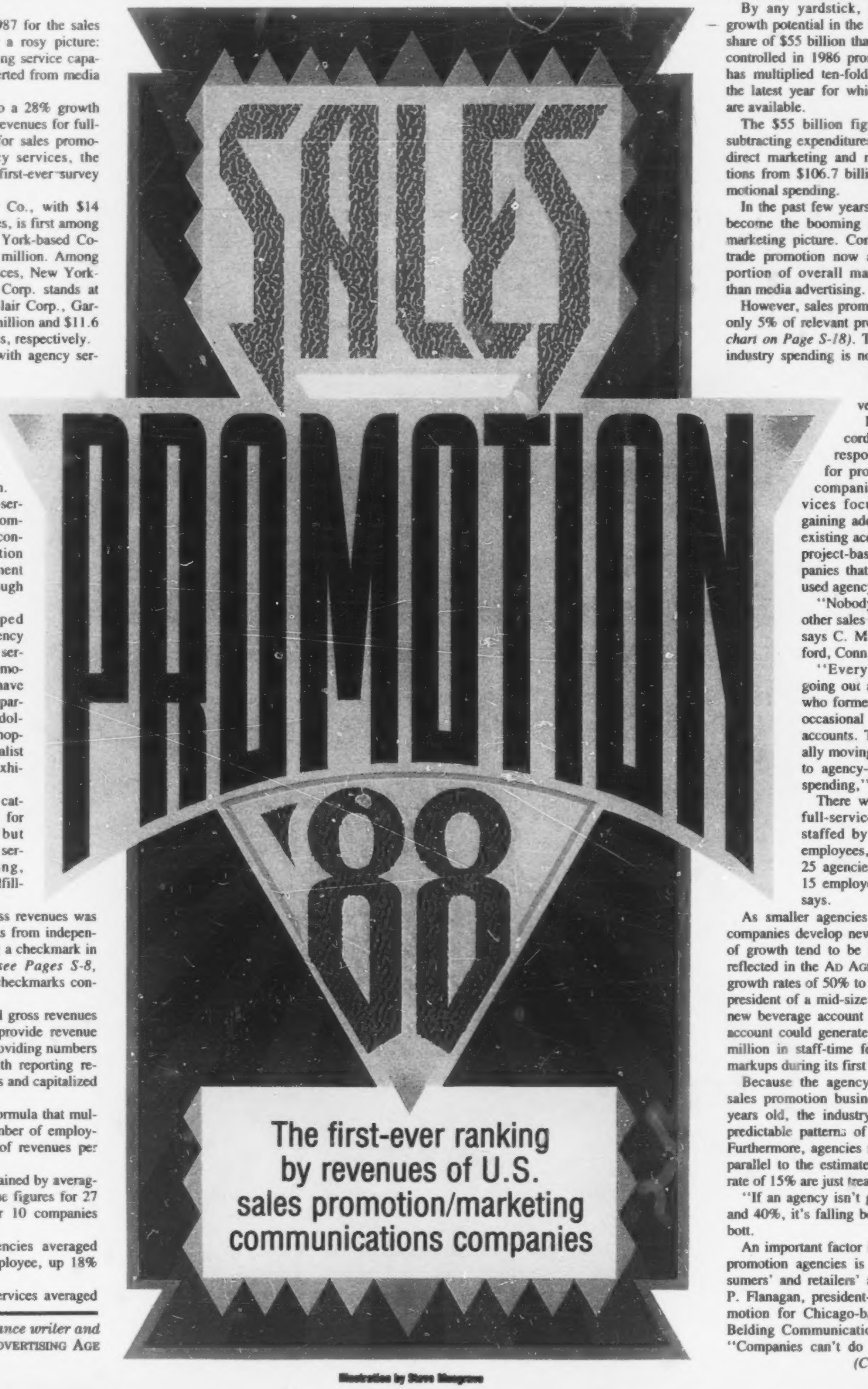
CORRECTIONS & CLARIFICATIONS

- In John C. Maxwell's report on 1987 liquor sales (AA, March 21, P. 74), Carillon Importers should have been listed as the marketer of Absolut vodka, not Paddington Corp. Both are divisions of IDV Grand Metropolitan.
- Corrected totals for *Vogue* in Consumer Magazine Ad Linage (AA, Feb. 29, P. 56) are February 1988, 293; February 1987, 302; year-to-date 1988, 396; year-to-date 1987, 421.#

Special Report

Growth robust for promo shops

By Richard Edel



The first-ever ranking by revenues of U.S. sales promotion/marketing communications companies

Illustration by Steve Musgrave

A snapshot of the year 1987 for the sales promotion industry presents a rosy picture: double-digit growth, expanding service capabilities and more dollars diverted from media advertising.

These factors contribute to a 28% growth spurt in 1987 average gross revenues for full-service agencies, and 29% for sales promotion companies with agency services, the two groups profiled in this first-ever survey by ADVERTISING AGE.

Chicago-based Frankel & Co., with $14 million in 1987 gross revenues, is first among agencies, followed by New York-based Comart Associates, with $12.9 million. Among companies with agency services, New York-based American Consulting Corp. stands at the top, followed by D.L. Blair Corp., Garden City, N.Y., with $13.7 million and $11.6 million in 1987 gross revenues, respectively.

Agencies and companies with agency services are ranked separately by gross revenues, defined as billings to clients from staff-time fees, markups and commissions less all outside costs for services such as printing and execution.

For inclusion in the "full-service agency" rankings, a company must provide impartial consulting for clients' promotion planning, creative development and creative execution through production.

Respondents are grouped among "companies with agency services" if, as part of their services, they provide sales promotion consulting, but tend to have a specialty or bias toward a particular technique or methodology, such as No. 10, the Shopping Center Network, a specialist in creating and placing mall exhibits.

Also included in the latter category are companies known for their sales promotions, but equally well known for other services, such as advertising, graphic arts, printing and fulfillment.

Verification of agency gross revenues was provided by signed statements from independent auditors, and denoted by a checkmark in the agency's box listing *(see Pages S-8, and S-10)*. Profiles without checkmarks contain unverified figures.

ADVERTISING AGE estimated gross revenues for companies that did not provide revenue figures, and for companies providing numbers that were not compatible with reporting requirements, such as total sales and capitalized billings.

Estimates are based on a formula that multiplies the agency's total number of employees by an industry average of revenues per employee.

Industry averages were obtained by averaging employee-to-gross revenue figures for 27 full-service agencies and for 10 companies with agency services.

In 1987, full-service agencies averaged $91,000 in revenues per employee, up 18% over 1986.

Companies with agency services averaged $78,000 per employee in 1987, up 10%.

By any yardstick, there is tremendous growth potential in the industry. The relevant share of $55 billion that full-service agencies controlled in 1986 promotional expenditures has multiplied ten-fold since 1976; 1986 is the latest year for which complete statistics are available.

The $55 billion figure was obtained by subtracting expenditures for trade promotion, direct marketing and meetings and conventions from $106.7 billion in 1986 total promotional spending.

In the past few years, sales promotion has become the booming sector of the overall marketing picture. Combined consumer and trade promotion now accounts for a larger portion of overall marketing expenditures than media advertising.

However, sales promotion agencies control only 5% of relevant promotional dollars *(see chart on Page S-18)*. The remaining 95% of industry spending is now controlled by corporations, and, to a lesser extent, by advertising agencies.

For this reason, according to AD AGE survey respondants, sales efforts for promotion agencies and companies with agency services focused most often on gaining additional business from existing accounts and developing project-basis accounts at companies that in the past have not used agency services.

"Nobody's losing business to other sales promotion agencies," says C. Martin Abbott, a Stamford, Conn.-based consultant.

"Every year agencies are going out and converting clients who formerly used them only as occasional suppliers into regular accounts. The industry is gradually moving from client-managed to agency-managed promotional spending," he says.

There were an estimated 225 full-service agencies in 1987, staffed by an average of 15.5 employees, compared with about 25 agencies in 1976, staffed by 15 employees each, Mr. Abbott says.

As smaller agencies and sales promotion companies develop new accounts, their rates of growth tend to be much higher. This is reflected in the AD AGE survey, with several growth rates of 50% to 100% appearing. One president of a mid-size agency working on a new beverage account told AD AGE that the account could generate well in excess of $1 million in staff-time fees, commissions and markups during its first year.

Because the agency phenomenon in the sales promotion business is only about 10 years old, the industry has not settled into predictable patterns of growth, experts say. Furthermore, agencies reporting growth rates parallel to the estimated underlying industry rate of 15% are just treading water.

"If an agency isn't growing between 25% and 40%, it's falling behind," says Mr. Abbott.

An important factor in the growth of sales promotion agencies is competition for consumers' and retailers' attention, says Joseph P. Flanagan, president-director of sales promotion for Chicago-based Foote, Cone & Belding Communications' Impact division. "Companies can't do it all in-house today

(Continued on Page S-2)

Richard Edel is a free lance writer and frequent contributor to ADVERTISING AGE *Special Report.*

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Growth robust

(Continued from Page S-1)

and expect to get a competitive edge. Simply relying on [free standing inserts] isn't enough; there's a lot of clutter out there. They need a fresh, creative approach, which is what an agency provides."

Given the enormous growth potential of individual agencies and the sales promotion industry in general, it is not surprising that interest in acquiring sales promotion agencies is at an all-time high.

Mirroring a trend among advertising agencies, six sales promotion agencies were acquired in 1987 and early 1988. Plans were announced in March 1988 for acquisition of four leading U.S. agencies by London-based FKB Group.

The four companies include Focus Marketing, Norwalk, Conn.; The Hermann Group, St. Louis; QLM Associates, Princeton, N.J., and The Saugatuck Group, Westport, Conn.

The four agencies will continue operating under their existing names and managements.

Other acquisitions include London-based KLP Group's June 1987 buyout of New York-based Comart Associates for an initial price of $5 million cash and KLP shares, with a total price of up to $20 million by 1990, depending on Comart's profitability.

London-based Clarke Hooper also purchased for an undisclosed price Newport Beach, Calif.-based Joseph Potacki & Associates in mid-1987.

Ownership by big advertising agency groups can be a business boon for sales promotion agencies, assuming the shops remain free to pursue their own accounts. The trickle-down effect of clients and referrals from parent companies was a positive force in 1987 for Young & Rubicam's Cato Johnson, New York, Grey Advertising's Beaumont-Bennett, New York, and FCB's Impact.

For example, Mr. Flanagan says, Impact has gained project-basis assignments from Adolph Coors Co., Golden, Colo., as a result of FCB's agency relationship with the company.

Mike Zisser, chairman of Beaumont-Bennett, says his agency's relationship with Grey has created greater "value marketing" for clients such as Uniroyal-Goodrich. "We are able to stay within the brand character and overall image and translate that to sales promotion," he says.

Having a general agency for a parent does not shield the sales promotion agency from normal business cycles, however. Sage Worldwide Promotions division of New York-based Ogilvy & Mather terminated 22 employees in March following an account loss, by Sage, which the agency declined to disclose.

Robert White, senior VP at O&M and managing director of Sage, says the O&M relationship has catapulted Sage into a large agency in a matter of seven months.

Access to O&M's research, strategy and contacts has helped develop such key accounts as American Express.

"O&M gives us instant credibility. If this was Bob White Inc. nobody would care," Mr. White says.

The ADVERTISING AGE survey, made with the assistance of the New York-based Council of Sales Promotion Agencies, provided a variety of first-ever statistics. A summary of a few key findings follows:

- The survey asked respondents to break out hourly rates for several personnel categories. Per hour 1987 rates are listed here as high/average/low figures by category: senior level account service $300/$132/$75; average level account service $180/$87/$55; senior level creative $200/$122/$75; average level creative $150/$82/$47; other senior level service $220/$97/$55; other average level service $150/$61/$35 *(For more average rates, see Page S-26)*.
- Top cities by gross revenues: New York was No. 1 for both full-service agencies and companies with agency services, with $48.7 million and $50.7 million in 1987 gross revenues, respectively. Chicago was No. 2 for agencies, with $48.2 million in gross revenues. Garden City, N.Y., was No. 2 for companies with agency services with $11.6 million *(See chart on Page S-32)*.
- Total employees by personnel category: The typical full-service agency responding to the ADVERTISING AGE survey had 53 employees divided into: 15 account service, 12 creative, seven production, 10 administrative/clerical, and nine other. The agency has added seven employees since 1986, with three in creative, one in production and three in other categories *(See chart on Page S-30)*.
- The relationship between agency gross revenues and "pass-through" revenues, defined as clients' money that agencies spend for services such as printing, production and postage, was examined. Of 14 agencies with pass-through revenues exceeding gross revenue, the combined revenues ratio was $75.2 million pass through to $31.8 million gross ($2.40 to $1).

Of 15 agencies with pass-through revenues that were less than gross revenues, the combined revenues ratio was $39.2 million pass through to $68.4 million gross ($0.6 to $1).

- As with advertising agencies, the ability of sales promotion agencies to provide an expanding range of service capabilities presents new opportunities. One frequently mentioned trend in the survey was the 1987 growth in regional marketing capabilities.

According to several executives at agencies adding new office locations in 1987, the object was to tailor promotional campaigns to the needs of each region. Another objective was to increase market share by targeting accounts not currently using agency services.

Several agency executives also set objectives for 1988 that included establishing integrated advertising, promotion and direct marketing. By integrating promotion and advertising and other communications, the agency creates for consumers a single impression of client's products and services.

This synergistic approach to marketing communications is the point of difference for a few big sales promotion agencies.

sweep'
stakes,
plus

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in·cen'tives

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ful·fill'ment

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sweep'stakes

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When it comes to promotion, whether it's the very visible type or the not so visible but very effective nitty gritty variety, you have our number.

sweep'
stakes

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Top full service sales promotion agencies

Rank	SIGNED	Agency	Headquarters	Gross revenues		Staff-time fees		Markups & commissions		Passed-through volume		Total employees	
				1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
1	✓	Frankel & Co.	Chicago	14,000	13,700	12,970	12,680	1,030	1,020	11,754	11,830	218	196
2	✓	Comart Associates	New York	12,917	11,808	11,318	10,950	1,599	848	7,386	5,227	115	112
3		Flair Communications	Chicago	11,261	10,515	7,451	7,295	3,810	3,220	22,386	18,920	135	132
4	✓	Rogers Merchandising	Lombard, Ill.	10,766	9,084	9,843	7,886	923	1,198	7,153	6,514	125	145
5	✓	IMPACT	Chicago	9,112	6,610	7,788	5,830	1,324	780	N/A	N/A	103	78
6		QLM Associates*	Princeton, N.J.	7,246	3,885	5,652	3,224	1,595	661	3,602	2,110	84	56
7	✓	Sage Worldwide Promotions	New York	7,105	5,449	5,500	4,181	1,605	1,268	3,362	1,375	165	105
8	✓	Beaumont-Bennett	New York	6,889	6,393	1,098	554	5,791	5,839	N/A	N/A	86	78
9		Einson Freeman*	Paramus, N.J.	6,316	3,875	N/A	N/A	N/A	N/A	N/A	N/A	70	50
10		Columbian Advertising Inc.	Chicago	6,175	5,100	N/A	N/A	N/A	N/A	N/A	N/A	47	N/A
11		Siebel/Mohr	New York	6,079	5,468	4,700	4,200	1,379	1,268	N/A	N/A	72	65
12		Cato Johnson/Y&R	New York	5,997	4,948	N/A	N/A	N/A	N/A	N/A	N/A	85	70
13	✓	Focus Marketing	Norwalk, Conn.	4,120	3,371	2,033	1,880	1,773	1,236	6,180	4,129	35	28
14	✓	Wolf Blumberg Krody	Cincinnati	4,084	2,492	3,459	2,367	625	125	N/A	N/A	68	40
15		Marketing Corp. of America (SLS Pro)	Westport, Conn.	3,880	3,177	N/A	N/A	N/A	N/A	N/A	N/A	43	41
16		Lee Hill Inc.*	Chicago	3,699	2,480	N/A	N/A	N/A	N/A	N/A	N/A	41	32
17	✓	William A. Robinson	Chicago	3,337	2,978	2,298	2,206	1,039	770	4,805	3,513	44	41
18	✓	AMA Ltd.	Wilton, Conn.	2,500	1,200	N/A	N/A	N/A	N/A	N/A	N/A	12	9
19		Promotion Development Corp.	Westport, Conn.	2,421	2,618	1,419	1,481	1,002	1,136	6,455	5,704	35	35
20		Robert H. Meyer & Associates*	Minneapolis	2,346	2,170	N/A	N/A	N/A	N/A	N/A	N/A	26	28
21	✓	The Marketing Partnership	Greenwich, Conn.	2,200	2,000	1,430	1,200	770	800	5,000	4,500	10	10
22		Strategic Promotions	Dallas	2,166	561	452	112	1,610	426	103	22	14	10
23	✓	Highland Group	Southport, Conn.	2,165	1,986	1,191	1,033	974	953	12,992	11,520	26	20
24	✓	Alley Marketing	New York	2,075	1,190	580	337	749	546	815	790	18	13
25		Promotional Marketing Corp.*	Westport, Conn.	1,895	1,317	N/A	N/A	N/A	N/A	N/A	N/A	21	17
26		Coddington, Chadwick & Meyerson*	New York	1,805	1,162	N/A	N/A	N/A	N/A	N/A	N/A	20	15
27		The Hermann Group	St. Louis	1,650	1,570	1,200	1,150	450	420	4,200	4,000	28	26
28		Core Group Marketing*	Minneapolis	1,564	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20	N/A
29	✓	Davidson Marketing	Chicago	1,520	1,171	1,444	1,113	76	59	653	859	21	15
30		Promotion Works	Minneapolis	1,486	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15	N/A
31		Promotion Dynamics Worldwide	New York	1,438	654	1,371	624	68	30	890	788	20	27
32		The Promotion Group*	New York	1,263	852	N/A	N/A	N/A	N/A	792	627	14	11
33	✓	Modular Marketing	New York	1,189	881	787	470	402	613	744	691	20	17
34		The Pacific Marketing Group*	San Francisco	1,083	465	N/A	N/A	N/A	N/A	N/A	N/A	12	6
35		McCann Promotion Group	New York	1,000	850	950	825	50	25	N/A	N/A	12	10
36		MDM, Inc.	Dallas	1,000	300	700	250	300	50	4,700	600	8	4
37		Marketing Solutions*	New York	902	620	N/A	N/A	N/A	N/A	N/A	N/A	10	8
38		Burke Promotional Marketing	Chicago	800	625	N/A	N/A	N/A	N/A	2,250	2,000	18	17
39		The Empire Marketing Group	Valhalla, N.Y.	750	420	200	100	250	175	1,250	700	4	3
40	✓	Promotional Innovations	Stamford, Conn.	726	297	617	223	109	74	400	200	8	5
41	✓	Didday & Branch	Cincinnati	710	829	696	813	14	16	780	879	18	18
42		Henderson Marketing Services	Greenville, S.C.	644	670	561	559	83	110	N/A	N/A	7	N/A
43		Lee Krost Associates*	Stamford, Conn.	632	542	N/A	N/A	N/A	N/A	N/A	N/A	7	7
44	✓	Performance Promotions*	Rochester, N.Y.	436	415	N/A	315	N/A	100	1,305	1,578	10	10
45	✓	Underline Inc.	Dallas	420	455	350	362	70	93	230	453	7	10
46	✓	Promotion Concepts	Kalamazoo, Mich.	297	191	75	50	222	141	934	848	6	6
47	✓	MASS Inc.	Miami	180	N/A	150	N/A	30	N/A	1,200	N/A	6	N/A

Top companies with agency services

Rank	SIGNED	Agency	Headquarters	Gross revenues		Staff-time fees		Markups & commissions		Passed-through volume		Total employees	
				1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
1		American Consulting Corp.*	New York	13,685	3,910	N/A	N/A	N/A	N/A	N/A	N/A	175	50
2		D.L. Blair Corp.*	Garden City, N.Y.	11,652	11,965	N/A	N/A	N/A	N/A	N/A	N/A	149	153
3	✓	Muir Cornelius Moore	New York	10,870	9,466	7,344	6,962	3,526	2,504	24,591	22,293	125	125
4		Ted Colangelo Associates	Greenwich, Conn.	10,653	8,019	N/A	N/A	N/A	N/A	N/A	N/A	69	73
5		Busch Creative Services Corp.*	St. Louis	9,925	7,750	N/A	N/A	N/A	N/A	N/A	N/A	110	100
6	✓	Sales Aides International	Melrose Park, Pa.	9,851	8,628	N/A	N/A	N/A	N/A	N/A	N/A	58	42
7		Merchandising Workshop	New York	9,384	8,602	N/A	N/A	N/A	N/A	N/A	N/A	120	110
8		The Niven Marketing Group*	Scottsdale, Ariz.	6,767	4,727	N/A	N/A	N/A	N/A	N/A	N/A	75	61
9		Promotion Group	Irvine, Calif.	5,474	4,067	N/A	N/A	N/A	N/A	N/A	N/A	70	52
10	✓	Shopping Center Network	Miami	5,400	5,000	N/A	N/A	250	250	5,400	6,300	65	60
11	✓	DelWilbur & Associates	McLean, Va.	4,000	2,000	1,500	500	2,500	1,500	4,000	2,000	35	18
12	✓	Smiley Promotion	New York	3,800	3,000	1,800	1,250	2,000	1,750	6,500	N/A	15	15
13		Bell & Partners	S. Norwalk, Conn.	3,331	2,470	3,331	2,470	N/A	N/A	84	50	36	25
14		Communications Diversified*	New York	3,285	2,502	N/A	N/A	N/A	N/A	N/A	N/A	42	32
15		Ventura Associates*	New York	3,128	4,692	N/A	N/A	N/A	N/A	N/A	N/A	40	60
16	✓	Marcon Marketing Services	New York	3,075	2,367	2,400	1,848	675	519	3,214	2,474	21	18
17		Marden-Kane*	Lake Success, N.Y.	2,737	2,737	N/A	N/A	N/A	N/A	N/A	N/A	35	35
18	✓	Responsive Marketing Communications	Des Plaines, Ill.	2,123	1,906	1,422	1,315	701	591	137	120	37	31
19		American Marketing	Santa Barbara, Calif.	2,122	766	1,147	510	975	256	1,465	1,312	10	8
20		Consumer Promotions Division	Minneapolis	2,033	1,408	N/A	N/A	N/A	N/A	N/A	N/A	26	18
21	✓	R.P. Klein Associates	New York	2,000	1,500	40	20	1,960	1,300	4,200	3,700	7	8
22	✓	WORCO Marketing Resources	Los Alamitos, Calif.	2,000	1,000	200	100	180	80	N/A	N/A	24	20
23		J.P. Hogan & Co.	Knoxville, Tenn.	1,800	1,634	771	689	1,030	946	1,799	1,768	24	24
24		Strottman Marketing*	Irvine, Calif.	1,799	938	N/A	N/A	N/A	N/A	N/A	N/A	23	12
25	✓	Mitchell & Comer	Toledo, Ohio	1,566	1,458	1,378	1,235	188	223	N/A	N/A	34	32
26	✓	Diamond Promotion Group	New York	1,500	1,000	1,000	600	N/A	N/A	N/A	N/A	15	14
27		Woolf-Reitman Associates*	Chicago	1,173	1,007	N/A	N/A	N/A	N/A	N/A	N/A	13	13
28		Carnegie Associates	Santa Barbara, Calif.	1,000	1,000	N/A	N/A	N/A	N/A	N/A	N/A	25	19
29		Good Promotions*	Memphis, Tenn.	938	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	N/A
30	✓	The Marketing Continuum	Dallas	745	580	735	555	10	5	4,800	3,700	10	9
31		Aragon Sales Development Services	St. Louis	625	1,100	625	1,100	N/A	N/A	650	1,100	7	21
32		Very Special Events*	San Diego	547	391	N/A	N/A	N/A	N/A	N/A	N/A	7	5
33		Dovetail Partner Promotions	Shawnee Mission, Kan.	500	160	N/A	N/A	N/A	N/A	N/A	N/A	5	3
34	✓	Delfino Marketing Communications	Valhalla, N.Y.	370	325	125	100	245	225	990	930	12	10

NOTES: Dollars are in thousands. Source: All data from agency reports, except those marked with an *, which are AA estimates. ✓ indicates that the agency received signature of an outside accountant verifying figures supplied to AA.

Top U.S. sales promotion agencies

The top sales promotion agencies listed alphabetically beginning on this page can be found numerically ranked on Page S-4. They accounted for an estimated 60% of gross income of U.S. sales promotion agencies in 1987. Profiles of sales promotion companies with agency services begin on Page S-29.

RANK 24

Alley Marketing

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.1	$1.2	74.4
Employees	18	13	38
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$580.0	$337.0	72.1
Commissions	$749.0	$546.0	37.2

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$417.0	$380.0	9.7
Premium merchandise	$187.0	$256.0	(27.0)
Other	$211.0	$154.0	37.0

Employees per department

	1987	1986
Account services	5	3
Creative	5	4
Production	1	1
Administration	5	3
Other	2	2

Source: All data from agency reports.

Annual Review

Gross revenues surged 74% for the privately held agency in 1987, mostly on the strength of a host of new accounts. Alley projects another 35% growth in 1988, divided 15% existing accounts, 20% new business. Alley's best promotion of 1987 was an August pre-Olympic salute by Best Foods' Skippy peanut butter and Mazola corn oil brands, featuring the largest ever simultaneous release in three cities of helium-filled balloons, a portion of which contained certificates good for prizes.

Services

Strategic plan, concept, creative, legal, production, program implementation & operation.

Accounts

Gained: Glenbrook Laboratories, Paine Webber, Philip Morris (1988), Paddington Corp., Tofutti Brands.

Lost: Renfield Importers, E.F. Hutton.

Officers

Frank Ombres, pres; James Addy, Joseph Conwell, vps.

Phone: (212) 777-7007.

RANK 18

AMA Ltd.

Wilton, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.5	$1.2	108.3
Employees	12	9	33
Offices	1	1	0

☑

Source: Gross revenue data from agency reports.

Annual Review

Agency billings grew 108% in 1987 as the agency took on a host of new accounts, led by Citicorp, Dow, Kodak and Nabisco. The privately held agency projects 50% growth in 1988 as it further develops existing accounts.

Services

Sales promo plan, creation, development & implementation, including games, sweepstakes, judging, admin & fulfillment.

Accounts

Gained: Citicorp Choice Card, Dow Consumer Products-Texize div, Kodak Batteries, Nabisco (Planters-Lifesaver Co.)

Lost: None.

Officers

James R. Amrein, pres; Donald G. Raffety, exec vp.

Phone: (203) 762-9494

RANK 8

Beaumont-Bennett

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$6.9	$6.4	7.8
Employees	86	78	10
Offices	5	5	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,098.4	$553.6	98.4
Commissions	$5,790.8	$5,839.1	(0.8)

Source: All data from agency reports. Wholly owned subsidiary of Grey Advertising, New York.

Ofc Locations: New York, Atlanta, Detroit, Minneapolis, Fountain Valley, Calif.

Annual Review

The agency saw an 8% increase in gross revenues in 1987, resulting entirely from a 98% increase in staff-time fees. The wholly-owned subsidiary of Grey Advertising ex-

Readers' guide to agency profiles

Acme Promotion & Marketing, a fictional agency headquartered in Minneapolis, answered a questionnaire sent by Ad Age in mid-January. If the editors had not heard from Acme by the questionnaire filing deadline on Feb. 15, they contacted the agency. If there was still no response and Acme had gross revenues of $1 million or more, the agency was telephoned for a response.

The ✓ in the boxtop means the agency received the signature of an independent accountant verifying gross revenue figures supplied to Ad Age. See Pages S-8 and S-10 for more information.

- Gross revenues: Agencies are ranked by gross revenues, which gives a better indication of an agency's size than billings. Gross revenue figures generally are derived from three sources: the money an agency makes from staff-time fees for consulting and execution of sales promotion programs; a 17.65% markup for materials and services billed the client; and commissions on outside services purchased by the agency.

RANK 34

Acme Promotion & Marketing

Minneapolis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.4	$0.3	13.8
Employees	11	9	20
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$125.0	$100.0	25.0
Commissions	$245.0	$225.0	8.9

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$565.0	$499.6	13.1
Media	$425.0	$430.0	(1.2)

Employees per department

	1987	1986
Account services	2	1
Creative	2	2
Production	3	3
Administration	2	2
Other	2	1

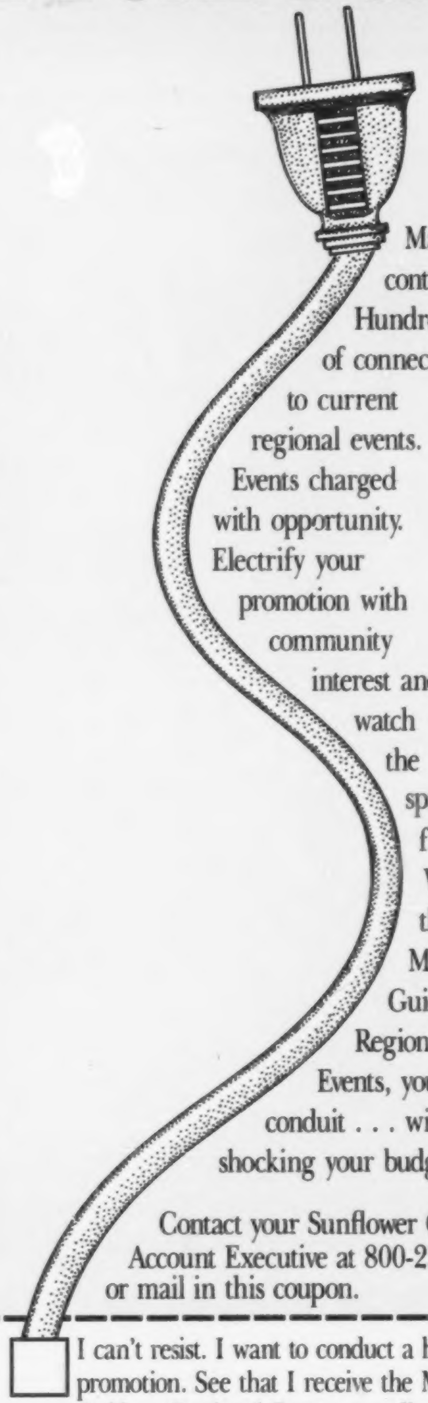
Gross revenues is defined as total billings to clients less all outside costs, such as printing, production, postage, etc. Also listed in the box is the agency's total number of employees, or employees involved in sales promotion activities, as in the case of subsidiaries and divisions of larger companies. The box also lists the agency's number of office locations.

- Revenue contributors: Below the box is a breakdown of items contributing to the agency's gross revenues, including revenues from staff-time fees, and from commissions and markups.

- Volume passing through: An indication of the agency's economic power, this category provides a breakdown of client monies passing through the agency in the form of services purchased, such as printing, production, freight and fulfillment, or special items, such as incentives, prizes, and postage. Other categories might include advertising media, licensing fees and consulting fees.

- Employees per department: This is a simplified breakdown of agency structure and staffing.

Ad Age based annual reviews on returned questionnaires and interviews with agency executives.



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Key to profile information

Data in agency profiles was obtained from sales promotion agencies and companies with agency services that received and completed a questionnaire prepared by ADVERTISING AGE and mailed in January 1988.

Full-service agencies and companies with agency services were asked to provide gross revenues and dollar volume that "passed through" the agency, the latter identified as all outside costs not contributing directly to gross revenues and not provided in-house, *i.e.*, printing, production and postage.

Gross revenues in this report were defined as the sum of revenues from staff-time fees and from commissions and markups for materials and services (usually 17.65%) billed the client.

Where the profile states gross revenues as an estimate, the estimate was provided by ADVERTISING AGE.

Estimates were based on a formula that multiplies the agency or company's total number of employees by an industry average of revenues per employee, obtained from a sampling of companies completing questionnaires.

Sales promotion agencies were asked to provide verification from an independent accountant for figures they reported. Those agencies providing a signature from an accountant or outside auditor are noted in this issue by a check mark within the box next to the profile of the agency.

Among full-service agencies, 56% complied, and 38% of the sales promotion companies with agency services complied.

The statement of verification follows:

> *The undersigned, acting as outside accountant for the agency, confirms that the gross income figure indicated above for the year 1987 reflects totals as entered on the books of the company for the period reported.*

Several variations of this statement were accepted including an adaptation of a more formal letter *(See Page S-10)* written in 1984 by the New York State Society of CPAs under the direction of Gene F. Gaughan, chairman of the advertising committee of the society, which is used for ADVERTISING AGE's U.S. Agency Income Report *(March 30, 1988.)*

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FREE! Miller Music
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pects growth in 1988 to come mostly from new business, plus several new accounts gained at the close of 1987, which the agency declined to name. Contributing to growth in 1987 was the first year of operations by New York-based Beaumont-Bennett/Brown cooperative advertising unit, headed by Jack Brown. The unit plans, administers and maintains client coop funds. Another key new service offering in 1987 was the New York-based retail marketing group. The agency also hired Ira Berkowitz as president in 1987.

Services

Mktg, promo plan & consulting, premiums, sweepstakes, rebate & incentive plan/administration, creative & production.

Accounts

Gained: N/A
Lost: N/A

Officers

Mike Zisser, chmn; Ira Berkowitz, pres; Ed Brutman, Mike Hogan, Bruce Perkins, Paul Hines, Richard Wray, exec vps; Richard Luden, sr vp-creative; Bernard Zuckerman, sr vp-prod; Bliss Morehead, Kenneth Roberts, Norma Walsh, vps-creative; Salvatore Giacchi, Steve Schwartz, Lois Marks, vp-mgmt super, Terry Hogue, vp-media; Jack Brown, pres-Beaumont-Bennett/Brown.

Phone: (212) 984-6800

Burke Promotional Marketing

RANK 38

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.8	$0.6	28.0
Employees	18	17	6
Offices	1	1	0

Employees per department

	1987	1986
Account services	7	7
Creative	5	5
Production	2	1
Administration	3	3
Other	1	1

Source: All data from agency reports. Div. Burke Communications Industries, Chicago.

Services

Strategic & tactical mktg consulting, in-house creative, including art/graphics, photography, model making, print & POP production, media placement.

Accounts

Gained: Philip Morris USA, Sears, Roebuck, GNC, Wesley-Jessen, Stars To Go.
Lost: Stuart Hill.

Officers

Al Fritsch, pres; Al Armstrong, vp-creative dir; Stan Paluch, vp-exec art dir; John Seibel, vp-acct super.

Phone: (312) 951-0500

Cato Johnson/ Y&R

RANK 12

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$6.0	$4.9	21.2
Employees	85	70	21
Offices	20	20	0

Source: All data from agency reports. Subsidiary of Young & Rubicam, New York.

Ofc Locations: Adelaide, Amsterdam, Brussels, Capetown, Copenhagen, Detroit, Frankfurt, Hong Kong, Madrid, Melbourne, Milan, New York, Oslo, Paris, San Juan,

CPA statement accepted

To promotion agency board of directors:

We *(the accounting firm)* have applied certain agreed-upon procedures, as discussed below, to the account records of *(give name of agency)* for the year ended Dec. 31, 1987, solely to assist you in preparing your statement to appear in the "1988 Report on Sale Promotion/Marketing Communications Agencies." It is understood that our report on your accounting records is solely for your information and is not to be referred to or distributed for any purpose to anyone who is not a member of management of your agency without our consent. You may attach a copy of this letter to your agency's report to ADVERTISING AGE.

Our procedure was to confirm total 1987 "gross revenues" of *(the amount is given)* shown on Line 1 of the sales promotion questionnaire agreed with the balances in general ledgers or other financial records maintained by your agency. Because the above procedure does not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts referred to above.

In connection with the procedure referred to above, no matters came to our attention that caused us to believe that "gross revenues" should be adjusted. Had we performed additional procedures or had we completed or made an examination of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you.

This report relates only to the accounts and items specified here and does not extend to any financial statements of your promotion agency taken as a whole.

Sao Paulo, Santo Domingo, Sydney.

Annual Review

Billings grew 21% in 1987 for the privately held subsidiary of New York-based Young & Rubicam. To accommodate increased business volume, the agency added 15 full-time employees for the year. The agency's best promotion of 1987 involved a summer tie-in for Lipton with Walt Disney's Snow White.

Services

Media promo, video, strategic planning, trade promo/adv, sales force programs, product placement in movies/tv, pkg design, corp i.d., tie-in promo.

Accounts

Gained: N/A.

Lost: N/A.

Officers

Don Casey, chmn; Alan Zwiebel, exec vp-creative dir; Steve Zammarchi, sr vp-grp dir; Muts Yasumura, sr vp-dir design; Russ Krasnoff, Warren Weideman, managing dirs

Phone: (212) 614-3900

Coddington, Chadwick & Meyerson

RANK 26

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.8	$1.2	56.2
Employees	20	15	33
Offices	1	1	0

Employees per department

	1987	1986
Account services	8	5
Creative	6	4
Production	3	3
Administration	N/A	N/A
Other	3	3

Source: All data from Advertising Age estimates.

Annual Review

Estimated 55% growth in 1987 gross revenues was based on expanded services to existing accounts and new business from Nestle, Actmedia and Creative Black Book. The addition of PepsiCo's Ice Mountain Great Spring Waters of America division and efforts to gain another beverage account are projected to generate 40% growth in 1988. Privately held CC&M's best promotion of 1987 was a winter display for Molson Golden and Molson Light. The display secured extra retail display space and distributor support during the vital holiday season and will be repeated for a third consecutive year in 1988. CC&M is agency of record for Martlet Importing, U.S. importer of Molson beer and ale.

Services

Mktg consulting, promo planning, creative devel.

Accounts

Gained: Actmedia, Creative Black Book, Nestle.

Lost: None.

Officers

Walter Coddington, pres; Michael Chadwick, Allan Meyerson, vp-creative dirs; Steven Polachi, vp-acct mgmt.

Phone: (212) 689-8225

Columbian Advertising Inc.

RANK 10

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$6.2	$5.1	21
Employees	47	N/A	N/A
Offices	1	1	0

Employees per department

	1987	1986
Account services	11	N/A
Creative	10	N/A
Production	11	N/A
Administration	N/A	N/A
Other	15	N/A

Source: All data from agency reports.

Annual Review

Continued growth in spending by existing clients and the addition in 1986 of Haagen-Dazs Co., and in 1987 of the Haagen-Dazs Shoppe Co. accounted for an estimated 21% increase in gross revenues in 1987. The focus on Haagen-Dazs resulted in Columbian's best promotion of 1987, launching Haagen-Dazs Special Additions, a line of chunky, mixed ice cream products targeted to a younger audience. The agency developed the name, packaging,

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sales materials, multi-image shows for distributor sales meetings, and POP materials. Although the product was targeted at a trendy market segment, the agency was careful to maintain the Haagen-Dazs image of quality and heritage to all age groups. In 1988, the agency is projecting 20%-plus growth in revenues from existing clients and from a healthy increase in direct-mail services.

Services

Mktg consulting, new prod mktg, business to business communication, consumer promo, promo advertising, dir resp, trade & sales programs, lcl mktg, merchandising.

Accounts

Gained: Haagen-Dazs Shoppe Co., Clover Club Potato Chips, Worthington Financial.

Lost: None.

Officers

Bernard J. Miller, Jr., chmn; Bernard J. Miller III, pres; Tom Moles, sr vp; Bernard Slepak, sr vp-mgmt super; Jack Gelperin, vp-mktg; Bonnie L. Bell, vp-dir promo services; Michael P. Slott, vp-dir client services.

Phone: (312) 943-7600

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AND EMBROIDERED APPAREL

Comart Associates

RANK 2

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$12.9	$11.8	9.4
Employees	115	112	3
Offices	3	3	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$11,318.0	$10,950.0	3.4
Commissions	$1,599.0	$848.0	88.6

Volume passing through

($ in thousands)	1987	1986	% chg
Print production	$4,116.0	$1,810.0	127.4
Audio visual, staging	$1,581.0	$1,589.0	(0.5)
Media	$1,689.0	$1,828.0	(7.6)

Employees per department

	1987	1986
Account services	29	26
Creative	14	12
Production	31	32
Administration	30	31
Other	11	11

Source: All data from agency reports.

Ofc Locations: New York, Detroit, Stamford, Conn.

Annual Review

The agency was reorganized following its purchase on June 1, 1987, by KLP Group, London, the world's largest network of independent sales-promotion agencies with operations in 17 countries. The buyout had immediate benefits with the assignment of new business from American Express Canada, supported by KLP agencies in Toronto and Montreal. Revenues grew 9% in 1987 with the biggest dollar volume coming from commissions and markups; dollar volume passed through the agency jumped 41% in 1987. About 70% of 1987 gross revenues were the direct result of sales promotion activites. The agency predicts 12% growth in 1988, 60% of that from new business and 40% from existing business. Named AD AGE'S sales promotion agency of the year in 1987, Comart lived up to its reputation with a campaign executed for the Clarion Hotel, New Orleans, that boosted occupancy from 19% to 65% in 18 months.

Services

Mktg promotion plan & execution; mktg consulting; pkg design & corp i.d.; A/V, business communications.

Accounts

Gained: Procter & Gamble, Ralston Purina.

Lost: None.

Officers

Dan Cassel, chmn; Vincent Sottosanti, pres-ceo; Craig MacClaren, exec vp; Bob Carter, exec vp-A/V; Irwin Towers, exec vp-Stamford; Ron Melk, sr vp-creative services; George Austen, sr vp-client service; Bill Backalenick, sr vp-prod services; Calvin Hodock, sr vp-consulting services; Lori Brandon, vp-mgmt super; Dorothy Devlin, vp-sales; Gary Seltzer, Renee Miller, vp-exec producers; Michael Zuck, vp-creative dir; Steve Stenstrom, vp-client services.

Phone: (212) 714-2550

Core Group Marketing

RANK 28

Minneapolis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.6	$1.35	19
Employees	20		N/A
Offices	2		N/A

Employees per department

	1987	1986
Account services	7	N/A
Creative	N/A	N/A
Production	3	N/A
Administration	8	N/A
Other	2	N/A

Source: All data from Advertising Age estimates.

Annual Review

Estimated gross revenues were up 19% in 1987 as Core Group added MasterCard International to an assortment of package goods, health and beauty aids, and durable goods accounts. In 1987, Core also began targeting travel and leisure, telecommunications, mass merchandising, and financial service accounts. Illustrating its approach to developing innovative programs with marketing leverage was Core's best promotion of 1987, a consumer travel incentive program for MasterCard International's Gold Card that automatically awarded frequent user prizes through participating MasterCard member banks. Program objectives included differentiating MasterCard from competing credit cards, leveraging the credit assocation's clout with banks, and providing consumers with frequent use incentives. A tiered award structure gave increasingly valuable prizes for charges for airfare, vehicle rental and hotel stays. Also in 1987, the agency moved to a new headquarters in Eden Prairie, Minn., from its former site in Minnetonka, Minn.

Services

Strategic consulting, mktg and promo planning, 3rd party negotiation, MIS, research, telemarketing, production, fulfillment.

Accounts

Gained: MasterCard International.

Lost: N/A.

Officers

Robert H. Hamilton, pres; Constance M. Cervilla, exec vp.

Phone: (612) 942-2939

Davidson Marketing

RANK 29

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.5	$1.2	29.7
Employees	21	15	40
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,443.6	$1,112.9	29.7
Commissions	$76.0	$58.6	29.7

Source: All data from agency reports.

Annual Review

A 30% improvement in staff time fees from existing accounts, and

BUY ME
HERE IT IS
NEW IMPROVED
MUNCHY CRUNCHIES

WHAT HAVE YOU DONE FOR YOUR BRAND LATELY?

Have you advertised it? Have you promoted it? . . . effectively? . . . to the trade? . . . to the consumer? . . . reaching the "right" consumer? Did you consider the sales force?

Have you creatively enhanced its image? . . . beyond couponing? . . . and pretty pictures? Have you strategically combined merchandising activities? . . . evaluated cooperative marketing opportunities? . . . implemented that regional program? . . . or contingency plan to offset competitive inroads? . . . considered product extensions? . . . new product introductions?

Have you increased its market share? . . . its profitability? . . . expanded its user base? . . . its distribution channels? Are your efforts affecting long-term sales?

Have you achieved the most effective and efficient use of every dollar invested?

Any questions? . . . call on the Responsive team of Marketing Communications professionals. We take your brand seriously.

- Sales Promotion
- Advertising
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- Sound Marketing Principles

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Ask for one of our Account Service Executives . . .
We'll respond!

RESPONSIVE
Marketing Communications, Inc.
1111 East Touhy Ave., Des Plaines, IL 60018/312-298-3905

revenue from such new accounts as James B. Beam Distilling Co., Miller Brewing Co. and Quaker Oats contributed to a 30% increase in 1987 gross revenues. The agency projects 20% growth in 1988, divided evenly between new and existing accounts. Best of 1987 was a multiple-brand holiday tie-in between Kraft and Hasbro Industries offering rebates on toys and food purchases and appealing to mothers with young children. Unique because it did not tie-in related products, the program was designed to move consumers from the grocery store into toy stores and mass merchandisers, thus complementing the two companies' marketing goals. Also in 1987, the agency moved its headquarters from Northfield, Ill., to an area just north of Chicago's downtown.

Services

Full service with emphasis on strategic & creative for consumer and trade promo.

Accounts

Gained: Jim Beam Distilling, Jacobs Suchard/Brach, Kraft Dairy Group, West Bend, Miller Brewing, Quaker Oats, Coast-to-Coast, Morton Thiokol, Nylint.

Lost: G. Heileman Brewing, Miles Laboratories.

Officers

Bill Davidson, pres; Russ Blanchard, exec vp-design dir; Jay Farrell, vp-acct services.

Phone: (312) 527-3900

Didday & Branch

RANK 41

Cincinnati

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.7	$0.8	(14.3)
Employees	18	18	0
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$696.0	$813.2	(14.4)
Commissions	$13.8	$15.5	(11.2)

Volume passing through

($ in thousands)	1987	1986	% chg
Printing	$588.3	$529.6	11.1
Purchases, postage	$138.9	$136.8	1.6
Services, production	$53.1	$212.8	(75.1)

Employees per department

	1987	1986
Account services	3	2
Creative	5	6
Production	4	4
Administration	4	4
Other	2	2

Source: All data from agency reports.

Services

Strategic & creative planning, research, production & implement.

Accounts

Gained: Western Home Center.

Lost: N/A.

Officers

Kerry B. Didday, pres; Harold Branch, exec vp.

Phone: (513) 751-1730

Einson Freeman

RANK 9

Paramus, N.J.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$6.3	$3.9	63.0
Employees	70	50	40
Offices	1	1	0

Source: All data from Advertising Age estimates.

Annual Review

Einson Freeman's gross revenues grew by 63% in 1987, as the agency added services and converted AT&T, Burger King and Eastman Kodak from a project fee basis to annual retainers. The agency projects 30% growth in 1988 with the conversion of two more accounts to retainers, and with added revenues from three sources: existing clients, expanded in-house research services, and a new special events marketing group. Charles Young, who joined the agency in 1986, now heads the new ventures. The agency's most successful effort in 1987 was a "Fly Air France Free" summer promotion, which increased the carrier's average passenger load factor to 80% in the promotional period from 62% over the same period in 1986, without fare cutting or deep discounts. In other areas, London-based WPP Group, which owns JWT Group, New York, and other U.S. ad agencies, is rumored to be interested in buying the privately held agency.

Services

Mktg consulting, research, strategic planning, pkging, sales aids, dir mail, sweepstakes, games, coupons & sampling, POP, exhibits, corp i.d., collaterals, premiums & incentives, creative & production.

Accounts

Gained: Burger King, Kimberly-Clark, Air France.

Lost: HBO Video, Western Union, Barclays Bank, Metamucil (sold by Searle to Procter & Gamble).

Officers

P.J. Anstatt, chmn; Jeffrey McElnea, pres; W.F. Rosenthal, exec vp; William H. Horne, vp-corp ops; Gordon Summer, Alan Berry, Robert Wechsler, Charles Young, sr vps; Dwight Shelton, vp.

Phone: (201) 262-7200

The Empire Marketing Group

RANK 39

Valhalla, N.Y.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.8	$0.4	78.6
Employees	4	3	33
Offices	3	2	50

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$200.0	$100.0	100.0
Commissions	$250.0	$175.0	42.9

Volume passing through

($ in thousands)	1987	1986	% chg
General	$100.0	$50.0	100.0

Employees per department

	1987	1986
Account services	2	2
Creative	1	1
Production	0	0
Administration	N/A	N/A
Other	2	2

Source: All data from agency reports.

Ofc Locations: Scarsdale, N.Y., Pound Ridge, N.Y., Valhalla, N.Y.

Services

Mktg/research, media placement, sweepstakes, contests, collaterals, events, POP, premium development, photography, A/V, fulfillment.

Accounts

Gained: H&R Block.

Lost: Economics Laboratories.

Officers

Sam Mylnar, Warren Weil, principals.

Phone: (914) 723-2650

Boxes with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by AD AGE. *See Page S-10*

Flair Communications

RANK 3

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$11.3	$10.5	7.1
Employees	135	132	2
Offices	5	5	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$7,451.0	$7,295.0	2.1
Commissions	$3,810.0	$3,220.0	18.3

Volume passing through

($ in thousands)	1987	1986	% chg
Premiums	$1,850.0	$1,500.0	23.3
Freight, postage	$2,411.0	$2,070.0	16.5
Production	$18,125.0	$15,350.0	18.1

Employees per department

	1987	1986
Account services	42	40
Creative	38	38
Production	12	12
Administration	N/A	N/A
Other	43	42

Source: All data from agency reports.

Ofc Locations: Chicago, Detroit, Los Angeles, New York, San Francisco.

Annual Review

The agency reported gross revenue growth of 7% in 1987, mostly from an 18% increase in commissions/markups over 1986. Dollar volume passing through the agency also grew 18% in 1987 to $22.4 million. New clients included Sears Roebuck, Commonwealth Edison, Oster, Morton Salt and General Foods. Flair showed a special touch in 1987 with an innovative promotion for the American Dairy Association, "The best deserve a little pat of butter," the first-ever multimarketer tie-in between General Foods, General Mills, Pillsbury and Bays English Muffin. Supported by a $12 savings booklet, in-store cross merchandising, advertising, pr, FSIs and retailer incentives, the promotion demonstrated Flair's strengths in bringing partners together, allowing them to share program costs, and coordinating all elements of the marketing mix.

Services

Acct mgmt; mktg/planning; research, post-event eval; special mkts mktg; sports mktg; dir resp; creative & production.

Accounts

Gained: Commonwealth Edison, Ditch Witch, General Foods, Kemper Financial Services, Morton Salt, Oster, Sears Roebuck.

Lost: Bil Mar (Mr. Turkey product line).

Officers

Lee F. Flaherty, chmn-ceo; Allyn M. Miller, pres; James M. Fitzgerald, exec vp-dir client services; August V. Comella, exec vp-gm;Stanley D. Hardwick, vp-creative; Richard Kiechle, vp-west coast ops; Lee Ward, vp-east coast ops.

Phone: (312) 943-5959

Focus Marketing

RANK 13

Norwalk, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$4.1	$3.4	22.2
Employees	35	28	25
Offices	2	2	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$2,033.0	$1,880.0	8.1
Commissions	$1,773.0	$1,236.0	43.4

Volume passing through

($ in thousands)	1987	1986	% chg
Art & mechanical	$1,033.0	$690.0	49.7
Production	$2,229.0	$1,489.0	49.7
Other	$2,918.0	$1,950.0	49.6

Employees per department

	1987	1986
Account services	11	9
Creative	10	7
Production	5	4
Administration	7	6
Other	12	62

Source: All data from agency reports. Subsidiary of FKB Group, London.

Ofc Locations: Norwalk, Conn., Los Angeles.

Annual Review

London-based FKB Group announced in March 1988 plans to acquire Focus as part of a purchase of four U.S. sales promotion agencies, all of which will continue operations under their old names and managements. The total deal cost FKB $11.9 million cash and $1 million in shares. Additional payments over five years of up to $46.8 million depend on individual companies' performances. FKB has agreed to pay $3.9 million in cash for Focus, and up to $15 million in future payments, depending on profitability. Meanwhile, new accounts in financial services, soft drinks, soap products and liqueurs boosted Focus' gross revenues by 22% in 1987. Most of the added revenue came from 43% growth in commissions and markups. Focus projects 5% to 10% growth in volume from retainer accounts in 1988 and 20% growth from new clients. The agency's best of 1987 was a "Save the Eagles" promotion for Miller Beer. The project not only increased sales and enhanced brand image, but identified closely with Miller's "Made in the U.S.A." ad message, which has been effective with the brand's target audience. To handle growing business volume, the agency in 1987 added seven employees in account and creative services, and doubled office space by moving into a new Norwalk headquarters.

Services

Promo devel, mktg consulting, new prod devel, sales consulting, creative & art services, field mktg, event mktg, sweepstakes, partnership promo, youth mktg.

Accounts

Gained: Canada Dry, Lever Bros., Paddington Corp., Skandia Life America.

Lost: None.

Officers

George Blystone, chmn; Bernard Trueblood, pres; Linda Morgenstern, exec vp-dir of ops; Tom Mullett, vp-mgmt super; Charles Roth, vp-creative dir; Frampton Chowenhill, vp-new bus dir.

Phone: (203) 855-0900

Frankel & Co.

RANK 1

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$14.0	$13.7	2.2
Employees	218	196	11
Offices	3	2	50

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$12,970.0	$12,680.0	2.3
Commissions	$1,030.0	$1,020.0	1.0

Volume passing through

($ in thousands)	1987	1986	% chg
Print, art production	$10,654.0	$10,863.0	(1.9)
Travel & other	$1,100.0	$967.0	13.8

Employees per department

	1987	1986
Account services	59	50
Creative	44	37
Production	31	32
Administration	N/A	N/A
Other	84	77

Source: All data from agency reports.

Ofc Locations: Chicago; Norwalk, Conn.; Orange County, Calif.

Annual Review

The year 1987 was one of adversity and new beginnings for Frankel & Co. In May, fire destroyed one of two floors at headquarters, resulting in the death of an employee and forcing temporary relocation of accounting and creative departments. In 1987, the company took a step toward becoming national by opening an office near Los Angeles, complementing its operation in Norwalk. Although gross revenues grew only 2.2% in 1987, the company's outlook brightened with the addition of several blue-chip accounts. Frankel's 1987 gross revenues include $2.8 million in direct response billings. Frankel anticipates 25% growth in 1988, split evenly between new and existing clients. The company's most successful promotion of 1987 was for McDonald's, featuring a tie-in with Muppet Babies, a top-rated Saturday a.m. TV show. One in a series of Happy Meals, premiums included four plastic vehicles featuring the characters. The 25-year-old privately held company adopted the theme "people behind people" to represent its outlook on the future.

Services

Mkt rsch, dir resp, premium devel, licensing, sports & events, fulfillment, field svcs, regional/local mktg, creative.

Accounts

Gained: G. Heileman Brewing, Kellogg, McCormick, Miles Laboratories, Sears Roebuck (mktg events), United Airlines.

Lost: Tyson Foods, United Health Care.

Officers

Bud Frankel, chmn-ceo, pres; David Tridle, James Mack, Michael McCann, Lou Haugh, senior vp-mgmt reps; Brian Robinson, senior vp-creative dir; William Stone, John Lotka, vp-mgmt reps; Daniel Rose, vp-dir resp mktg; Colleen Fahey, Bruce Stephen, Thomas Charvat, Douglas Pletcher, vp-group creative dirs; Rick Bollinger, Robert Schneider, vp-acct dir.

Phone: (312) 938-1900

Henderson Marketing Services

RANK 42

Greenville, S.C.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.6	$0.7	(3.8)
Employees	7	N/A	N/A
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$561.2	$558.6	0.5
Commissions	$83.2	$110.3	(24.6)

Employees per department

	1987	1986
Account services	3	N/A
Creative	N/A	N/A
Production	N/A	N/A
Administration	N/A	N/A
Other	1	N/A

Source: All data from agency reports. Div of Henderson Advertising, Greenville, S.C.

Services

Promo plan, concept, production, packaging, premiums, contests, sweepstakes, display, meetings, dir mail, events, rebates, merchandising, incentives, coupons, sampling, POP,A/V, trade promo.

Accounts

Gained: Amcom Corp., Carolina First, Phyton Direct, Southern Net.

Lost: Murray Chris Craft.

Agency share of relevant promotion spending grows

($ in millions)

Agency statistics	1986	1976
Salaries*	$210.0	$9.4
Total costs**	381.0	17.0
Revenue to support costs***	424.2	18.9
Capitalized billings	2,755.0	123.1
Total relevant expenditures****	55,436.0	29,900,0
Agency share x 100	4.9%	0.4%

*1976 average salary of $25,000 is multiplied by 375 (25 agencies x 15 employees each) to obtain salary total. 1986 average salary of $60,000 is multiplied by 3,500 employees (225 agencies x 15.55 employees each).

**Assumes salaries are 55% of total overhead.

***Total revenue required for average profit of 10%.

****Excludes trade promotion, direct mail, sales meetings and convention expenditures.

Source: C. Martin Abbott Inc.

Officers

Ralph W. Callahan Jr., chmn-ceo; Bob Jones, vice chmn-chief creative dir; James F. Brandhorst, pres; Michael Wilson, sr vp-gm.

Phone: (803) 298-1600

The Hermann Group

RANK **27**

St. Louis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.7	$1.6	5.1
Employees	28	26	8
Offices	1	1	0

Revenue contributors

($ in thousands)	*1987*	*1986*	*% chg*
Staff-time fees	$1,200.0	$1,150.0	4.3
Commissions	$450.0	$420.0	7.1

Employees per department

	1987	1986
Account services	7	6
Creative	13	12
Production	N/A	N/A
Administration	8	8
Other	N/A	N/A

Source: All data from agency reports. Div FKB Group, London.

Annual Review

An agreement was announced in March 1988 for acquisition of The Hermann Group by London-based FKB Group as part of a purchase of four U.S. sales-promotion agencies, all of which will continue operations under their old names and managements. The total deal cost FKB $11.9 million cash and $1 million in ordinary shares. Additional payments over five years of up to $46.8 million depend on individual companies' performances. For Hermann Group, FKB is paying $2 million cash and $1 million FKB ordinary shares, in addition to future payments of up to $12.5 million, depending on the agency's profitability. The sale is contingent on Hermann Group's audited 1987 profits being not less than $425,000. The agency suffered a setback in 1987 from the loss of the Anheuser-Busch account. However gross revenues grew 5% in 1987 from a variety of new account gains. For 1988, the agency projects 25% growth, divided equally between existing and new

If an army of robots can't convince you, take it from millions of furry little bears:

THE IMAGE GROUP produces sales promotion commercials that work.

In 1986, a major fast food operation hired THE IMAGE GROUP to produce a sales promotion TV commercial. It was the most successful effort in the chain's history. Millions of toy robots were released – with purchase – to kids coast to coast. In 1987, THE IMAGE GROUP helped beat that record by moving even more toy bears than robots. Amazing.

Or maybe not so amazing. After all, THE IMAGE GROUP is a unique production company. We specialize in sales promotion television commercials that get surprisingly good results at surprisingly low budgets. And we handle any one part or all of your production – storyboards to casting to filming to editing to finish.

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A simply amazing offer

Just call to see a videotape of our award-winning commercials. Then we'll give you a 10% discount on your first job. It's that simple – now isn't that amazing?

IMAGE GROUP

THE IMAGE GROUP INC.

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For 33 years, people have been telling us:

"You can't do that!"

"You can't go out as a helper on a fuel truck to learn the real problems of selling home heating oil." We did!

"You can't rent a castle to use as a sweepstakes premium." We did!

"You can't do an in-store demonstration with a tampon." We did!

"You can't reverse the decline of a product and increase its sales by 40% in less than a year." We did!

Robert Brian Associates is the Sales Promotion Agency with imagination, daring and a thorough knowledge of what motivates people at all levels of the marketplace.

What can't we do for you?

Robert Brian Associates, Inc.

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business. Among agency accomplishments in 1987 was a complete restaging of Bran Chex via promotions which capitalized on psychographic trends and consumer preferences. The agency helped reposition the brand through package-delivered promotions.

Services

Adv, sales promo, packaging, mktg consulting.

Accounts

Gained: Essen Hardware, Pet Inc., Six Flags, St. John's Medical.
Lost: Anheuser-Busch.

Officers

Bob Hermann, chmn; Mark Shapiro, pres; Andrea LaBarge, Marilyn Tucker, vp-acct supers.

Phone: (314) 367-4100

Highland Group

RANK
23

Southport, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.2	$2.0	9.0
Employees	26	20	30
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,190.9	$1,032.8	15.3
Commissions	$974.4	$953.4	2.2

Volume passing through

($ in thousands)	1987	1986	% chg
Media, FSI	$6,123.2	$5,482.7	11.7
Printing	$3,428.8	$3,009.3	13.9
Other production	$3,439.8	$3,028.0	13.6

Employees per department

	1987	1986
Account services	6	4
Creative	7	5
Production	6	4
Administration	7	7
Other	N/A	N/A

Source: All data from agency reports.

Annual Review

Gross revenues grew 9% in 1987, mostly from 15% growth in staff-time fees. Drawing heavily on referrals within existing accounts, the agency projects 40% growth in 1988. Highland's best promotion of 1987 involved trade and consumer programs supporting the national launch of Murine Contact Lens Care Products for Ross Laboratories, the consumer products division of Abbott Laboratories. The project included development of sales aids, floorstands and introductory free-standing inserts. Also in 1987, Highland was named sales promotion agency of record for Ross Labs consumer products, and assigned sales promotion strategic planning for Murine. Other new assignments included trade promotion programs for Beiersdorf's Nivea brand, and sales promotion programs for Globus Laboratories division of Nestle Foods.

Services

Program devel, media plan, creative, production, fulfillment, games, contests, sweepstakes, incentives, POP, dir resp, collaterals, premiums, packaging, adv, A/V, training, meetings, corp identification.

Accounts

Gained: Boboli (General Foods), Beiersdorf, Entenmann's, Globus Laboratories, Gravymaster, Talon American.
Lost: None.

Officers

Frederick R. Tscheulin, pres; Richard J. Baker, exec vp; David S. Haynes, vp-creative dir; Janice Ladd, vp-creative services; Robert Heintz, vp; Kevin P. McIntosh, vp-mgmt super.

Phone: (203) 254-3505

Lee Hill Inc.

RANK
16

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$3.7	$2.5	48
Employees	41	32	28
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	N/A	N/A	N/A
Commissions	N/A	N/A	N/A

Employees per department

	1987	1986
Account services	12	9
Creative	13	9
Production	9	8
Administration	N/A	N/A
Other	7	6

Source: All data from Advertising Age estimates. Div. of MCA, Westport, Conn.

Annual Review

A 48% spurt in 1987 gross revenues resulted from increased activity on accounts gained in 1986, such as Citicorp Savings of Illinois, Hyatt Hotels and Hasbro, and increased activity from existing accounts, such as M&M/Mars and Brown Forman. The agency lost Coca-Cola Foods when that company moved its promotions in-house. New accounts in 1987 included American Dairy Assn. In 1988, the agency expects to grow 20%, primarily through expanded services to existing clients. To handle increased business, the privately held unit of MCA grew to 50 employees in 1988.

Services

Strategic consumer & trade promo consulting, concept devel, promo research/test, graphics, premium sourcing & prod, dir resp, special events, telemktg, promo fulfillment, sweepstakes & contest admin.

Accounts

Gained: American Dairy Assn.
Lost: Coca-Cola Foods.

Officers

Lee E. Hill, pres; Paul T. Rogalla, Michael S. McCabe, George J. Brigandi, exec vps; Judith A. Rappaport, Thomas W. Smith, Jennie Schreder, Robert C. Geier, Margaret N. Alicea, vps.

Phone: (312) 266-9090.

IMPACT

RANK
5

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$9.1	$6.6	37.9
Employees	103	78	32
Offices	6	3	100

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$7,788.0	$5,830.0	33.6
Commissions	$1,324.0	$780.0	69.7

Employees per department

	1987	1986
Account services	50	40
Creative	50	35
Production	N/A	N/A
Administration	N/A	N/A
Other	3	3

Source: All data from agency reports. Wholly owned subsidiary of Foote, Cone & Belding Communications, Chicago.

Ofc Locations: Chicago, New York, San Francisco, Los Angeles, Atlanta, Toronto.

Annual Review

Gross revenues grew 38% for the wholly-owned subsidiary of Foote Cone & Belding. About 15% to 20% of the agency's gross revenues were derived from advertising services. The agency projects 20%

"We help keep P&G on top. Because we track the competition in *every* paper... in *every* market."

Through the years, no one in package goods has established a track record like P&G.

They've done it by making a lot of smart decisions, many based on the priceless information in the nation's daily and Sunday newspapers.

Competitive expenditures, new products, new creative, coupon values—it's all there. And for the past 56 years, ACB, exclusively, has read these hundreds of papers for P&G . . . every day . . . then sent them detailed reports. So whatever the competition is doing in any of their product categories, P&G knows it. And they've used it to make many of the decisions that have helped them reach the age of 150 still in their prime.

Only ACB covers so much ground.
Like P&G, ACB knows that covering just the top 50 or 100 markets isn't always good enough. So we offer unmatched in-depth coverage. And we do it for less than others charge to cover fewer markets.

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You'll know which key accounts are using your ads, or your competition's. In newspapers *and* magazines. How well your sales force is performing. A complete overview of what's going on today, what the trends are for tomorrow. ACB's standard research package—or one tailored specifically for you—delivers the detail.

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MEMPHIS, TN ORLANDO, FL SAN FRANCISCO, CA SANTA ROSA, CA TEMPE, AZ

growth in 1988 as it pursues accounts seeking integrated advertising, promotion and direct response. Capitalizing on a trend toward regional marketing franchise accounts, such as Pepsi USA bottling companies, and Frito-Lay, both gained in 1986, Impact doubled its locations in 1987, adding offices in Los Angeles, Toronto and Atlanta. Other account gains included the Travel Industry Association, Quaker Oats, and No Nonsense.

Marketing Corp. of America

Gross revenue data provided by the agency during production of this issue would boost MCA to #6 in AD AGE's rankings of full-service agencies. MCA's correct numbers are reflected in the box (right), but not in the chart on Page S-4.

Best of 1987 was the holiday Furskins promotion for Wendy's, which included integration of broadcast media, newspaper and POP, resulting in double-digit sales increases.

Services

Strategic development & execution of sales promo programs, advertising, design, creative.

Accounts

Gained: Arthur Andersen & Co., California Milk Advisory Board, Chicago Pacific, Golden Grain, MCA, No Nonsense, Travel Industry Assn.

Lost: Four Seasons Hotel, Ocean Spray, Crawley Maritime.

Officers

Joseph Flanagan, pres; Sherwin Leff, Mark Drozd, sr vps; John Randazzo, sr vp-San Francisco; Tony Loiacono, vp-Los Angeles.

Phone: (312) 751-3500

Lee Krost Associates

RANK 43

Stamford, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.6	$0.5	16.4
Employees	7	7	0
Offices	1	1	0

Employees per department

	1987	1986
Account services	1	1
Creative	1	1
Production	N/A	N/A
Administration	2	2
Other	3	3

Sources: All data from agency reports.

Services

Mktg consulting, sports & events, fund-raising, sweepstakes, contests, games, sales incentives, premiums, coupons, refunds, rebates, brand/company tie-ins, sampling, merchandising, POP, pkg design, creative & prod.

Accounts

Gained: N/A.

Lost: N/A.

Officers

Lee M. Krost, pres; Harold T. McMenamin, gm.

Phone: (203) 358-8890

Marketing Corp. of America

RANK 15

Westport, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$7.6	$7.1	7
Employees	43	41	5
Offices	2	1	100

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	10	10
Production	10	9
Administration	9	9
Other	14	13

Sources: All data from agency reports. See box in first column.

Ofc Locations: Westport, Conn., Los Angeles.

Annual Review

Gross revenues grew 7% in 1987 for the sales promotion division. The privately held company projects 15% to 20% growth in 1988. Key events affecting the division in 1987 included moves by clients toward local marketing and account specific promotions, which influenced the types of consulting and field execution services offered. The division also opened a Los Angeles office.

Services

Strategic consulting, creative, dir resp, research, event mgmt, local mktg, art/production, premium sourcing, promo analysis, sweepstakes, games, fulfillment, display, collaterals, production and distrib.

Accounts

Gained: N/A.

Lost: N/A.

Officers

Chris Barr, pres; George Colesworthy, Don Davidson, Paul Goldstein, exec vps; Barry Podber, Mickey Jardon, Robin Austin, Jack

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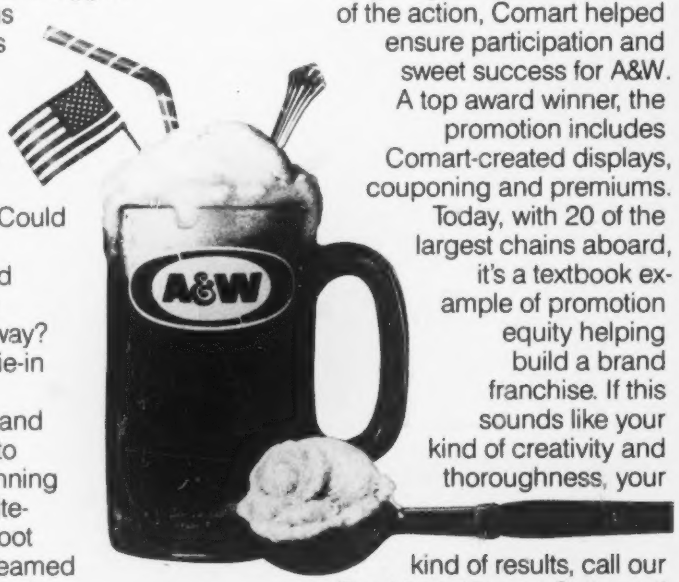

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SAi

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[illegible] Old York Road, Melrose Park, PA [illegible]
Attn: Allen N. [illegible], President
Telex: [illegible] Telefax: (215) 782-9015
Phone: (215) 782-9090

☐ Please send me a sample case history as created and executed by SAi

Company____________________

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Title__________ Phone__________

Address____________________

City__________ State_____ Zip_____

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Linberg, Joe Curtis, vps; Art Irvine, vp-prod services; Joe Soboleski, vp-creative services.
Phone: (203) 222-1000

The Marketing Partnership

RANK **21**

Greenwich, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.2	$2.0	10.0
Employees	10	10	0
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,430.0	$1,200.0	19.2
Commissions	$770.0	$800.0	(3.8)

Employees per department

	1987	1986
Account services	4	4
Creative	1	1
Production	1	1
Administration	4	4
Other	N/A	N/A

Source: All data from agency reports.

Annual Review

Greater client emphasis on regional marketing, client staff reductions and increased management attention on promotional expenses were the key factors in 1987 for the agency. Gross revenues grew 10% in 1987 on the strength of an 18% improvement in staff-time fees. Commissions declined 4% in 1987. In 1988, the agency is predicting 15% growth, entirely from existing accounts.

Services

Strategic consulting, promo consulting, program admin, production services, post-analysis.

Accounts

Gained: None.
Lost: N/A.

Officers

Richard M. Duffy, John Sarsen, C.E. Krueger, N. Kelliher.
Phone: (203) 622-0777

Marketing Solutions

RANK **37**

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.9	$0.6	45.5
Employees	10	8	25
Offices	2	2	0

Source: All data from Advertising Age estimates.

Ofc Locations: New York, London

Services

Mktg consulting, full service sales promo.

Accounts

Gained: American Express, Guinness Imports, Hertz, Jiffy Lube Intl, Matchbox Toys USA, Remy Martin Amerique.
Lost: Cadbury USA.

Officers

Ian Jacob, pres; Mickie Miller, sr vp; Richard Rubin, vp-group acct dir; Moira Morrissey, vp-acct dir.
Phone: (212) 505-6660

MASS Inc.

RANK **47**

Miami

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.2	N/A	N/A
Employees	6	N/A	N/A
Offices	1	N/A	N/A

☑

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*BizCats. Business Catalyst Consultants—a unique breed of industry by industry marketing communication and creative development specialists who believe that promotions should be business catalysts.

PHOTO: PAUL CHAN

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$150.0	N/A	N/A
Commissions	$30.0	N/A	N/A

Volume passing through

($ in thousands)	1987	1986	% chg
Media	$460.0	N/A	N/A
Production	$722.0	N/A	N/A
Other	$18.0	N/A	N/A

Employees per department

	1987	1986
Account services	2	N/A
Creative	3	N/A
Production	N/A	N/A
Administration	N/A	N/A
Other	1	N/A

Source: All data from agency reports.

Services

Strategic planning/implementation of integrated adv and sales promo programs.

Accounts

Gained: Dynamic Cablevision of Florida (Colony), Home Box Office of Florida, WQBA-FM, PEGO International, Procter & Gamble, Monumental Life Insurance.

Lost: None.

Officers

Alicia Martinez-Fonts, pres; Maria Madruga, vp.

Phone: (305) 858-6322

McCann Promotion Group

RANK 35

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.0	$0.9	17.6
Employees	12	10	20
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$950.0	$825.0	15.2
Commissions	$50.0	$25.0	100.0

Employees per department

	1987	1986
Account services	4	N/A
Creative	8	N/A
Production	N/A	N/A
Administration	N/A	N/A
Other	N/A	N/A

Source: All data from agency reports. Division of McCann-Erickson, New York.

Services

Promo planning; creative, POP, retail adv.

Accounts

Gained: Coca-Cola USA (Fountain), Thomas J. Lipton, Manufacturers Hanover Trust.

Lost: None.

Boxes with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by Ad Age. *See Page S-10*

Average hourly rates by personnel category

Full service agencies

Category	1987	1986
Senior level account services	$132.42	$127.72
Average level account services	$ 86.90	$ 87.81
Senior level creative	$122.43	$118.10
Average level creative	$ 81.96	$ 81.92
Other senior level personnel	$ 96.82	$ 95.49
Other average level personnel	$ 60.80	$ 57.06

Companies with agency services

Category	1987	1986
Senior level account services	$120.00	$100.00
Average level account services	$ 85.00	$ 76.00
Senior level creative	$117.50	$101.82
Average level creative	$ 83.00	$ 74.27
Other senior level personnel	$ 83.43	$ 75.42
Other average level personnel	$ 69.90	$ 61.98

Source: AA survey.

Officers

Ben Colarossi, managing dir-sr vp; Bob Dunn, sr vp; Andrew Carra, vp-dir promo.

Phone: (212) 984-3589

MDM Inc.

RANK 36

Dallas

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.0	$0.3	233.3
Employees	8	4	[illegible]
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$700.0	$250.0	180.0
Commissions	$300.0	$50.0	500.0

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$4,700.0	$600.0	683.3

Employees per department

	1987	1986
Account services	5	3
Creative	3	1
Production	N/A	N/A
Administration	N/A	N/A
Other	N/A	N/A

Source: All data from agency reports.

Services

Sales & marketing consulting.

Accounts

Gained: Frito-Lay, California Cooler, Lone Star Beer.

Lost: None.

Officers

Jane Von Kennel, pres; Gary Von Kennel, exec vp.

Phone: (214) 721-0045

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*Care Bear art utilized for Bristol-Myers' "Safe 'n Fun"™ Kit © 1986, Those Characters From Cleveland, Inc.

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Robert H. Meyer & Associates

RANK 20

Minneapolis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.3	$2.2	8.1
Employees	26	28	(7)
Offices	2	2	0

Employees per department

	1987	1986
Account services	7	8
Creative	6	8
Production	3	2
Administration	5	5
Other	5	5

Source: All data from Advertising Age estimates.

Ofc Locations: Minneapolis, St. Paul.

Annual Review

Gross revenues grew 8% in 1987. Fueled by a variety of accounts gained in the latter half of 1987 and in early 1988, the agency projects 35% growth overall in 1988, including 11% to 15% growth from existing accounts. Standout promotions in 1987 were developed in the food service industry for Quaker Oats and Omaha Steaks.

Services

Sales promo planning & execution, mktg consulting, dir mktg, pkg design.

Accounts

Gained: G. Heileman Brewing, AgriPro, Omaha Steaks Intl, Pizza Hut, Brach's candies, Quaker Oats, Pepsi-Cola Co., Taco Bell.
Lost: None.

Officers

A. Keith McCracken, pres-ceo; Bill Wylie, vp-cr serv; Bruce Savik, Bob Hatzenbeller, vp-prod; Jerry Herber, vp-Postmark/Premiums.
Phone: (612) 920-5744

Modular Marketing

RANK 33

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.2	$0.9	35.0
Employees	20	17	18
Offices	2	1	100

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$787.0	$470.0	67.4
Commissions	$402.3	$316.0	27

Volume passing through

($ in thousands)	1987	1986	% chg
Premiums	$507.5	$562.0	(9.7)
Postage	$236.0	$129.0	82.9

Employees per department

	1987	1986
Account services	7	5
Creative	4	3
Production	N/A	N/A
Administration	5	5
Other	4	4

Source: All data from agency reports.

Ofc Locations: New York, Albany, N.Y.

Services

Strategic & tactical plan, creative devel & execution, production, fulfillment, dir mktg.

Accounts

Gained: Institute for Health, Kleid Co., Key Bank; Manfra, Tordella & Brooks; Mobil Oil, Thomas Register, *V* Magazine.
Lost: *Speculator* magazine, *Computer World*.

Officers

Harry A. Kraus, pres; Lee Marc Stein, exec vp; Jeffrey Danowitz, Diana Izzi, Richard LaRochelle, vps.
Phone: (212) 581-4690

Pacific Marketing Group

RANK 34

San Francisco

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.1	$0.5	132.9
Employees	12	6	100
Offices	2	2	0

Employees per department

	1987	1986
Account services	6	2
Creative	N/A	N/A
Production	1	N/A
Administration	5	4
Other	N/A	N/A

Source: All data from Advertising Age estimates.

Ofc Locations: San Francisco, Orange County, Calif.

Services

Mktg consulting, promo, dir resp, adv.

Accounts

Gained: Clorox, Specialty Brands, Beatrice, Hills Bros.

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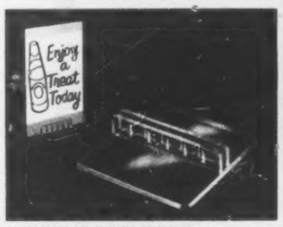
Fasteners For Retail



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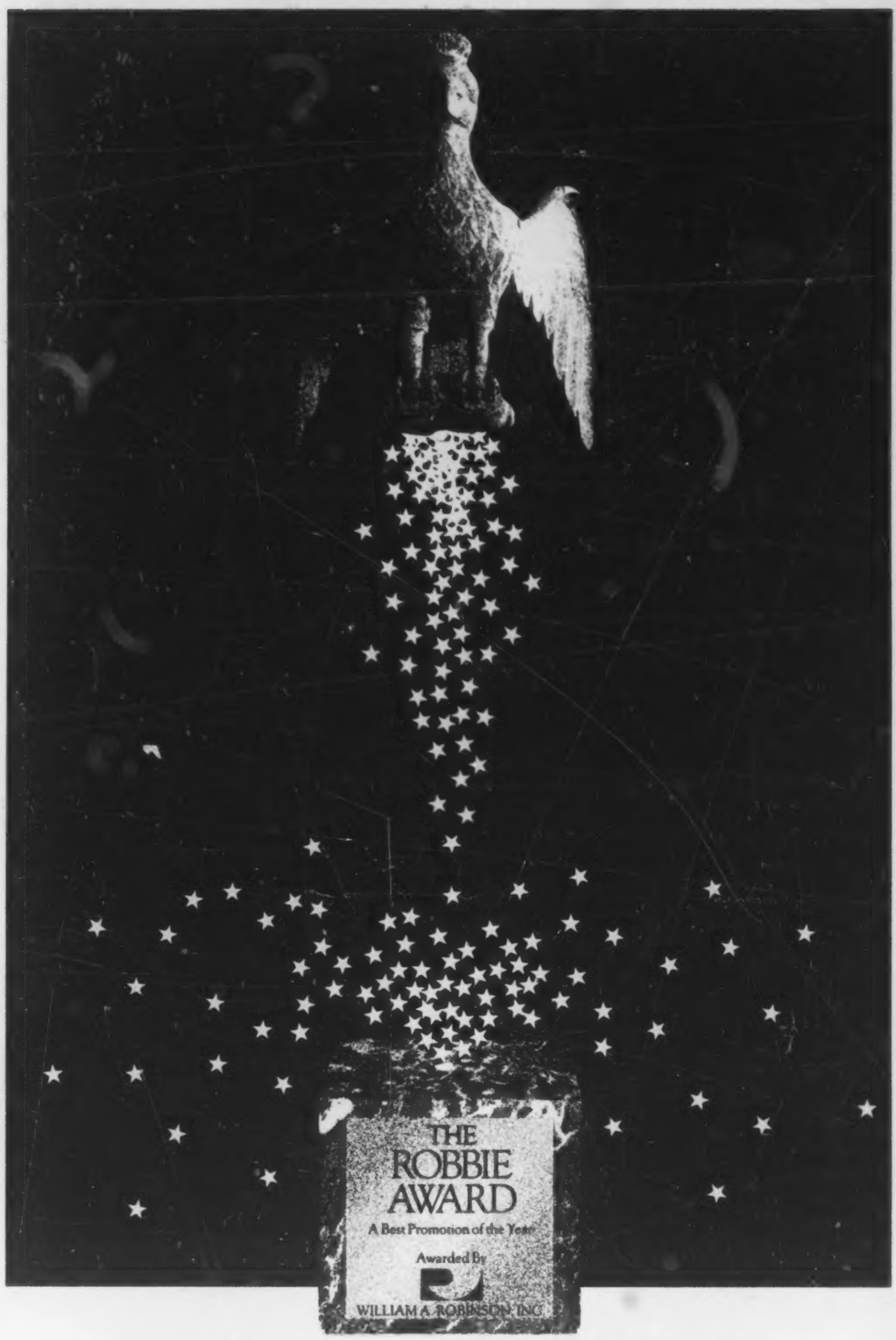

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Entries accepted through Dec. 31, 1988.

Plus Development Corp., Del Monte, First Nationwide Bank, Dreyers Grand Ice Cream, Golden Grain, Foster Farms, Software Publishing Co., Citicorp, Cellotape.
Lost: None.

Officers

M. Peter Thomson Andrea Metzler, West Shell III, partners.
Phone: (415) 788-8764

Performance Promotions

RANK 44

Rochester, N.Y.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.4	$0.4	5.1
Employees	10	10	0
Offices	2	2	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	N/A	$315.0	N/A
Commissions	N/A	$100	N/A

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	N/A	N/A
Production	3	N/A
Administration	N/A	N/A
Other	N/A	N/A

Source: All data from Advertising Age estimates.

Ofc Locations: Rochester, N.Y., Bedford, N.H.

Services

N/A.

Accounts

Gained: Citicorp bank, Rittenhouse Electric Co., Rochester Gas & Electric.
Lost: Chase Lincoln First Bank, Nabisco.

Officers

Rick Mainzer, pres; John S. Parke, vp.
Phone: (716) 473-6770

Promotion Concepts

RANK 46

Kalamazoo, Mich.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.3	$0.2	55.3
Employees	6	6	0
Offices	2	1	100

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$75.0	$50.0	50.0
Commissions	$222.0	$141.0	57.4

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$658.0	$546.0	2.1
Premiums	$121.0	$218.0	(44.5)
Fulfillment	$80.0	$34.0	135.3

Employees per department

	1987	1986
Account services	2	2
Creative	2	2
Production	N/A	N/A
Administration	2	2
Other	N/A	N/A

Source: All data from agency reports.

Ofc Locations: Kalamazoo, Mich., Columbus, Ohio.

Services

Promo planning & devel, copy, POP, design, prod, sweepstakes, fulfillment.

Accounts

Gained: Wabash DataTech.
Lost: N/A.

Officers

Paul A. Kiewiet, president; Claude L. Kiewiet, vp.
Phone: (616) 382-3633

Promotion Development Corp.

RANK 19

Westport, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.4	$2.6	(7.5)
Employees	35	35	0
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,418.9	$1,481.5	(4.2)
Commissions	$1,002.0	$1,136.1	(11.8)

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$6,455.4	$5,704.2	13.2

Employees per department

	1987	1986
Account services	8	8
Creative	10	10
Production	6	4
Administration	14	14
Other	N/A	N/A

Source: All data from agency reports.

Annual Review

Gross revenues fell 7% in 1987 as the agency encountered stiff competition coupled with the loss of Paddington and Parker Brothers. Commissions were off 12% and staff-time fees were down 4% for the year. However, the agency expects to grow 20% in 1988 with the addition of new accounts, such as First Brands, Texize and Pitney Bowes. The agency's best promotion of 1987 targeted heavy users of Duracell batteries. Because 20% of battery users account for nearly 80% of volume, and Duracell frequently uses rebate offers, the agency targeted users who had responded to past and current rebate offers, sending them a direct response rebate offer featuring an advertising message, rebate check, premium offer and future purchase incentive.

Services

Full service sales promotion, dir resp.

Accounts

Gained: First Brands, Pitney Bowes, Texize, Trintex, Western Publishing.
Lost: Paddington, Parker Brothers.

Officers

Nick Ceppi, chmn; Chuck Pace, exec vp; Sam Stryker, sr vp; Tucker Harrison, Dave Rehder, Don Spence, Tom Cabeen, vps.
Phone: (203) 259-7911

Promotion Dynamics Worldwide

RANK 31

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.4	$0.7	119.8
Employees	20	27	(26)
Offices	1	1	0

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— Old Scottish curse

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PromotionsInc.
2602 McKinney
Suite 250
Dallas, TX 75204
(214) 871-1016

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,370.7	$624.4	119.5
Commissions	$67.6	$30.0	125.7

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$890.1	$788.4	12.9

Employees per department

	1987	1986
Account services	13	16
Creative	2	3
Production	N/A	N/A
Administration	5	8
Other	N/A	N/A

Source: All data from agency reports.

Services

Promo planning & devel, sports & events, mktg, sweepstakes, fulfillment, promo adv, sales communication, collaterals.

Accounts

Gained: Amtrak, Nabisco, Philips Medical, Shulton, Zayre.

Lost: Almaden, Barclay's, Fidelity Brokerage, KIS Photo, National Distillers.

Officers

Rick Shambroom, gm; John Carlucci, sr vp; Ed Hepner, sr vp; Ellen Ross, vp; James Stringer, vp.

Phone: (212) 459-7800

The Promotion Group

RANK 32

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.3	$0.9	48.2
Employees	14	11	27
Offices	2	2	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$910.0	630.0	44.4
Commissions	$390.0	$270.0	44.4

Volume passing through

($ in thousands)	1987	1986	% chg
Sweepstakes Prizes	$470.0	$405.0	16.0
Production	$237.0	$160.0	48.1
Postage	$85.0	$62.0	37.1

Employees per department

	1987	1986
Account services	3	2
Creative	5	4
Production	2	1
Administration	N/A	N/A
Other	4	4

Source: All data from Advertising Age estimates.

Ofc Locations: New York, East Hampton, N.Y.

Services

Acct service, research, fulfillment, creative & production.

Accounts

Gained: Glenbrook Labs, Lehn & Fink, James River, Richardson-Vicks.

Lost: Purolator Courier.

Officers

Daniel Gorman, pres; Giro D'Antonio, vp-acct services; Al Biondi, vp-creative services.

Phone: (212) 223-2990

Promotion Works

RANK 30

Minneapolis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.5	N/A	N/A
Employees	15	N/A	N/A
Offices	1	N/A	N/A

Employees per department

	1987	1986
Account services	5	N/A
Creative	4	N/A
Production	2	N/A
Administration	N/A	N/A
Other	4	N/A

Source: All data from agency reports. Div of Campbell-Mithun Advertising, Minneapolis.

Services

Strategic promo planning, creative, execution & admin.

Accounts

Gained: Diamond Brands, Frito-Lay, Interstate Brands, Mead Johnson, PepsiCo, Nabisco.

Lost: N/A.

Officers

David Levi, president-ceo; Bob Wetherall, vp-creative dir; Tish Reynolds, Tim Wilson, vp-acct supers.

Phone: (612) 347-1490

Boxes with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by AD AGE. *See Page S-10*

Promotional Innovations

RANK 40

Stamford, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.7	$0.3	144.6
Employees	8	5	60
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$617.3	$222.7	177.2
Commissions	$108.9	$74.2	46.8

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$140.0	$60.0	133.3
Postage	$20.0	$6.0	233.3
Fulfillment, printing	$240.0	$134.0	79.1

Employees per department

	1987	1986
Account services	4	2
Creative	2	1
Production	N/A	N/A
Administration	2	2
Other	N/A	N/A

Source: All data from agency reports.

Services

Promo strategy, copy, design, art, mechanicals, fulfillment.

Accounts

Gained: Atlantic Soft Drink, Clairol, Danskin, Norcliff Thayer.

Lost: None.

Officers

John T. Henderson, president; James Zembruski, sr vp.

Phone: (203) 968-1404

An average agency

A typical full-service agency's revenue breakdown: 50% staff-time fees, 25% graphic services, 15% production, and 10% other sources. The average agency had 44 employees with 30% account service, 20% creative, 10.5% production, 15.5% administrative, and 24% other, according to the AD AGE survey.

Promotional Marketing Corp.

RANK 25

Westport, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.9	$1.3	43.8
Employees	21	17	24
Offices	2	2	0

Source: All data from Advertising Age estimates.

Ofc Locations: Westport, Conn., Raleigh, N.C.

There are four services vital to your promotional success. Get them in a fully integrated system, or get them à la carte. But get them from the best-qualified *single* source.

Sage Worldwide Promotion

Sage Worldwide Promotion companies comprise four separate but closely interrelated services—the four essential components for an effective, contemporary stance in an age where "retail" is king.

1. The brilliant promotional idea—the one that adds value to your brand—is simple, on strategy and dramatic enough to capture your market's imagination. *Promotional Campaigns, Inc.*, our traditional sales promotion company (the kind that develops ideas, offers and promotional plans) has a long and successful history of first-class results.

2. Effective translation in the store. The right retail materials can make a 300 percent sales difference. *Thomson-Leeds, Inc.*, our retail environment and point-of-purchase company, has the industry's best track record. More awards. More firsts. (They have invented entire *categories* of retail displays.) Best of all, for 30 years they've proven they can get shoppers involved with your brands in the store.

3. Making it happen in the field. The most able field merchandising organization in the country, *Alert Marketing, Inc.*, has 3,200 professionals who function as your on-the-spot auxiliary retail force. They install displays. They sample and coupon, restock shelves, take reorders, prepare computerized sales and competitive reports, plus lots more. AMI knows the markets. Whatever you need done in the field, they'll do it *right*.

4. Trouble-free execution and fulfillment. *Promotion Marketing Services, Inc.*, our execution and fulfillment professionals, reduce your risk by helping you set up strategic controls for these two important functions in the planning stage. They know the legalities of sweepstakes and games, what a rebate or refund should return, and how to limit couponing liability. They can source premiums worldwide and have sophisticated telemarketing personnel on staff. They also offer more data base and UPC code data on promotion redemption details than any other fulfillment house, so you can count on greater *effectiveness*.

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Telephone: 1 212 503-6300 • Telex: 12279, 620554 and 237266 • Cable: Flagbearer New York

Annual Review

New business from Frito-Lay, Plough and R.J. Reynolds, new products and services and a growing staff contributed to 44% growth in 1987. Privately held PMC projects 30% growth in 1988. Key events in 1987: roll-out of Seal-Secure, a printing process encapsulating in-pack coupons and premiums in FDA-approved plastic (targeted to markets such as frozen food, package goods and pet food); opening of a banking/financial services unit; and addition of two vps.

Services

Promo program devel, including creative, prod, fulfillment.

Accounts

Gained: Frito-Lay, Plough, R.J. Reynolds Tobacco; Shaffer, Clarke & Co., Shawmut National Corp.

Lost: None.

Officers

Robert S. Morton, pres; Joseph R. Geer, Robert A. Mills, John R. Acken, Beth Sexton-Stryker, vps-principals; H. Robert Loomis, Albert A. Armitage, Nicholas A. Noell, vps.

Phone: (203) 227-8478

RANK

QLM Associates

6

Princeton, N.J.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$7.2	$3.8	91
Employees	84	56	50
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$5,652.0	$3,224.0	75
Commissions	$1,596.0	$661.0	141

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$2,989.0	$1,645.0	82
Other	$613.0	$465.0	32

Employees per department

	1987	1986
Account services	20	14
Creative	39	23
Production	5	3
Administration	9	6
Other	11	10

Source: All data from agency reports.

Annual Review

An agreement was reached in March 1988 for acquisition of QLM by London-based FKB Group as part of a purchase of four U.S. sales-promotion agencies, all of which will continue operations under their old names and managements. The total deal cost FKB $11.9 million cash and $1 million in shares. Additional payments over five years of up to $46.8 million depend on individual companies' performances. FKB agreed to pay $3 million cash for QLM, with future payments of up to $20.2 million over five years, depending on QLM's profitability. Buoyed by the acquisition of 13 new accounts, QLM's 1987 gross revenues skyrocketed 87%. The biggest share of growth came from an increase of more than $4 million in staff-time fees, and an additional $1 million in commissions and markups. To accommodate increased volume, QLM added 28 employees in 1987, mostly in creative and account service departments, and changed administration to a creative group concept. The agency also added in-house photography and computerized its estimating and scheduling. For 1988, QLM projects 50% growth, mostly from existing clients. In new business, the agency is targeting fast food, financial services and consumer package goods. The agency in 1988 plans to open a west coast office to service newly-won business.

Services

Promo planning, concept devel, photogr, retouch, graphics, mechanicals, copy, print broker, display devel.

Accounts

Gained: Ciba, HBO Video, Shulton, Continental Insurance, Gillette, Colony Wines.

Lost: Citytrust, Doubleday.

Officers

W.R. Lipsky, pres; J.A. Mitchell, vp-bus devel; L.A. Quintman, vp-exec creative dir; W. Westbo, vp-creative dir; J. Jenkinson, vp-ops; K. Hobby, vp-acct mgmt; J. Williams, vp-estimating/sched.

Phone: (609) 683-1177

RANK

William A. Robinson

17

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$3.3	$3.0	12.0
Employees	44	41	7
Offices	2	2	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$2,297.8	$2,208.4	4.0
Commissions	$1,038.9	$769.8	35.0

Volume passing through

($ in thousands)	1987	1986	% chg
Shipping, postage	$322.5	$112.0	164.3
Out-of-pocket	$366.7	$323.4	13.4
Production	$4,116.0	$3,078.0	33.7

Employees per department

	1987	1986
Account services	18	17
Creative	11	9
Production	2	2
Administration	11	11
Other	2	2

Source: All data from agency reports.

Ofc Locations: Chicago, Newport Beach, Calif.

Annual Review

The addition of several new accounts more than offset the loss of United Airlines as the agency's gross revenues grew by 12% in 1987. Robinson in 1987 became agency of record for four accounts. The company anticipates 20% growth in 1988, with a portion coming from new accounts, domestic (particularly from the West Coast) and international expansion, and new services, such as special events and target/database marketing, field marketing and pr. In 1987, the agency singled out three of its own best promotions, including: Stroh's Sundance Sparkler/Fuji bicycle "Team Up with a Winner" sweepstakes; a Federal Express "Express Marketing" card program, which targeted employes of corporate users by offering discounts on personal air express services; and Miles Lab's Glass Works "Less Work" sweepstakes, which used a special FSI-decoder that encouraged consumers to examine the product on the shelf to determine if they had won; it moved the product to No. 1 in several markets.

Services

Mktg promo plan & execution for consumer & trade; A/V; promo test & eval; fulfillment; sales meetings/seminars; field mktg; merchandising; media placement; special events; target/data base mktg for business and consumer; pr; creative.

Accounts

Gained: Allergan Optical, American Express, Ashton-Tate, Coca-Cola USA, Cosmair, Fabrege, Federal Express, Marriott's Residence Inns, Miles Labs (CHPD), Pactel Products, Paddington, Polaroid, Quaker Oats Granola Snacks & Rice Cakes,Shell Oil, Vlasic Foods, Wesley-Jessen.

Lost: United Airlines.

Officers

William A. Robinson, chmn; James I. Kunze, Alan Maites, exec vps; Angela DiBartolo, vp-gm, West Coast; Christine Hauri, George DeMille, vp-exec creative dirs; Essie Landsman, vp-admin.

Phone: (312) 372-9333

RANK

Rogers Merchandising

4

Lombard, Ill.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$10.8	$9.1	18.5
Employees	125	145	(14)
Offices	2	2	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$9,843.0	$7,886.0	24.8
Commissions	$923.0	$1,198.0	(23.0)

Employees per department

	1987	1986
Account services	48	65
Creative	24	20
Production	N/A	N/A
Administration	24	27
Other	29	33

Source: All data from agency reports. Subsidiary of Young & Rubicam, New York.

Ofc Locations: Lombard, Ill., New York, 10 service ofcs.

Annual Review

There is more "Opportunity Calling" at Roger Merchandising than the agency's recently completed campaign for AT&T. As a subsidiary since 1984 of Young & Rubicam, AD AGE's #1 agency for two consecutive years, Rogers experienced 19% growth in 1987 gross revenues, most of which came from a 25% increase in in staff-time fees. The agency projects new growth in 1988 from accounts held by Y&R and subsidiary Burson Marsteller, specifically AT&T, M&M/Mars, General Foods, Midas and Jiffy Lube. Among the agency's most

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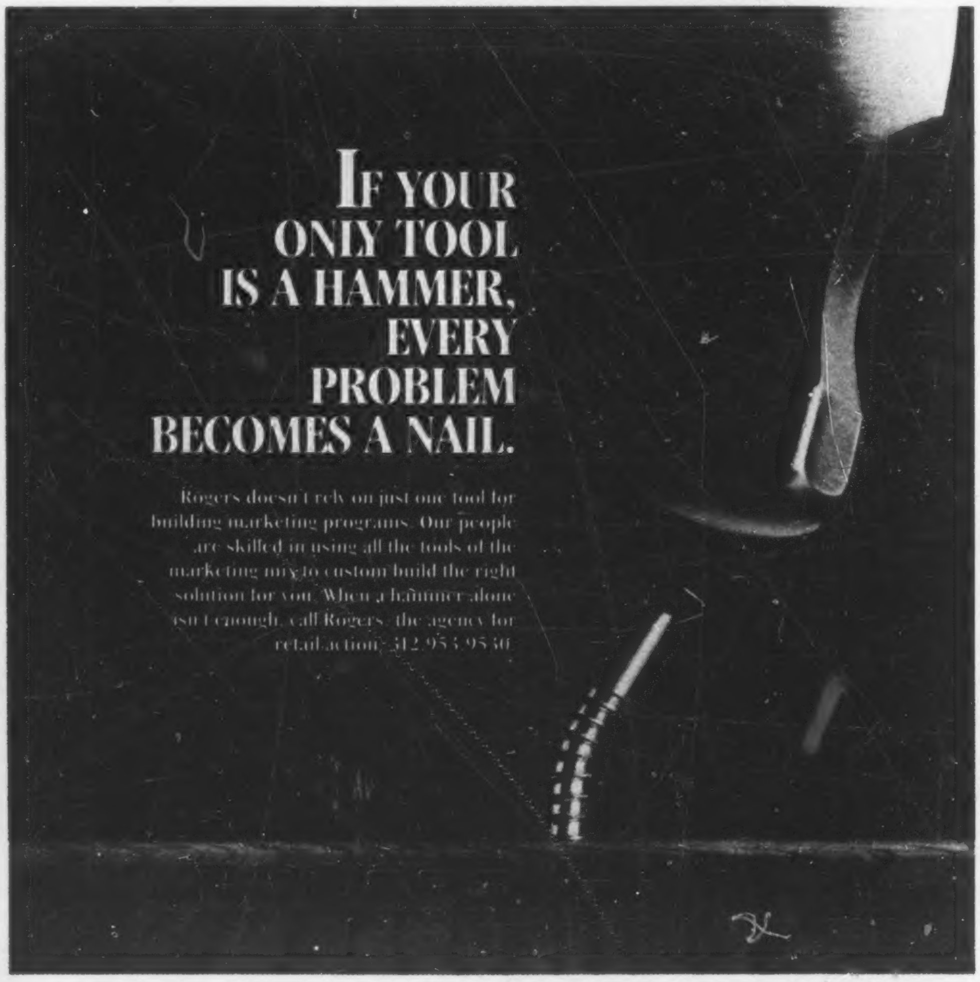
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successful promotions in 1987 were General Foods "Team Up For Kids," Baskin-Robbins "Football Helmet Sundaes," a Kool-Aid event for the Milwaukee Great Circus parade and the Lite Beer Athletic Club. The agency also expects growth from new services, such as its Retail Oriented Marketing Planning system, and expansion of sports marketing.

Services

Acct mgmt, mktg services, fulfillment, premiums/incentives, creative, prod.

Accounts

Gained: American Express, Fabulon Products, Jiffy Lube Intl, Greensweep, Host Intl, Kraft, Lincoln-Mercury, Owens Corning.

Lost: Concluded AT&T "Opportunity Calling" program, Baskin-Robbins.

Officers

Rogers F. Brackmann, chmn-ceo; Richard Wagner, president-coo; Gregory Hawn, exec vp-chief creative officer; Randall Chuck, exec vp-dir client service; Diane Valdes, sr vp-dir client service.

Phone: (312) 953-9530

Sage Worldwide Promotions

RANK

7

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$7.1	$5.4	30.4
Employees	165	105	57
Offices	6	5	20
☑			

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$5,500.0	$4,181.0	31.5
Commissions	$1,605.0	$1,268.0	26.6

Volume passing through

($ in thousands)	1987	1986	% chg
Misc. production	$2,535.0	$929.0	172.9

Employees per department

	1987	1986
Account services	45	28
Creative	25	26
Production	35	9
Administration	24	15
Other	36	27

Source: All data from agency reports. Div of Ogilvy Group, New York.

Ofc Locations: New York (2 locations), Chicago, Southberry, Conn., Stratford, Conn., Waterbury, Conn.

Annual Review

Sage was formed in 1987 as a holding company from the affiliation of four Ogilvy Group companies, including Promotional Campaigns (formerly O&M Promotion), Promotion Marketing Services, Thomson-Leeds and Alert Marketing, the latter two acquired in the last half of 1987. New York-based Promotional Campaigns is a full-service promotion agency. Promotion Marketing, Southberry, Conn., is a fulfillment company. Thomson-Leeds, New York, manufactures retail displays. Alert, Waterberry, Conn., is a retail field merchandiser. Adding partial year results from T-L and Alert, revenues grew 30% over those of O&M's promotion subsidiaries in 1986, mainly from staff-time fees. For 1988, Sage anticipates a 107% increase in gross revenues, with 83% of growth coming from the addition of full-year results of T-L and Alert, and 17% from growth in volume with existing accounts. Key new business gains in 1987 included American Express, AT&T, Ford, General Foods, Lever Bros. and Sears. Sage also was recognized in 1987 by AD AGE as one of the top five promotion companies in the U.S.

Services

Promo consulting & mktg, adv, promo devel, placement & mgmt, sports/events, games, fulfillment, POP research, design & production; merchandising, store resets, retail audits, coupons, sampling & demo, prod pick up, local servicing.

Accounts

Gained: American Express, Ameritech, AT&T, Bausch & Lomb, Black & Decker, Chemlawn, Duracell, Ford Motor, General Foods, Holly Farms, Lever Bros., Michelin, NutraSweet, N.Y. Port Authority, Ryder Trucks, Sears, Roebuck, Seagram.

Lost: Schering-Plough, Harvey's Electronics.

Officers

Robert White, managing dir-worldwide promo; Tom Owen, pres-Promotional Campaigns; Promotional Marketing Systems: Robert Walker, pres, Bruce Pincheon, exec vp; Alert Marketing: Gerry Travers, pres; Thompson Leeds: Doug Leeds, pres.

Phone: (212) 503-6300

Siebel/ Mohr

RANK

11

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$6.1	$5.5	11.2
Employees	72	65	11
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$4,700.0	$4,200.0	11.9
Commissions	$1,378.5	$1,268.4	8.7

Employees per department

	1987	1986
Account services	21	23
Creative	16	17
Production	2	2
Administration	22	19
Other	11	4

Source: All data from agency reports.

Annual Review

Bouyed by the introductory promotion and design package that helped push Seagram wine coolers into the No. 1 spot past Bartles & James, privately held Siebel/Mohr reported 11% growth in 1987 gross revenues. The agency, which has worked for Seagram since its inception in 1969, projects 25%-plus growth in 1988, mostly from new accounts in consumer products, such as Sunshine Biscuits and Wendover's of England, both added in 1987. Key 1987 changes included creation of an event marketing group, addition of an in-house studio, and hiring of two senior vps in charge of creative and account services. Frederick Siebel assumed the post of chairman, while Thomas McCann moved into the presidency.

Services

Promo plan, mktg consulting, new prod intro, incentives, POP display; event, sport, entertainment mktg; pkg, sweepstakes management, A/V.

Accounts

Gained: Chase Manhattan Bank, Lynx Communications, Sunshine Biscuits, Wendover's of England, Zeiss Optical.

Lost: None.

Officers

Frederick Siebel, chmn; Thomas McCann, pres; Gretchen Siebel, exec vp; Fred Bratteson, sr vp-crea-

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tive dir; Robert Perlman, sr vp-dir acct service; Morton Weintraub, sr vp-admin; Jim Coffman, vp-acct dir; Charles Crane, vp-mgmt super; George Guba, Norman Kaufman, Ronald S. Torch, Sheldon Wasserman, vp-acct dirs; Mike Micali, vp-dir field mktg; Jeff Davis, Kristine Morris, William Oriol, vp-assoc creative dirs.

Phone: (212) 593-0500

Total employees by personnel category

	Full service agencies				Companies with agency services			
	Total employees		Average employees		Total employees		Average employees	
Category	1987	1986	1987	1986	1987	1986	1987	1986
Account services	524	426	15	15	216	145	11	9
Creative	356	235	12	9	157	94	9	7
Production	187	131	7	6	148	118	11	9
Administrative	282	231	10	10	259	212	15	13
Other	428	282	9	6	467	291	14	9

Source: AA survey

RANK

Strategic Promotions 22

Dallas

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.2	$0.6	286.1
Employees	14	10	40
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$452.0	$112.2	302.9
Commissions	$1,610.5	$426.3	277.8

Volume passing through

($ in thousands)	1987	1986	% chg
Deliveries, misc.travel	$58.8	$13.5	337.1
Postage	$18.6	$4.5	314.0
Telephone	$25.8	$4.5	475.2

Employees per department

	1987	1986
Account services	6	4
Creative	4	3
Production	N/A	N/A
Administration	N/A	N/A
Other	4	3

Source: All data from agency reports.

Annual Review

Gross revenues tripled in 1987 on the strength of $1.6 million in 1987 revenues from commissions and markups compared with $426,000 in 1986, the privately held agency reported. Staff-time fees also leaped in 1987. The gains were mainly due to the agency gaining as an account in 1986 the Merico Food Service division of Anheuser-Busch. Key events affecting the agency's growth in 1987 included downturns in the regional economy, which stimulated usage of promotions, growth in business in the food service industry, and improved efficiency through automation. The agency's best promotion of 1987 was a St. Patrick's Day program for Bennigan's that resulted in positive sales growth in an industry slump.

Services

Mktg, promo plan & execution, creative, media, merchandising, adv.

Accounts

Gained: Merico, Merico Food Service, Lland Estacado Wines, Uncle Ben's, Wolf Brand.

Lost: None.

Officers

Grahame R. Hopkins, pres; Keith Issitt, exec vp; Dennis D'Amico, vp.

Phone: (214) 871-1016

RANK

Underline Inc. 45

Dallas

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.4	$0.5	(7.7)
Employees	7	10	(30)
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$350.0	$362.0	(3.3)
Commissions	$70.0	$93.0	(24.7)

Volume passing through

($ in thousands)	1987	1986	% chg
Media	$70.0	$105.0	(33.3)
Photography	$90.0	$148.0	(39.2)
Printing	$70.0	$200.0	(65.0)

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	3	4
Production	N/A	N/A
Administration	3	3
Other	1	3

Source: All data from agency reports.

Services

Mktg plan & execution, promo, adv, pr, media plan/buying, creative.

Accounts

Gained: The Crescent, M/A/R/C, Stanley Korshak, Subway Sandwiches, The West End.

Lost: Frito-Lay, Southwestern Life Insurance.

Officers

P.A. Favri, pres; Annemarie Marek, vp-mktg; Carlton Gabel, dir-pr.

Phone: (214) 747-6565

RANK

Wolf Blumberg Krody 14

Cincinnati

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$4.1	$2.5	63.9
Employees	68	40	70
Offices	1	1	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$3,459.4	$2,367.0	46.1
Commissions	$624.7	$124.6	401.3

Employees per department

	1987	1986
Account services	17	N/A
Creative	26	N/A
Production	N/A	N/A
Administration	9	N/A
Other	16	N/A

Source: All data from agency reports.

Annual Review

Billings for Wolf Blumberg Krody grew 64% in 1987 on the strength of expanded services to existing accounts, such as Procter & Gamble, and the addition of new accounts, such as ChoiceCare, SAMI/Burke, Baldwin Piano, Donnelley Directory and S.B. Thomas. In February 1987, the agency acquired Lawrence Zink Co., a 12-member, Cincinnati-based graphic arts firm. The purchase price was not disclosed.

Services

Regional promo, trade & consumer adv, trade & consumer promo, meetings, presentation aids, pkg display, pr, media.

Accounts

Gained: Catholic Telegraph, ChoiceCare, SAMI/Burke, Donnelley Directory, Baldwin Piao, S.B. Thomas

Lost: Community Mutual Insurance, Standard Textile.

Officers

Dale Wolf, pres; Richard Blumberg, gm; Barron Krody, coo-pkg; Ron Harley, coo-publications; Joe Obermeyer, sr vp; Jim Lewis, exec vp.

Phone: (513) 751-0258

Boxes with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by AD AGE. *See Page S-10*

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Top companies with agency services

The leading sales promotion companies incorporating agency services with more specific sales promotion activities are listed alphabetically beginning on this page. A ranking of leading promotion companies and full-service agencies can be found on Page S-4.

American Consulting Corp.

RANK 1

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$13.7	$3.9	250.0
Employees	175	50	250
Offices	2	2	0

Employees per department

	1987	1986
Account services	10	6
Creative	10	3
Production	N/A	N/A
Administration	N/A	N/A
Other	155	41

Source: Gross revenue data from Advertising Age estimates.

Annual Review

Gross revenues soared 250% in 1987 as ACC doubled personnel, took on major new accounts such as Adolph Coors, Kraft, Ralston Purina and R.J. Reynolds and acquired Sukon Group, a New York design firm, in March 1987 for $1.6 million. In November 1987, ACC acquired a Kansas City, Mo., franchise of American Advertising Distributors, a leading coupon franchiser. ACC, which went public in August 1987, generating capital for further expansion, projects 35% to 40% growth in 1988. A big effort in 1987 was expansion of the agency's zone management system, dividing the U.S. into 12 fully staffed regions, each capable of customizing national programs in local markets. One of the agency's best efforts for 1987 was an interactive, in-store promotion for Nike where consumers played a "phaser" based target game with the object of winning free shoes. The promotion was one of Nike's most successful ever.

Services

Mktg/strategic consulting, promo design & implementation, localized field mktg, pkg, design, sales consulting, research.

Accounts

Gained: Bacardi, Adolph Coors, Cadbury Schweppes, Golden Grain, Kraft, Sterling Drug, R.J. Reynolds, Vintners Intl.

Lost: None.

Officers

Peter H. Engel, pres; Sean C. Rice, coo-consulting & bus devel; Joe Harris, dir-client services; Jerry Saltzgaber, dir-bus devel; Mike Lowenbein, dir-creative services.

Phone: (212) 627-4100

American Marketing

RANK 19

Santa Barbara, Calif.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.1	$0.8	177.2
Employees	18	13	25
Offices	2	2	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,147.0	$510.0	124.9
Commissions	$975.0	$255.5	281.6

Employees per department

	1987	1986
Account services	4	N/A
Creative	3	N/A
Production	N/A	N/A
Administration	N/A	N/A
Other	3	N/A

Source: All data from agency reports.

Ofc Locations: Santa Barbara, Calif., West Redding, Conn.

Annual Review

Gross revenues surged 177% in 1987 as the agency became involved in sponsorships relating to: America's Cup, skipper Dennis Conner, Stars & Stripes; the bicentennial of the Constitution; and events for the White House. Growth in 1988 is pegged at 25%. Best of 1987 was a sweepstakes for the 55th anniversary of *Family Circle* featuring large prize commitments by Delta and Walt Disney World.

Services

Special events, sponsorships, media & mktg consulting, creative.

Accounts

Gained: New York Times Co.

Lost: We The People 200.

Officers

Richard H. Rovsek, pres; Michael McAllister, exec vp; Peggy Henkel, vp.

Phone: (805) 969-5823

Boxes with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by AD AGE. *See Page S-10*

Aragon Sales Development Services

RANK 31

St. Louis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.6	$1.1	(43.2)
Employees	7	21	(67)
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$625.0	$1,100.0	(43.2)
Commissions	N/A	N/A	N/A

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	N/A	N/A
Production	N/A	N/A
Administration	N/A	N/A
Other	N/A	N/A

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Source: All data from agency reports. Subsidiary of The Aragon Co., St. Louis.

Services

Mktg, dir mktg, sales promo, planning, creative, implementation.

Accounts

Gained: FMC Corp., Mobay Chemical, Nutri Turf div of Anheuser-Busch.

Lost: Elanco.

Officers

Patricia Biggerstaff, exec vp-managing dir; William W. Shewman, Robert C. Zeitinger, vps.

Phone: (314) 726-4605

Bell & Partners

RANK 13

S. Norwalk, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$3.3	$2.5	34.9
Employees	36	25	44
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$3,331.0	$2,470.0	34.9
Commissions	N/A	N/A	N/A

Volume passing through

($ in thousands)	1987	1986	% chg
Various	$84.0	$50.0	68.0

Employees per department

	1987	1986
Account services	6	4
Creative	3	3
Production	15	11
Administration	11	6
Other	1	1

Source: All data from agency reports. A Twin Productions Co.

Annual Review

Gross revenues grew 35% in 1987 as the agency doubled its physical plant and added 11 employees in production, administration and account service. Bell & Partners projects 50% growth in 1988, primarily from existing clients. The agency has gained a variety of package-goods accounts since 1986, including Pepperidge Farm, Mott's USA, Cadbury USA, General Foods, among others. It also added Merril Lynch realty locally. Bell also named Marshall May, formerly of Ted Colangelo Associates, as president in 1987.

Services

Strategic plan, creative, design, photography, production, video, A/V.

Accounts

Gained: Boehringer/Ingelheim, Merrill Lynch Realty Co., Mott's USA.

Lost: None.

Officers

Martin J. Bell, principal; Marshall May, pres.

Phone: (203) 866-2877.

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D.L. Blair Corp.

RANK 2

Garden City, N.Y.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$11.7	$12.0	(2.6)
Employees	149	153	(3)
Offices	4	3	33

Employees per department

	1987	1986
Account services	31	26
Creative	19	23
Production	2	2
Administration	75	80
Other	24	24

Source: All data from Advertising Age estimates.

Ofc Locations: Garden City, N.J., Blair, Neb., Atlanta, Beverly Hills, Calif.

Annual Review

ADVERTISING AGE estimates D.L. Blair's gross revenues declined 17% in 1987. The privately held company reports revenue growth of 17% in 1987, reflecting one-time gains, and real growth between 9% and 11% in 1987. The company projects a 7% increase in revenues for 1988, divided evenly between new accounts, such as Mattel Toys, and increased spending by existing accounts. Last October's stock market crash is expected to have a negative impact on client budgeting and planning. Blair's best promotion of 1987 was "The Great American Key Hunt," a tie-in between leading Procter & Gamble brands (Pampers, Tide, Folgers, Bounty, Charmin, Crest and Downey) and Chevrolet (Corsica, Beretta and pick-up trucks). It was the largest ever consumer promotion combining package goods and automotive marketing. Other important events in 1987 included opening a Beverly Hills office, for greater service on the West Coast, and construction of new buildings in New York and Nebraska to meet projected growth needs through 1991.

Services

Strategic/tactical plan and consulting; sweepstakes, games, cash refunds, coupon plan/fulfillment, creative & collaterals.

Accounts

Gained: Mattel Toys, Wells Fargo.

Lost: Dorsey Laboratories, Those Characters from Cleveland.

Officers

Thomas J. Conlon, pres-ceo; Terry Brechbill, Sandy Reichard, exec vps; Michael J. Ellman, pres-west; W.N. Johnson, pres-south; R. Abramson, sr vp-dir mktg; Mitchell Friedman, M. Malinowitz, vp-acct services; R. Isham, vp-ops; T. Conlon, vp-client services.

Phone: (516) 746-3700

Busch Creative Services Corp.

RANK 5

St. Louis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$9.9	$7.7	28.1
Employees	110	100	10
Offices	1	1	0

Employees per department

	1987	1986
Account services	12	5
Creative	30	25
Production	53	55
Administration	15	15
Other	N/A	N/A

Source: All data from Advertising Age estimates. Subsidiary of Anheuser-Busch Co., St. Louis.

Annual Review

Despite the name, the Anheuser-Busch subsidiary is independent to the extent of bidding against other agencies for A-B jobs. AD AGE estimates gross revenues grew 28% in 1987, as Busch Creative expanded services on a variety of non-A-B accounts, such as Ralston Purina, Southwestern Bell, Aetna Insurance, Monsanto, B.F. Goodrich and United Van Lines. The agency projects 9% growth in 1988. Best of 1987 was "The Dimensions of Excellence" incentive program targeting A-B beer distributors with a program on how to be the best. The project involved all agency services with messages tailored to each employee level. The agency also expanded ad sponsored home videos in 1987, a new specialty, creating a soccer training video for A-B, and a sailing instruction video for Michelob. The agency also completed extensive POP and collaterals for Busch Entertainment Corp. theme parks in 1987.

Services

Promo planning & execution, design, bus meetings, special events, film, tv prod.

Accounts

Gained: N/A.

Lost: N/A.

Officers

Joseph J. Kramer, president; Kevin J. Quigley, vp-gm, Michael Provin, vp-mktg.

Phone: (314) 289-7700

Carnegie Associates

RANK 28

Santa Barbara, Calif.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.0	$1.0	0.0
Employees	25	19	32
Offices	4	3	33

Source: All data from agency reports.

Ofc Locations: Cleveland, Irvine, Calif., Cheltenham, England.

Services

Strategic planning, POP & collateral, sweepstakes, games, research, training, incentives.

Accounts

Gained: Ashton-Tate, Leaseway Transportation, 1st Nationwide Bank.

Lost: None.

Officers

Walter L. Schaffer, pres; Joyce E. Dale, vp-client services; David

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Survey sample

Forty-eight agencies with 2,100 combined employment responded to the ADVERTISING AGE survey. Assuming industry employment of 3,500, respondents represent 60% of the total industry.

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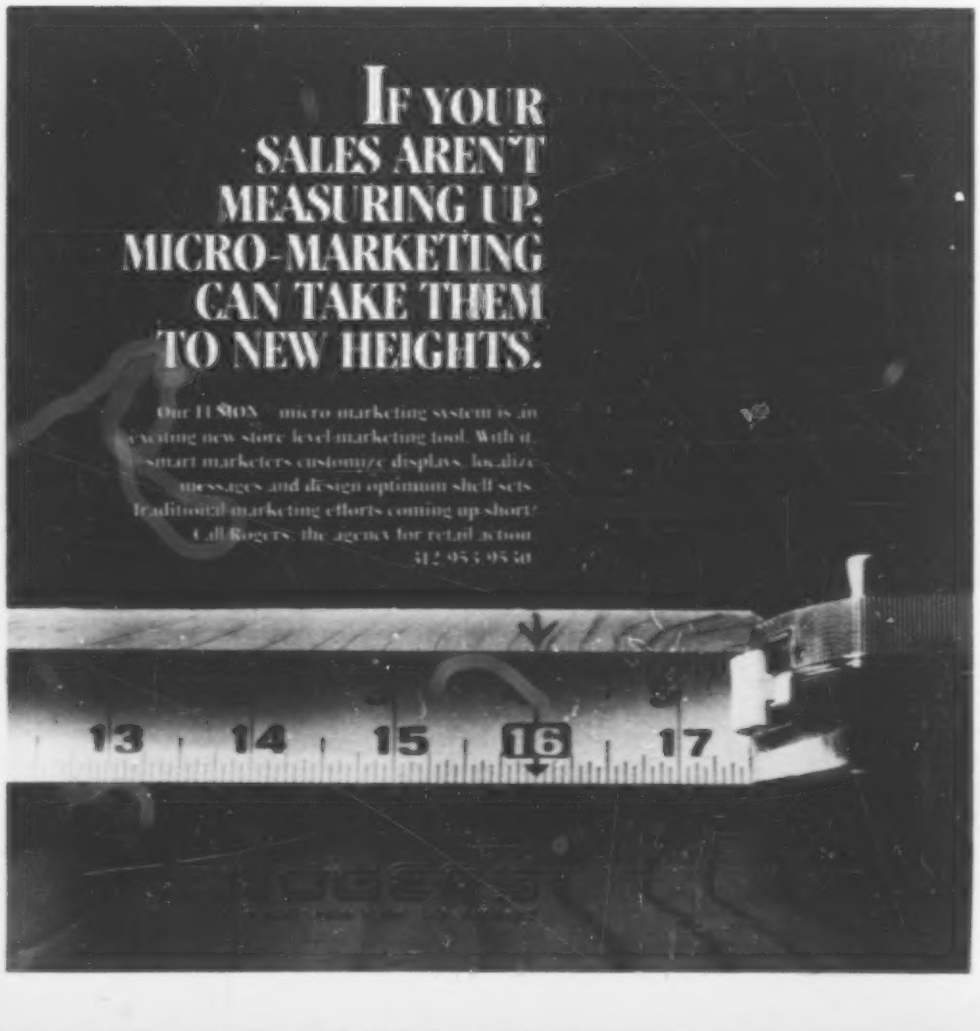

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Ruth, vp-east; Michael Van Dine, vp-midwest; George Mitchell, vp-west; Bernard Israel, vp-merchandising; Jerry Franklin, Jr., vp-admin

Phone: (805) 969-7220

Ted Colangelo Associates

RANK 4

Greenwich, Conn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$10.7	$8.0	32.8
Employees	69	73	(5)
Offices	3	3	0

Employees per department

	1987	1986
Account services	19	19
Creative	17	19
Production	21	21
Administration	8	8
Other	4	6

Source: All data from Advertising Age estimates. Wholly owned subsidiary of D'Arcy Masius Benton & Bowles.

Ofc Locations: Greenwich, Conn., New York, Westport, Conn.

Annual Review

The wholly owned subsidiary of D'Arcy Masius Benton & Bowles reports $10.7 million in sales, up 32% over 1986, as it took on a variety of new accounts during the year. The company projects 20% growth in 1988, equally divided between new accounts and expanded services to existing accounts.

Services

Photo, type, computer design, A/V, film process.

Accounts

Gained: American Tobacco, Heublein, Thompson Medical.

Lost: N/A.

Officers

Ted Colangelo, chmn; Lou Boroff, pres; Dave Quincy, exec vp; Nancy Kirsch, sr vp-dir ops; Ian Barribal, Gene Plotnik, sr vps-creative; Jim Fannon, sr vp-A/V; Howard Goldfrach, sr vp-promo; Barry Sideroff, sr vp-dir resp.

Phone: (203) 531-3600.

Communications Diversified

RANK 14

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$3.3	$2.5	31.3
Employees	42	32	31
Offices	1	1	0

Employees per department

	1987	1986
Account services	16	10
Creative	11	9
Production	N/A	N/A
Administration	3	2
Other	12	11

Source: All data from Advertising Age estimates.

Annual Review

New accounts in 1987, especially Stroh, Prestone, Pizza Hut and Ocean Spray, contributed to 31% growth in 1987 gross revenues, according to AD AGE estimates. To handle increased volume, the agency's expanded staff 25%. The agency is projecting 35% growth in 1988, 70% of which is expected to come from existing clients and 30% from new accounts. A key personnel move in 1987 involved adding partner Arlen H. Kantarian, former vp-mktg of National Football League Properties, to head the agency's newly formed sports marketing division. A $50-value coupon offer on back to school items for Pizza Hut was the agency's best promotion of 1987. Participation fees from coupon advertisers paid for printing and agency services.

Services

Strategic concept devel, promo devel & execution, adv, sports mktg, art, creative.

Accounts

Gained: National Basketball Assn., Johnson & Johnson, Ocean Spray, Prestone, Pizza Hut, Stroh.

Lost: None.

Officers

Ronald D. Randolph-Wall, chmn; William Henneberry, president; Arlen Kantarian, exec vp; Patrick Shannon, sr vp; Peter Cayrell, vp.

Phone: (212) 213-3300

Consumer Promotions Division

RANK 20

Minneapolis

($ in millions)

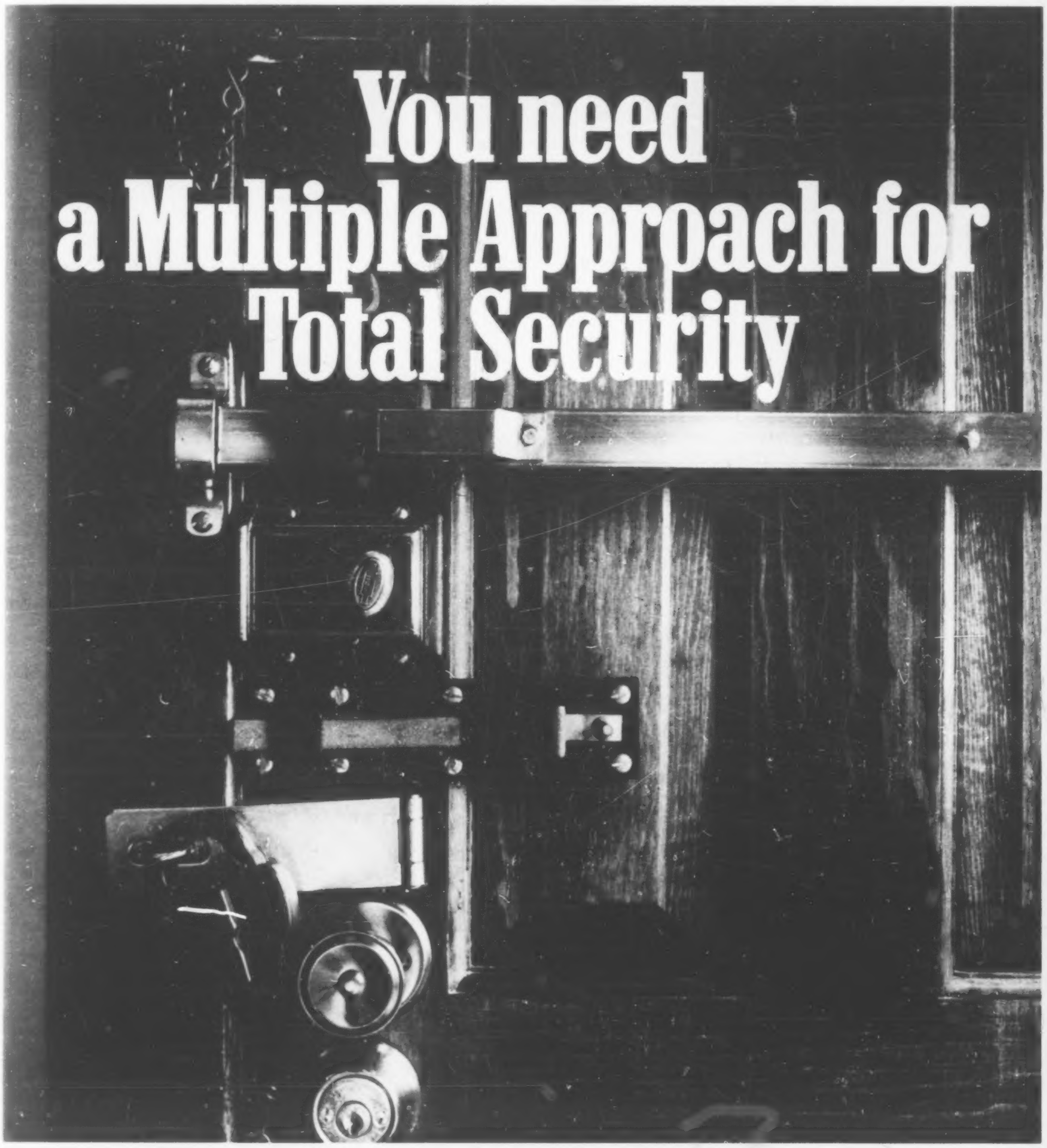
Agency stats	1987	1986	% chg
Gross revenues	$2.0	$1.4	44.4
Employees	26	18	44
Offices	3	1	200

Source: All data from Advertising Age estimates. Div of Carlson Companies, Minneapolis.

Ofc Locations: Minneapolis, Los Angeles, New York.

Annual Review

Estimated gross revenues grew 44% in 1987 for the consumer promotions division of Carlson Promotion Group, a unit of Minneapolis-based Carlson Cos. The consumer division acts as the agency arm of the group, which includes some of the industry's largest companies specializing in sales-promotion execution, such as fulfillment, refunds, premiums, continuity, games, sampling and more, serving clients such as Procter & Gamble, Kimberly-Clark, General Mills, Lever Bros. and Union Carbide. A new client in 1987 was Quaker Oats. Gross revenues exceeded $55 million in 1987 for the Carlson Promotion Group, which overall employed more than 1,000, up 150 over 1986, and itself is one of four operating groups of the parent Carlson Co. The group projects 18% growth in 1988, almost evenly divided between new and existing accounts. The New York and Los Angeles offices opened in 1987.



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Services

Mktg/promo strategy & plan, creative, execution, reports (refunds, premiums, sweepstakes, continuity, coupons, sampling).

Accounts

Gained: Quaker Oats.
Lost: N/A.

Officers

Randall Antik, pres-ceo; Joe Thomas, vp-sales; Bob Harter, vp-mktg services; Bill Martineau, vp-ops.

Phone: (612) 593-7736

Delfino Marketing Communications

RANK 34

Valhalla, N.Y.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.4	$0.3	13.8
Employees	12	10	20
Offices	1	1	0
☑			

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$125.0	$100.0	25.0
Commissions	$245.0	$225.0	8.9

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$565.0	$499.6	13.1
Media	$425.0	$430.0	(1.2)

Employees per department

	1987	1986
Account services	2	1
Creative	4	4
Production	2	1
Administration	2	2
Other	2	2

Source: All data from agency reports.

Services

Sales promo, adv, dir mail, corporate communications, pr.

Accounts

Gained: Hi-Tek Polymers, Fairmont Office Furniture Group.
Lost: Kolmar and Kohnstamm.

Officers

Geno B. Delfino, pres; Lisa A. Delfino, vp-copy creative; Vic Frost, vp-art creative; Paul Delfino, vp-acct services; Chris Seneca, vp-mktg services.

Phone: (914) 747-1400

DelWilber & Associates

RANK 11

McLean, Va.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$4.0	$2.0	100.0
Employees	35	18	94
Offices	5	3	67
☑			

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,500.0	$500.0	66.7
Commissions	$2,500.0	$1,500.0	200

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$1,000.0	$500.0	100.0
Licensing fees	$3,000.0	$1,500.0	100

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	N/A	N/A
Production	N/A	N/A
Administration	8	5
Other	27	13

Source: All data from agency reports.

Ofc Locations: McLean, Va., New York, St. Louis, Toronto, Port Chester, N.Y.

Annual Review

Riding the crest of wave in alternative marketing through sports, the arts and special events, DelWilber doubled gross revenues in 1987, adding $1 million each in staff-time fees, and commissions and markups. The privately held agency doubled in size, adding regional offices in New York and Port Chester, N.Y., the latter through acquisition of Hammond & Lalli, headed by principal John Hammond. A San Diego office also is planned this year. In 1988, Larry Albus, formerly director of Anheuser-Busch's Sports Marketing USA, joined the agency and heads the St. Louis office. Notable new accounts in 1987 included A-B, Procter & Gamble and Audi, leading to Audi's largest ever alternative marketing program. The agency's best promotion of 1987 was the National Hockey League All-Star balloting, co-sponsored by Dodge and Plymouth, which tied the automakers' "be the best" image with hockey's best players. The agency projects 75% growth in 1988, with 100% increases in revenues from sales promotion and regional programs, and a 75% increase in sponsorship marketing.

Services

Sports mktg, strategic plan/consulting, corp sponsorship devel/sales, sales promo, special events & mgmt, pr, media rel, creative & production.

Accounts

Gained: Anheuser-Busch, Audi, MasterCard, Procter & Gamble.
Lost: None.

Officers

Del Wilber, pres-ceo; Larry Albus, John Hammond, Jim Hartley, Hilary Mark, Maidie Oliveau, Haughton Randolph, Brian Redman, vps.

Phone: (703) 749-9330

Diamond Promotion Group

RANK 26

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.5	$1.0	50.0
Employees	15	14	7
Offices	1	1	0
☑			

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,000.0	$600.0	66.7
Commissions	N/A	N/A	N/A

Employees per department

	1987	1986
Account services	2	2
Creative	N/A	N/A
Production	7	6
Administration	3	3
Other	3	3

Source: All data from agency reports.

Services

Concept devel, art & graphics prod, fulfillment.

Accounts

Gained: General Foods, Norcliff Thayer, Tambrands.
Lost: None.

Officers

Andrew Cohen, pres; Douglas Diamond, Gary Diamond, vps.

Phone: (212) 685-6622

Dovetail Partner Promotions

RANK 33

Shawnee Mission, Kan.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.5	$0.2	212.5
Employees	5	3	67
Offices	1	1	0

Source: All data from agency reports.

Ofc locations
Shawnee Mission, Kansas

Services

Media, creative, strategy, production.

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Accounts

Gained: N/A.
Lost: N/A.

Officers

Richard Hopkins, principal.

Phone: (913) 831-4553

Good Promotions

RANK 29

Memphis

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.9	N/A	N/A
Employees	12	N/A	N/A
Offices	1	N/A	N/A

Employees per department

	1987	1986
Account services	4	N/A
Creative	5	N/A
Production	1	N/A
Administration	N/A	N/A
Other	2	N/A

Source: All data from agency reports.

Services

Creative, copy, media, dir mail, display, premiums, packaging.

Accounts

Gained: N/A.
Lost: N/A.

Officers

Dale Cox, pres-chm; B.A. Street, vp; M.D. Hartsaw, director.

Phone: (901) 761-0741

J.P. Hogan & Co.

RANK 23

Knoxville, Tenn.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.8	$1.6	10.2
Employees	24	24	0
Offices	1	1	0

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$770.5	[illegible]	11.9
Commissions	$1,029.5	[illegible]	8.9

Employees per department

	1987	1986
Account services	6	6
Creative	5	5
Production	3	3
Administration	7	7
Other	3	3

Source: All data from agency reports.

Services

Mktg plan & execution, media, ad prod, collaterals, art, dir mktg, fulfillment, pr, design.

Accounts

Gained: Polyurethane Foam Assn., Shaw Industries.
Lost: Athletic Helmet Co., Tarkett Wood Floors.

Officers

Joseph P. Hogan, pres; Ray V. Anthony, exec vp; Robert J. Luedeka, James V. Peek, vps.

Phone: (615) 546-7661

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R.P. Klein Associates

RANK
21

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.0	$1.5	33.3
Employees	7	8	(13)
Offices	1	1	0
☑			

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$40.0	$20.0	100.0
Commissions	$1,960.0	$1,300.0	51

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$4,000.0	$3,500.0	14.3
Consulting fees	$50.0	$30.0	66.7
Postage, shipping	$450.0	$170.0	164.7

Employees per department

	1987	1986
Account services	7	8
Creative	N/A	N/A
Production	N/A	N/A
Administration	N/A	N/A
Other	N/A	N/A

Source: All data from agency reports.

Services

Promo consulting, graphics, film, printing.

Accounts

Gained: Citicorp, McCormick Spices.

Lost: None.

Officers

Richard Klein, pres.

Phone: (212) 557-1450

Marcon Marketing Services

RANK
16

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$3.1	$2.4	29.9
Employees	21	18	17
Offices	2	2	0
☑			

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$2,400.0	$1,848.0	29.9
Commissions	$674.6	$519.5	29.9

Volume passing through

($ in thousands)	1987	1986	% chg
Production	$2,698.5	$2,077.8	29.9
Freight	$515.0	$396.6	29.9

Employees per department

	1987	1986
Account services	7	5
Creative	6	6
Production	1	1
Administration	N/A	N/A
Other	7	6

Source: All data from agency reports.

Ofc Locations: New York, Mexico City.

Annual Review

New business gains, especially Okidata, Morgan Furze liqueur and Head Racquet Sports, helped offset losses of several Paddington brands and Wiltshire Corp. The privately held agency reported a 30% boost in gross revenues for 1987, most of which came from a 30% rise in staff-time fees. The agency picked up Pan Am as a new account in 1988, and is projecting 25% growth for the year. Best of 1987 was a "Bring the Movie Home" co-promotion between Nestle and Fuji videocassettes offering free Nestle candy with videocassette purchase, with sweepstakes, coupon and incentive overlays.

Services

Promo devel, mkt plan & consulting, art/mechanical prep, photography, sweepstakes judging & admin.

Accounts

Gained: Okidata, Head Racquet Sports, Morgan Furze Sambuca Romana liqueur (Paddington), Pan Am.

Lost: Paddington (J&B, Bailey's, Knockando, Malibu), Wiltshire.

Officers

Stephen Field, pres; Cory Kallet, Nikki Evans, vps.

Phone: (212) 683-3332

Marden-Kane

RANK
17

Lake Success, N.Y.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.7	$2.7	0.0
Employees	35	35	0
Offices	8	9	(11)

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	N/A	N/A
Production	8	7
Administration	N/A	N/A
Other	N/A	N/A

Source: All data from Advertising Age estimates.

Ofc Locations: New York, Boston, Chicago, Los Angeles, San Francisco, Montreal, Toronto, London.

Annual Review

Estimated gross revenues were unchanged in 1987. The agency projects 15% improvement in 1988 billings, coupled with a 35% improvement in profits. The agency also closed its Houston office in 1987.

Services

Full-service promo devel, sweepstakes, contests, games, premiums, sales incentives.

Accounts

Gained: N/A.

Lost: N/A.

Officers

Robert Bell, pres; Paul Goldman, exec vp; Leonard Bierman, exec vp.

Phone: (516) 326-3666

The Marketing Continuum

RANK
30

Dallas

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.7	$0.6	33.0
Employees	10	9	11
Offices	1	1	0
☑			

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$735.0	$555.0	32.4
Commissions	$10.0	$5.0	100.0

Volume passing through

($ in thousands)	1987	1986	% chg
Printing, shipping	$2,000.0	$1,700.0	17.6
Creative production	$800.0	$600.0	33.3
Other, media	$2,000.0	$1,400.0	42.9

Employees per department

	1987	1986
Account services	7	6
Creative	2	2
Production	N/A	N/A
Administration	N/A	N/A
Other	1	1

Source: All data from agency reports.

Services

Creative dir, copy, media plan.

Accounts

Gained: Ort's, Dr Pepper, Act-Media.

Lost: Anderson Clayton, Tree-Sweet.

Officers

Roberta A. Merkel, pres; David T.

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Henschel-Steinau, Inc., 45 [illegible]

Mullen, Odell A. Scott, vps.
Phone: (214) 855-0080

Merchandising Workshop

RANK 7

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$9.4	$8.6	9.1
Employees	120	110	9
Offices	1	1	0

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	21	19
Production	N/A	N/A
Administration	10	10
Other	89	81

Source: All data from Advertising Age estimates.

Annual Review

M/W's strategy of doing everything in-house, including concept, execution and printing, paid off handsomely when Lever Bros. hired the agency in 1987 to help launch AIM Extra Strength toothpaste. The project drew upon virtually every agency service. AD AGE estimates gross revenues for M/W increased 9% in 1987. The agency is projecting 10% growth in 1988, mostly from new business. Adverse effects in 1987 were felt from a weakening U.S. dollar, which affected several clients' sales volumes. Mergers and acquisitions also had positive and negative effects on business. One strength was the agency's introduction of patented clip-hangers for POP flags and take-one pads.

Services

Complete concept through execution; design & creative, POP, sell sheets, retail promo, pkg design, dir mail, sweepstakes, catalog, photography, A/V, slides, video,printing, typeset, color lab, color scanning & correction, camera, stripping, platemaking, bindery, die-cuts, collation.

Accounts

Gained: N/A.
Lost: None.

Officers

Norman Alshooler, pres; Isaac Millman, Bennett M. Gross, Barney Gorgone, exec vps.
Phone: (212) 239-4646

Mitchell & Comer

RANK 25

Toledo, Ohio

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.6	$1.5	7.4
Employees	34	32	6
Offices	2	2	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,378.4	$1,235.4	11.6
Commissions	$187.6	$222.6	(15.7)

Employees per department

	1987	1986
Account services	6	5
Creative	17	16
Production	2	2
Administration	5	5
Other	4	4

Source: All data from agency reports.

Services

Concept devel, creative, A/V.

Accounts

Gained: Trinova, Weyerhauser.
Lost: N/A

Officers

Lee Comer, pres-creative dir; Mark Mitchell, exec vp; Mike Hardman, vp-acct services; Vyto Bendoraitis, vp-asst creative dir.
Phone: (419) 243-7600.

Muir Cornelius Moore

RANK 3

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$10.9	$9.5	14.8
Employees	125	125	0
Offices	1	2	(50)

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$7,343.6	$6,961.8	5.5
Commissions	$3,526.0	$2,504.2	40.8

Volume passing through

($ in thousands)	1987	1986	% chg
Unspecified	$14,027.1	$12,046.1	16.4
Unspecified	$10,563.7	$10,246.7	3.1

Employees per department

	1987	1986
Account services	35	N/A
Creative	35	N/A
Production	15	N/A
Administration	30	N/A
Other	10	N/A

Source: All data from agency reports.

Annual Review

MCM in 1987 saw 15% growth in revenues over 1986, resulting mainly from a 41% increase in commissions and mark-ups. The agency expects continued growth in 1988 from new accounts Citibank and Boeing Sikorsky. MCM was awarded a Clio for the best national consumer promotion of 1987, designed to move existing inventories of IBM PCs prior to the launch in April 1987 of the IBM System/2. The promotion featured all media, including unusual computer animation on diskette, and 3,000 freshly baked birthday cakes delivered simultaneously to IBM dealers. During the year, privately held MCM merged its two New York offices.

Services

Sales promo, adv, dir mktg, consulting, creative.

Accounts

Gained: Boeing Sikorsky, Citibank, Eberstadt Fleming.
Lost: Northeast Savings.

Officers

W.P. Muir, chmn-ceo; J. Cornelius, vice chmn-admin; R. Moore, vice chmn-creative; P. Post, pres-MCM Advertising; S. Ross, S. Farese, L. Roberts, V. McQueeney, R. Hensley, sr vps; R. Meehan, C. Olshever, S. Cohen, J. Zazzaro, R. Orr, vps.
Phone: (212) 463-7715

Niven Marketing Group

RANK 8

Scottsdale, Ariz.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$6.8	$4.7	43.1
Employees	75	61	23
Offices	6	5	20

Employees per department

	1987	1986
Account services	19	13
Creative	26	23
Production	13	11
Administration	14	11
Other	3	3

Source: All data from Advertising Age estimates.

Ofc Locations: Scottsdale, Ariz., Chicago, Dallas, San Francisco, Memphis, Tenn., Atlanta.

Annual Review

Estimated gross revenues grew 43% in 1987. However, the privately held agency reported sales in 1987 fell 12% to $12.9 million. Rising competition, devaluation of the U.S. dollar in foreign markets, the October stock market crash and child safety issues regarding in-pack premiums combined were factors. Niven Group also reported a 15% drop-off in staff-time fees and a 9% reduction in commissions and mark-ups in 1987. The agency projects 14% growth in 1988, based on increased business from existing accounts, such as Borden, Dial Corp., and Kellogg, the opening of a new sales office in Atlanta in 1987, and from new accounts now in development. To meet the needs of growth, the agency added 14 employees in 1987. Among the agency's best promotions developed in 1987 was Ortho's "Weed 'em & Reap" sweepstakes, now in retail outlets and wholesale clubs. The promotion aims to increase display space and encourage dealers to load inventory with multi-level trade incentives.

Services

Promo devel; mktg research, POP design & engineering, premiums, creative.

Accounts

Gained: N/A.
Lost: None.

Officers

Ronald D. Niven, pres, Tony Leiber, vp-gm, Chicago.
Phone: (602) 949-0997

Promotion Group

RANK 9

Irvine, Calif.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$5.5	$4.1	34.6
Employees	70	52	35
Offices	1	3	(67)

Employees per department

	1987	1986
Account services	6	5
Creative	7	5
Production	N/A	N/A
Administration	N/A	N/A
Other	57	42

Source: All data from Advertising Age estimates.

Ofc Locations: Irvine, Calif.

Annual Review

Propelled by strong growth from new accounts, such as Suzuki motorcycles, the Los Angeles Dodgers and *The Los Angeles Times*, gross revenues grew 35% in 1987. To accomodate growth, the agency added 18 employees and consolidated three locations into a new corporate headquarters. For 1988, the agency projects doubling in size, with 75% of the growth from existing clients and 25% from new accounts. The agency's most successful 1987 promotion, "Kick-off '87" for American Isuzu Motors, gave it a chance to demonstrate its expanding range of services, including sales force incentives, showroom POP, data processing, telemarketing, direct mail and fulfillment.

Services

Sales promo devel, design, data processing, fulfillment, promo merchandising, mailing services, telemarketing.

Accounts

Gained: Arco, Blue Cross of California, Coldwell Banker, Los Angeles Dodgers, *Los Angeles Times*, Suzuki Motorcycles.
Lost: None.

Officers

Matt Alcone, pres; Travis Oliver, Kathy Scolaro, vps.
Phone: (714) 770-4400

Responsive Marketing Communications

RANK 18

Des Plaines, Ill.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.1	$1.9	11.4
Employees	37	31	19
Offices	2	2	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,422.0	$1,315.0	8.1
Commissions	$701.0	$591.0	18.6

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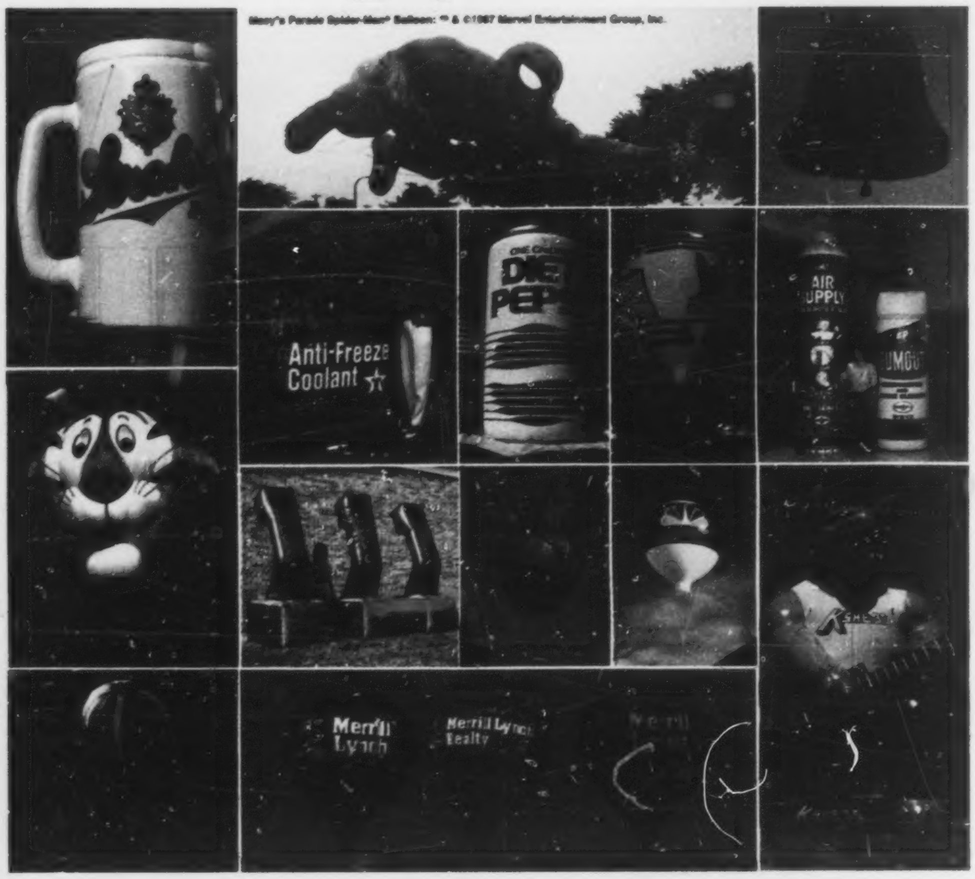

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Employees per department

	1987	1986
Account services	15	13
Creative	8	7
Production	N/A	N/A
Administration	N/A	N/A
Other	14	11

Source: All data from agency reports.

Ofc Locations: Des Plaines, Ill., New York.

Annual Review

New accounts Castle & Cooke, Mobil Chemical and Welch's contributed to 11% growth in gross revenues in 1987. The agency expects 10% to 15% growth in 1988, divided 40% from current clients and 60% from new business. Best of 1987 was a new product introducation for Carey-McFall's Bali Blinds that included consumer, trade and distributor advertising and promotion. For 1988, the agency plans to move its corporate headquarters in fall to a new building near O'Hare International Airport.

Services

Mktg consulting & services, adv and media devel, creative, execution, sales promo, merchandising, dir resp.

Accounts

Gained: Castle & Cooke, Mobil Chemical, Welch's.
Lost: None.

Officers

Tony J. Marsiglia, pres; O'Neal F. Caliendo, vp-gm; Jospeh M. Marsiglia,Marlene S. Picha, Lillian H Juhlin, vps.
Phone: (312) 298-3905

Sales Aids International

RANK
6

Melrose Park, Pa.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$9.9	$8.6	14.2
Employees	58	42	38
Offices	3	3	0

☑

Employees per department

	1987	1986
Account services	11	9
Creative	13	6
Production	N/A	N/A
Administration	11	9
Other	23	18

Source: All data from agency reports.

Ofc Locations: Chicago, Port Washington, N.Y., Melrose Park, Pa.

Annual Review

Gross revenues grew 14% in 1987 as the agency expanded below the line marketing services and added key personnel. The agency projects a near doubling of revenues in 1988 as a result of significant investment in computerization. SAI's best of 1987 was a national promotion for Carnation's Friskies pet foods with the object of gaining in-store display space and building brand imagery. The agency generated computerized invitations for free pet examinations by local veterinarians to consumers returning coupons and proofs of purchase.

Services

Dir mktg, sales promo, POP, displays/exhibits, incentives, media plan & purchasing, merchandising, collaterals, contests, sweepstakes, fulfillment, mail order, co-op adv, multi-brand promo.

Accounts

Gained: None.
Lost: N/A.

Officers

Allen N. Liss, pres; Mark B Miller, sr vp; Allen DeCastro, Elliot Shear, vps; Alan V. Davis, vp-acct mgmt.
Phone: (215) 782-9090

Shopping Center Network

RANK
10

Miami

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$5.4	$5.0	8.0
Employees	65	60	8
Offices	4	4	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	N/A	N/A	N/A
Commissions	$250.0	$250.0	0.0

Volume passing through

($ in thousands)	1987	1986	% chg
Printing	N/A	$450.0	N/A
Display construction	N/A	$750.0	N/A

Employees per department

	1987	1986
Account services	9	7
Creative	22	17
Production	N/A	N/A
Administration	30	31
Other	4	5

Source: All data from agency reports.

Ofc Locations: Miami, New York, Detroit, Los Angeles.

Annual Review

Growth in mall marketing among clients such as Adidas and Campbell Soup boosted SCN's gross revenues 8% in 1987. For 1988, the privately held mall-promotion specialist projects 15% to 25% growth from themed, multi-company projects, including Beautiful You, *Better Homes & Gardens*, and an expanded National Basketball Association mall tour featuring Jeep/Eagle, Converse, Lever Bros. and Allstate. Shopping Center Network's biggest ever mall promotion was a project for Campbell during January 1987 national soup month. With a task force of 30, SCN placed the event, constructed 22 exhibits, hired and trained personnel to promote and provide hot samples for 275,000 consumers in 88 markets. The four-weekend promotion reached more than 9 million shoppers.

Services

Full service mall mktg & placement, includes graphics, pr, sampling, coupons, product demo, cross promo, exhibit construction, on-site staffing.

Accounts

Gained: Campbell Soup, MCA Records.
Lost: Apple Computer, Chevrolet.

Officers

Joel Benson, pres; Phil Rosenthal, vp-mktg services; Carolyn Eisenberg, vp-admin; Scott Lange, natl sales mgr; Stephen Markow, vp-sales.
Phone: (305) 595-0201

Smiley Promotion

RANK
12

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$3.8	$3.0	26.7
Employees	15	15	0
Offices	4	3	33

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$1,800.0	$1,250.0	44.0
Commissions	$2,000.0	$1,750.0	14.3

Volume passing through

($ in thousands)	1987	1986	% chg
Postage	$3,500.0	N/A	N/A
Production, art, music	$3,000.0	N/A	N/A
Travel	$1,500.0	N/A	N/A

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call Ellen Ross—Vice President—
(212) 459-7818

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Employees per department

	1987	1986
Account services	7	7
Creative	N/A	N/A
Production	4	4
Administration	4	4
Other	N/A	N/A

Source: All data from agency reports.

Ofc Locations: New York, Chicago, San Diego, Los Angeles.

Annual Review

Smiley showed 27% growth in 1987. Revenue gains by the privately-held agency came 70% from staff-time fees and 30% from increased commissions/markups. The agency anticipates 15% growth in 1988, mainly from multi-level sweepstakes, and special events, such as Murder Mystery programs, mainly used at trade shows and meetings. A weakening U.S. dollar and the October stock market crash actually improved some prospects for the agency in 1988 by increasing European business, and generating greater interest among U.S. financial institutions.

Services

Full service promo, sweepstakes, dealer promo/sales incentives, dir mail, special events, fulfillment, trade show prod, creative & prod.

Accounts

Gained: Hallmarkets Intl, Iberia Airlines.

Lost: None.

Officers

Ronald Smiley, pres; Daniel Hall, sr vp; Barbara Suebeten, exec vp.

Phone: (212) 809-1700

Strottman Marketing

RANK 24

Irvine, Calif.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.8	$0.9	91.7
Employees	23	12	92
Offices	2	1	100

Employees per department

	1987	1986
Account services	8	6
Creative	7	2
Production	N/A	N/A
Administration	6	3
Other	2	1

Source: All data from Advertising Age estimates.

Ofc Locations: Irvine, Calif., Cincinnati.

Services

Premium design, promo devel, planning, implement, licensing, sweepstakes devel & execution, creative, design, POP.

Accounts

Gained: Worlds of Wonder, Heron Communications, Hasbro Toys, Leisure Concepts.

Lost: N/A.

Officers

Kenneth J. Strottman, pres; Mitchell A. Junkins, vp-acct service; Thomas N. Wong, vp-mktg; Wendell L. Johnston, vp-ops.

Phone: (714) 852-1166

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Ventura Associates

RANK 15

New York

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$3.1	$4.7	(33.3)
Employees	40	60	(33)
Offices	5	5	0

Source: All data from Advertising Age estimates. Subsidiary of Mickelberry Corp., New York.

Ofc Locations: New York, Los Angeles, Miami, Marblehead, Mass., Lowell, Ind.

Annual Review

Ventura refocused operations on sales promotion in 1987, withdrawing from list brokerage management and commercial TV production. As a result, estimated revenues were down 33% in 1987, with a corresponding reduction of about 20 staff positions. The subsidiary of Mickelberry Corp. expects 15% to 20% growth in 1988, partly from expanded services to existing accounts and from adding the New York State Lottery account. A key personnel change occurred in August 1987 when founder Jeffrey Feinman, chmn-ceo, a pioneer in developing innovative sweepstakes promotions, left the agency to pursue other interests. John Roarty, president, added the ceo title.

Services

Full service mktg & promo consulting, design, creative, merchandising, premiums/incentives, program admin, including prizes, games, sweepstakes, contests, fulfillment & acct services.

Accounts

Gained: New York State Lottery.

Lost: N/A.

Officers

John Roarty, pres-ceo; Robert Blashek, exec vp; Rick McCabe, pres-Ventura New England; Maggie Smith, pres, Ventura, Fla.; Cliff Lucas, pres, Ventura, Calif.

Phone: (212) 889-0707

Very Special Events

RANK 32

San Diego

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$0.5	$0.4	40.0
Employees	7	5	40
Offices	1	1	0

Source: All data from Advertising Age estimates.

Services

Specialist: sales promo for shopping malls, fairs, festivals. Creative consulting to agencies.

Accounts

Gained: Smith Marketing, Trans World Entertainment, Hawaii on Tour '88, *Essence* on the Mall, Jobquest, Ketchum Public Relations (The Potato Board), Doron SR2, Danskin Model Search.

Lost: San Diego Super Bowl Task Force (completed).

Officers

Nancy Walters, pres.

Phone: (619) 485-1171

Woolf-Reitman Associates

RANK 27

Chicago

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$1.2	$1.0	16.4
Employees	13	13	0
Offices	1	1	0

Employees per department

	1987	1986
Account services	5	5
Creative	4	4
Production	4	4
Administration	N/A	N/A
Other	N/A	N/A

Source: All data from Advertising Age estimates.

Services

Creative concept, design, layout, mechanicals, prod.

Top promotion techniques

The most popular 1987 sales promotion techniques: coupons, money-back, premiums. In terms of dollars: coupons, cents-off, according to Stamford, Conn.-based Donnelley Marketing.

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To find a listing of these career opportunities, look for the "Sales Promotion Career Opportunities" banner on page 65 in this week's Recruitment Marketplace.

Advertising Age
The Recruitment Marketplace

Top cities by sales promotion gross revenues

Full service agencies

Rank/City		Gross revenues 1987	Gross revenues 1986	Total employees 1987	Total employees 1986	No. of agencies
1	New York	48,659	40,276	637	531	12
2	Chicago	48,226	41,978	606	496	8
3	Westport, Conn.	16,954	7,112	211	93	4
4	Lombard, Ill.	10,766	9,084	125	145	1
5	Princeton, N.J.	7,579	4,340	84	56	1
6	Paramus, N.J.	6,316	3,875	70	50	1
7	Minneapolis	5,396	2,170	61	28	3
8	Cincinnati	4,794	3,321	86	58	2
9	Norwalk, Conn.	4,120	3,371	35	28	1
10	Dallas	3,586	1,316	29	24	3

Companies with agency services

Rank/City		Gross revenues 1987	Gross revenues 1986	Total employees 1987	Total employees 1986	No. of agencies
1	New York	50,727	37,041	560	432	9
2	Garden City, N.Y.	11,652	11,965	149	153	1
3	Greenwich, Conn.	10,653	8,019	69	73	1
4	St. Louis	10,550	8,850	117	121	2
5	Melrose Park, Pa.	9,851	8,628	58	42	1
6	Irvine, Calif.	7,273	5,005	93	64	2
7	Scottsdale, Ariz.	6,767	4,727	75	61	1
8	Miami	5,400	5,000	65	60	1
9	McLean, Va.	4,000	2,000	35	18	1
10	S. Norwalk, Conn.	3,331	2,470	36	25	1

NOTES: Dollars are in thousands. Source: AA survey.

Accounts

Gained: University of Chicago.
Lost: None.

Officers

Irving Woolf, pres; Herb Reitman, exec vp.

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WORCO Marketing Resources

RANK **22**

Los Alamitos, Calif.

($ in millions)

Agency stats	1987	1986	% chg
Gross revenues	$2.0	$1.0	100.0
Employees	24	20	20
Offices	4	4	0

☑

Revenue contributors

($ in thousands)	1987	1986	% chg
Staff-time fees	$200.0	$100.0	100.0
Commissions	$180.0	$80.0	125.0

Employees per department

	1987	1986
Account services	N/A	N/A
Creative	N/A	N/A
Production	N/A	N/A
Administration	6	2
Other	18	18

Source: All data from agency reports.

Ofc Locations: Los Alamitos, Calif.; Hollywood, Calif.; Gardena, Calif.; Paramus, N.J.

Services

Sales promo plan and program mgmt, video, collaterals, photography.

Accounts

Gained: Pioneer Electronics, Yamaha Electronics, Lockheed, *National Geographic*.
Lost: None.

Officers

Paul Worsham, managing dir; Hunter Finch, program dir; Theo Mayer, video dir; Jeff Specht, collateral dir; Chris Hudson, incentives dir.

Phone: (213) 431-1847

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- Pat Gray Thomas, *Report editor*
- Richard Edel, *Writer, reporter*
- R. Craig Endicott, *profile issues editor*
- Kevin Brown, *profile issues associate editor*
- Geoffrey Shives, *art director*
- Karen Brodsky Fine, *production manager*

Coming

Next week ADVERTISING AGE's Special Report will focus on **Cable TV.**

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and another
and another
and another...

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April 11, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Reynolds smolders

Saatchi dismissal prompts look at all agencies

By JUDANN DAGNOLI

RJR Nabisco's abrupt firing of Saatchi & Saatchi DFS Compton may prompt a realignment of the company's entire agency roster.

The big winners could be FCB/Leber Katz Partners and Lowe Marschalk, two agencies on the food and tobacco conglomerate's current roster.

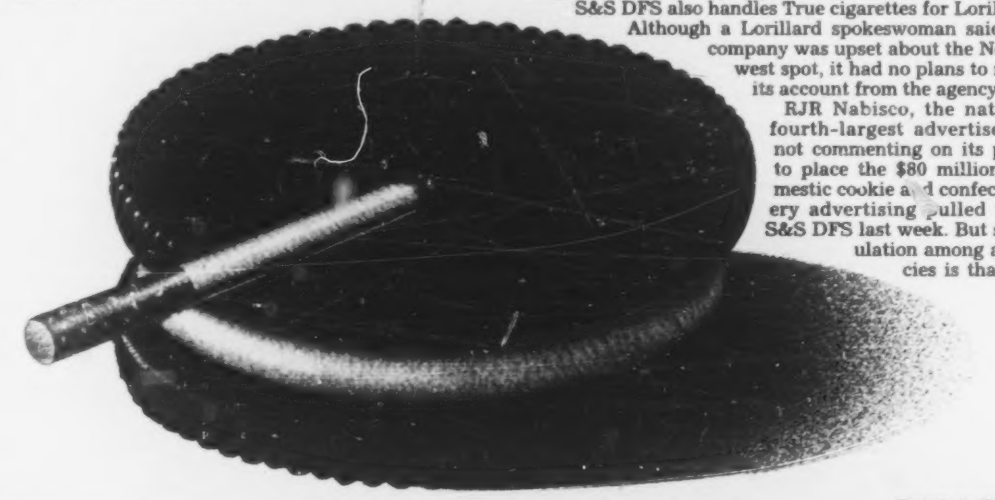


Illustration by Mark Frueh

RJR Nabisco fired S&S DFS in an apparent fit of pique over a TV commercial the agency created for its $55 million Northwest Airlines account. The spot shows passengers applauding the airline's in-flight smoking ban.

The commercial was only part of a $5 million effort lasting nine weeks. The "applause" commercial will end its run soon, to be replaced by a spot in which passengers send up a "Hip, hip, hooray" cheer.

S&S DFS also handles True cigarettes for Lorillard. Although a Lorillard spokeswoman said the company was upset about the Northwest spot, it had no plans to move its account from the agency.

RJR Nabisco, the nation's fourth-largest advertiser, is not commenting on its plans to place the $80 million domestic cookie and confectionery advertising pulled from S&S DFS last week. But speculation among agencies is that the company may shuffle other food brands in the process.

Most sources believe the company will keep the assignments at an existing RJR Nabisco agency but split the accounts differently.

The business up for grabs includes such plum assignments as Oreo and Chips Ahoy!, the two leading cookies in the U.S.; Bubble Yum and CareFree gums; and Life-Savers roll candy.

Media buying is not included because RJR handles that in-house.

Speculation is that FCB/Leber Katz, New York, agency for Salem, Vantage and More cigarettes, has the best shot at the Nabisco business. Agency Chairman-CEO Stanley Katz is known to have a close relationship with RJR.

See Editorial on P. 16 and related stories on P. 80, 81.

Mr. Katz said the agency has no conflicts in the baked goods and candy categories.

Lowe Marschalk, agency for Nabisco's grocery division, is believed to have been trying to attract more Nabisco businesses. The agency also handles public service announcements for the United Way, a favorite charity of F. Ross Johnson, RJR Nabisco president-ceo.

Other RJR Nabisco agencies don't seem to have as strong a chance at snaring the business.

McCann-Erickson Worldwide, which has Camel cigarettes plus the company's Del Monte line, is considered doubtful for more business because it already handles $80 million in baked goods for Nabisco.

Young & Rubicam is discounted from pitching due to

(Continued on Page 80)

Lord's new agency holds talks with IBM

By GARY LEVIN,
JON LAFAYETTE
and ALAN RADDING

IBM Corp.'s urgent marketing needs are forcing the giant computer company to do business with Lord, Einstein, O'Neill & Partners, the breakaway agency formed by six executives who abruptly left IBM agency Lord, Geller, Federico, Einstein.

See related stories on P. 68, 69 and 82.

The new agency, partly financed by Young & Rubicam, last week turned down an invitation to pitch another computer account, probably so it could take on a piece of IBM's $125 million U.S. advertising business.

Lord Einstein is up and running following a decision last week by the New York state Supreme Court that, to a great extent, allows it to go after just about any account, including those at Lord Geller.

The agency is actively pitching Saab-Scania of America, now reviewing its imported-car account at Ally & Gargano, New York.

Lord Einstein principals C. Ray Freeman, former exec VP-general manager of LGFE, and Kevin O'Neill, LGFE's former senior VP-creative director, met with IBM executives April 8 at IBM headquarters in Armonk, N.Y.

Both men were key players on the IBM account at LGFE.

"We're assuming there may be some work," said a source at Lord Einstein, adding that it was unlikely to be more than a project assignment.

Sources indicated that IBM asked Messrs. Freeman and O'Neill to finish projects left undone when they left LGFE on March 18, work that the remaining LGFE staffers were unable to handle.

IBM found the chaos left behind at LGFE had impaired that agency's ability to meet IBM's advertising needs on deadline, sources said.

And, as determined as IBM was to steer clear of the nasty courtroom battle between the two agencies, its executives decided the company's marketplace needs were overwhelming and that Messrs. Freeman and O'Neill were the only ones who could do the job.

It was unclear whether the project would lead to a permanent assignment for the new agency. Many observers believe the fracas has irritated conservative IBM to such a degree that when the dust settles, it may decide not to work

(Continued on Page 82)

Last Minute News

Talks resume in actors' strike

NEW YORK—Late-week talks between the ad industry and striking talent unions continued at press time as the two sides tried to end the unions' three-week walkout. Union and industry negotiators were trying to hammer out a compromise on talent pay for spots shown on cable TV. Both sides were expected to stay at the bargaining table until they had an agreement on a new commercials contract or until they hit another impasse. Negotiations broke off March 7, and the strike began March 21. Negotiations got back under way April 6 at the request of a federal mediator.

McDonald's sings new tune

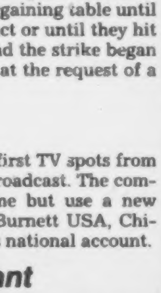
OAK BROOK, ILL.—McDonald's tonight breaks the first TV spots from its new creative pool during the Academy Awards broadcast. The commercials retain the "Good time, great taste" theme but use a new musical score for the first time in four years. Leo Burnett USA, Chicago, handles the fast-food chain's $250 million-plus national account.

Infiniti search won't use consultant

CARSON, CALIF.—Nissan's Infiniti division won't use a consultant in the upcoming search for an agency for its estimated $60 million account, says David F. Hubbard, newly named national advertising man-

(Continued on Page 8)

It's a slice of life: See Joe Winski's column on P. 48.



AAF chief to wrestle with 'Addy-gate'

By JENNIFER PENDLETON and SCOTT HUME

American Advertising Federation President Howard Bell has been called in to straighten out the "Addy-gate" scandal in Milwaukee.

That move comes as the reputation of the AAF's Addy Awards competition has been further sullied by a second incident involving alleged improprieties.

As a result, more questions are being asked about whether ad agencies are becoming overzealous in pursuing creative awards at the expense of clients.

The Houston Advertising Federation last week rescinded two Addys given to Beaumont, Texas-based Vance-Mathews after the HAF learned the award-winning TV commercials never ran.

Vance-Mathews President-CEO Herschel Mathews acknowledged the agency had erred by entering the commercials, which won a "Best of Show" and a gold, but claimed the mistake was unintentional.

The commercials were for Central Power & Light. The utility had discharged Vance-Mathews effective Oct. 15.

The agency claims it mistakenly assumed that Central Power carried out the media plan it had laid out. It had not.

"Our error was that we didn't go back to make sure the spots had aired as scheduled," Mr. Mathews said.

The questions raised about the Milwaukee Ad Club's Addy Awards competition have been more serious, more extensive and less easily resolved.

The problem began when other Milwaukee agencies questioned whether several dozen Addy-winning submissions had actually run or were paid for by the clients.

Among the ads questioned was a radio spot for the Laure Haile Dance Studio in Burbank, Calif., a commercial that took "Best of Show" honors in Milwaukee.

Hoffman York & Compton admitted it had sought out a prospective client for advertising it wished to produce but claimed the radio spot (part of a campaign for the studio that also included TV and print) did run (AA, March 14).

That has elicited cries of "foul" from several other Milwaukee agencies, angered that advertising for actual clients was competing with—and in some cases losing to—such "ersatz" advertising.

Two agency executives—Paul Counsell, chairman of Cramer-Krasselt Co., and Warren Eulgen, president of Kocs, Wesson & Associates—resigned as board members of the Milwaukee Ad Club after it failed to take any action.

Unable to decide whether Hoffman York & Compton and Frankenberry, Laughlin & Constable (the other Milwaukee agency with winners under scrutiny) should be allowed to keep their awards, the adclub last week appealed to the AAF's Council of Governors for help.

Mr. Bell, or perhaps another senior AAF official, is expected to review the commercials and ads that have been questioned, as well as the eligibility requirements, and issue an advisory opinion on how best to settle the controversy.

"We felt this was the only way to go, considering the circumstances," said Corinne Gaido, Milwaukee Ad Club president. "We simply do not have the impartial structure to conduct a fair and conclusive evaluation."

The controversy has continued. An unrepentant Hoffman York went so far as to place an ad in ADVERTISING AGE, offering cassettes of the disputed spot for $5.99 (AA, March 28).

Organizers of the Clio Awards competition last week said they had discovered that Hoffman York had submitted the Laure Haile advertising to them. They have decided to return the ads and the entry fees to Hoffman York.#

Highlights

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4 AmEx card is thirtysomething
It's time to toast the old and get on with the new at American Express.

6 Heileman taps new style
G. Heileman Brewing Co. goes future with new campaigns for Old Style and Colt 45.

12 Merck may enter ad fray
Merck & Co. may join the growing ranks of prescription drug companies broadcasting health-information commercials to consumers.

24 Heinz in for a dogfight
H.J. Heinz Co. has catapulted into one of the top three positions in the canned dog-food market.

28 Celebs await AA honors
Three celebrities have been named finalists for ADVERTISING AGE's Star Presenter Award for 1987.

32 What goes up, comes down
Hemlines may be dropping, but don't count short skirts as down and out yet.

65 Do you take this ma . . . gazine
Here comes the bride, and this season she's all dressed in green, as in money.

72 Nestle unwraps corporate ad
Nestle Enterprises, known for its reticence in financial matters, breaks its silence April 25.

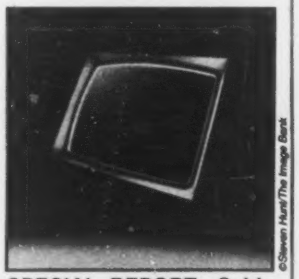
77 New kernel in the market
A pact between two marketers will put more pop in the booming microwave popcorn industry.

78 Croissant saga adds new twist
Vie de France Corp. is suing a former sales manager for allegedly stealing secret recipes and other confidential marketing information.

INTERNATIONAL

52 French pols rack up ads
Like the U.S., the French are letting TV images help determine their political leaders. But it's not being done via paid political spots, but on talk shows and evening news broadcasts.

AD REVIEW: Spiegel, celebrities and nightgowns. P. 84.



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SPECIAL REPORT: Cable starts after Page 44.

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Ford switch in Mexico

JWT may be out

By STEPHEN DOWNER

MEXICO CITY—Just how strong the ties from Detroit bind local Ford Motor Co. operations will become clear if J. Walter Thompson Co. loses the Ford de Mexico account this month.

Sources say either Panamericana/Ogilvy & Mather or Young & Rubicam will get the $5 million-to-$7 million auto account.

John Ogden, president and general director of Ford here, got orders from Detroit to drop JWT, a former senior Ford executive said.

Mr. Ogden, however, told the parent company he didn't want to comply, indicating that he's happy with JWT efforts on Ford's behalf in Mexico, the source said.

A leading Ford marketing official in Mexico said "there is a chance that we may change [agencies]. We may continue with [JWT], but we may not."

Martin Sorrell, WPP Group's chief executive, came to Mexico last week to help ensure that WPP-owned JWT holds onto the important Ford account, sources say.

When asked [illegible] he was in Mexico, Mr. Sorre[illegible]d only say, "I'm basically dow[illegible] on client business."

The agency's creative director for the Ford account is Marco Antonio Bravo, a young, bilingual Mexican whose work is highly regarded.

Ford de Mexico Ad Manager Marcelo Leite, a Brazilian, has generously praised JWT's campaign for the Ford Taurus, which will be launched in Mexico this spring.

However, in three recent reviews for Ford Latin American business, JWT has only kept the Argentine account. In Venezuela, Corpa/-Ogilvy & Mather won. Salles/Inter-Americana gained the Brazilian account.

Ford de Mexico has troubles outside the ad business. The car marketer moved down from No. 4 to No. 5 of five major automakers here last year. Analysts blame an industrial dispute that paralyzed production at Ford's domestic plant just outside Mexico City for 110 days.

The troubles cost Ford 15,000 vehicles, Ford de Mexico's Mr. Ogden said, and most dealers were left without any vehicles to sell for several weeks.

Ford's wholesale sales in the first two months of 1988 were 1.4% below the same period last year, according to the Mexican Association of Automobile Dealers.#

Julia Michaels in Sao Paulo contributed to this report.

It's not too late for Cuomo blitz

By STEVEN W. COLFORD

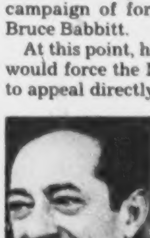
What if Mario Cuomo *does* run for president?

Even though the New York governor downplays the likelihood of his entering the presidential race, there is no dearth of ideas as to how the 55-year-old son of Italian immigrants might portray himself in a media campaign.

Campaign 88

A Cuomo candidacy would require a national media campaign, probably a monthlong blitz, said Sergio Bendixen, a Washington political consultant with Bendixen & Law who helped shape the failed campaign of former Arizona Gov. Bruce Babbitt.

At this point, he said, the late date would force the New York governor to appeal directly to voters via public opinion polls.



M. Cuomo

"He'd have to look at a national advertising campaign for three to four weeks to achieve what he'd need—to use the polls to convince delegates" to nominate him, Mr. Bendixen said.

Under Mr. Bendixen's media supervision, Gov. Babbitt broke presidential primary

(Continued on Page 81)

April 11,1988

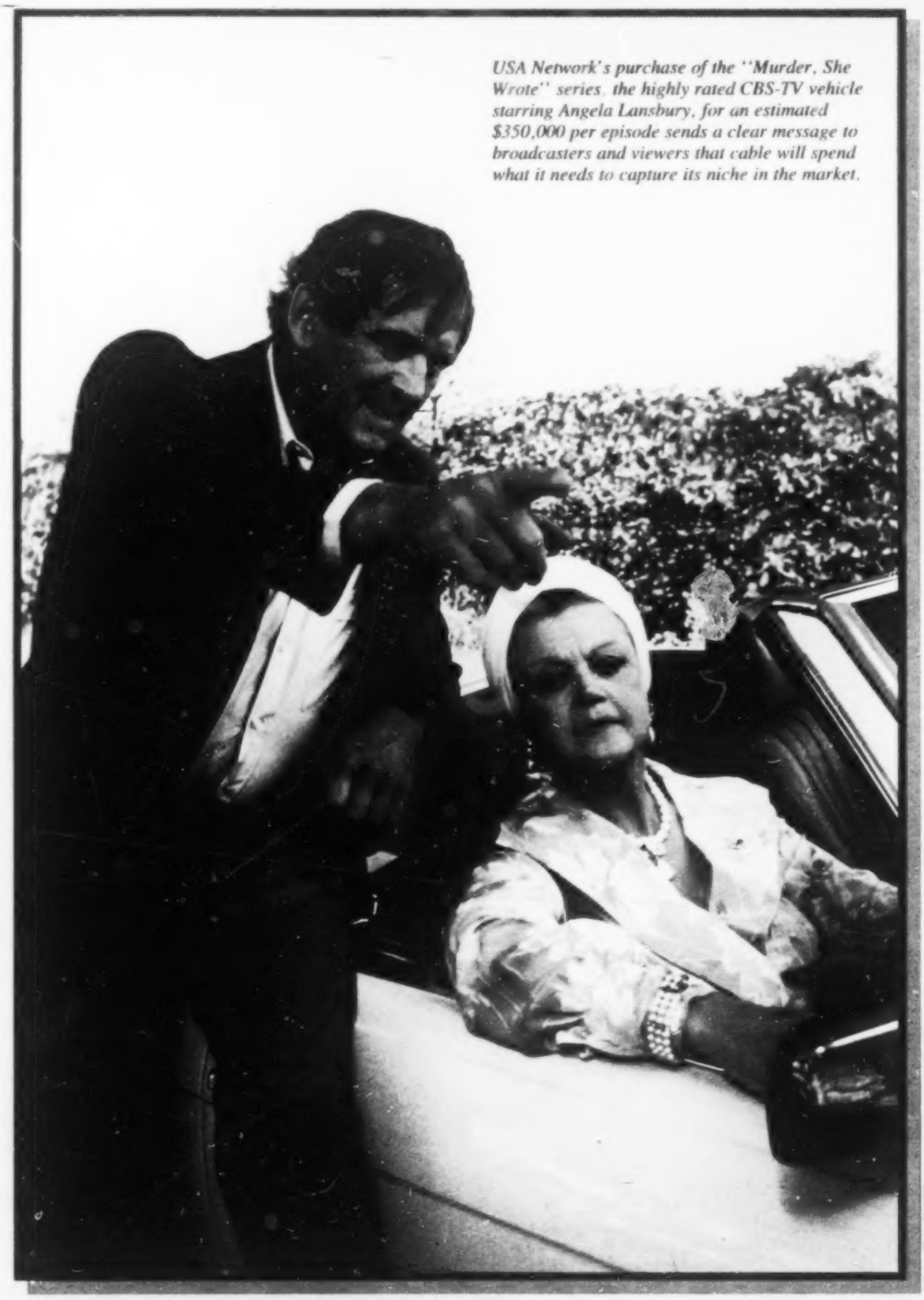
Advertising Age

Crain's International Newspaper of Marketing

Special Report

Cable TV

New muscle in the marketplace



USA Network's purchase of the "Murder, She Wrote" series, the highly rated CBS-TV vehicle starring Angela Lansbury, for an estimated $350,000 per episode sends a clear message to broadcasters and viewers that cable will spend what it needs to capture its niche in the market.

©Gene Trindl/CBS

Cable halfway home, picking up speed

Service born of necessity cracks the magical 50% penetration mark and finally taps its potential with double-digit advertising and viewing growth

By Wayne Walley

"Buy more cable."

That was the simple recommendation of a recent Saatchi & Saatchi DFS Compton media bulletin sent to the New York-based agency's clients. But these days others than just Saatchi & Saatchi clients seem to be heeding the advice.

Nearly every ad-supported basic cable service, including Arts & Entertainment Cable Network, BET (Black Entertainment Television), CBN Cable Network, CNN, Discovery Channel, ESPN, Financial News Network, CNN Headline News, Lifetime Cabletelevision Network, MTV:Music Television, Nashville Network, Nickelodeon, SuperStation TBS, USA Network, VH-1: Video Hits One and Weather Channel, is coming off record ad sales in the fourth quarter of 1987 and expects the momentum to carry through 1988.

Lifetime President-CEO Thomas Burchill says his network will likely show a 40% increase in ad revenue this year while Paul Kagan Associates estimates ad sales for all cable networks will increase by an average of 20% to total a record

(Continued on Page S-2)

Cover photo ©Steven Hunt/ The Image Bank

Cable halfway home

Word goes out to advertisers, 'Buy more cable,' as '24 hours a day of underwater Australian wrist wrestling' is replaced by off-network series, NFL games and special original fare

(Continued from Page S-1)

$1.06 billion in ad revenue in 1988.

"Six years ago we asked agencies and advertisers, 'When will the floodgates open?' 'When will you buy cable?' " says Douglas Greenlaw, senior VP-ad sales at MTV Networks, New York. "They said we needed to reach 30% or 35% penetration. We reached it and they said 'get to 40%.' But now that we've reached 50%, it's starting to happen.

"I met with people at Leo Burnett and DDB Needham Worldwide in Chicago, and we were saying someday we'll look back and point to the end of 1987. We're becoming a factor in the marketplace. Erosion of the broadcast network audience is happening. It's not just a blip. And advertisers are looking to cable to fill the gap."

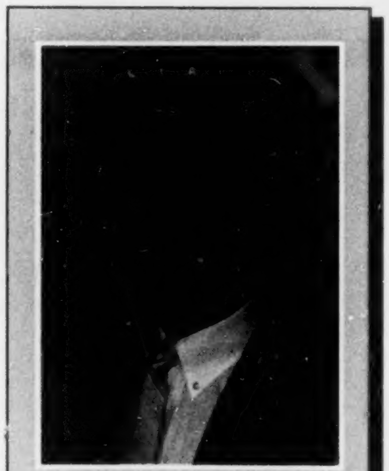
Cable penetration passed the watershed 50% threshold in November, and as of Feb. 1, according to A.C. Nielsen Co., cable reached 51.1% penetration—or 45.5 U.S. million homes.

Cable penetration

Top 50 designated market areas ranked by TV households

Rank and Designated Market Area	% Penetration July '87	Cable TV HH's July '87
1. New York	41.7	2,883,630
2. Los Angeles	40.2	1,814,760
3. Chicago	34.6	1,059,450
4. Philadelphia	49.1	1,253,330
5. San Francisco-Oakland	54.1	1,140,330
6. Boston, Manchester, N.H.	57.1	1,146,420
7. Detroit	41.2	686,830
8. Dallas-Ft. Worth	38.7	618,660
9. Washington, D.C.	36.3	575,620
10. Cleveland, Akron	47.5	687,200
11. Houston	43.0	619,780
12. Atlanta	44.7	546,840
13. Pittsburgh	63.8	765,510
14. Tampa-St. Petersburg, Fla.	53.0	636,300
15. Seattle-Tacoma	55.7	664,690
16. Miami-Ft. Lauderdale	51.3	611,480
17. Minneapolis-St. Paul	37.6	442,590
18. St. Louis	38.7	407,680
19. Denver	47.1	473,460
20. Sacramento-Stockton, Calif.	39.8	362,150
21. Phoenix, Flagstaff, Ariz.	38.2	344,970
22. Baltimore	35.0	310,620
23. Indianapolis, Lafayette	52.8	459,760
24. Hartford, New Haven, Conn.	72.2	621,160
25. San Diego	69.0	542,770
26. Portland, Ore.	49.4	392,600
27. Orlando-Daytona Beach-Melbourne, Fla.	58.6	439,060
28. Kansas City	49.0	347,970
29. Cincinnati	48.4	342,300
30. Milwaukee	43.3	303,380
31. Nashville, Tenn.	41.0	274,400
32. Charlotte, N.C.	48.7	319,340
33. New Orleans	55.4	355,690
34. Greenville-Spartanburg-Asheville, S.C.-N.C.	40.8	255,240
35. Columbus, Ohio	50.7	308,320
36. Raleigh-Durham, N.C.	46.1	277,250
37. Oklahoma City	51.7	315,110
38. Grand Rapids-Kalamazoo-Battle Creek, Mich.	52.5	307,610
39. Buffalo, N.Y.	59.9	365,170
40. Birmingham, Anniston, Ala.	49.1	291,730
41. Memphis, Tenn.	47.4	270,700
42. Salt Lake City	37.0	212,060
43. San Antonio, Tex.	63.3	336,660
44. Providence-New Bedford, R.I.	57.2	298,550
45. Norfolk-Portsmouth-Newport News, Va.	57.8	302,170
46. Harrisburg-Lancaster-Lebanon-York, Pa.	60.9	321,070
47. Wilkes Barre-Scranton, Pa.	68.9	356,270
48. Louisville, Ky.	54.6	275,500
49. Dayton, Ohio	56.5	280,140
50. Charleston-Huntington, W. Va.	62.7	311,110

Source: Nielsen Station Index



CBS thrown for loss

ESPN's offer to double his salary to $400,000 made Joe Theismann the first network football announcer to leave for cable.

"Cable is now delivering on its promise," says David Verklin, VP-media director, Hal Riney & Partners, San Francisco. "ESPN is no longer tractor pulls. CNN fills a bona fide niche. I've put clients on USA for the U.S. Open in tennis. And it's a lot easier to sell clients on cable today because a lot of them have it at home."

A number of forces seem to have emerged at the same time to create cable's new-found muscle. The Big Three network inventory had been reduced by the elections, the Olympics and make-goods to advertisers resulting from audience shortfalls in people-meter measurement of actual viewers vs. guarantees by networks. Besides crossing the 50% penetration level, ratings in every daypart on cable networks have shown significant improvements over the previous year.

Basic cable viewing in the fourth quarter of 1987 versus 1986, for example, increased by 14% for a 24-hour period while total television viewing was down 3%.

Many people turned to CNN to watch its extensive coverage of Col. Oliver North and the Iran-contra hearings. Others were impressed by ESPN's production of the America's Cup race off Perth, Australia. FNN was lauded for its calm and thorough coverage of the October stock market plunge. And ESPN's National Football League Games shattered cable ratings records.

The growth of cable

	Subscribers (000)	Household penetration (%)	Pay subscribers (000)
1970	4,498	7.5	N/A
1975	9,197	13.2	N/A
1980	17,671	22.6	7,599
1981	23,219	28.3	11,842
1982	29,341	35.0	17,311
1983	33,794	40.5	21,151
1984	37,291	43.7	22,372
1985	39,873	46.2	24,165
1986	42,237	48.1	23,709
1987	44,971	50.5	27,600

Source: Cabletelevision Advertising Bureau

Even presidential candidates are buying time on cable networks, a significant sign the industry has come of age as an ad medium. In Iowa, Rev. Jesse Jackson devoted nearly half of his TV budget to cable. And Massachusetts Gov. Michael Dukakis even created an ad hoc network of cable systems to conduct a telethon.

Many observers believe the national cable networks could command as much as 10% of political ad spending this year while cable operators are likely to find local candidates ready buyers for time on local systems.

"The question for clients is no longer whether or not to use cable; rather the issue is how much more cable is appropriate," Saatchi & Saatchi's media bulletin concluded.

Beefing up product

But, according to USA Network President-CEO Kay Koplovitz, agencies and advertisers wouldn't be as interested if cable hadn't improved its product. "The programming is light years from what it was," she says.

Indeed. Gone are the days when USA depended on such chestnuts as ancient episodes of "Dragnet" to attract viewers and ESPN was described as "24 hours a day of underwater Australian wrist wrestling."

Today, USA, Lifetime and CBN Cable are able to pay up to $350,000 per episode for top off-network series including "Murder, She Wrote," "Miami Vice," "Cagney & Lacey," "Remington Steele," "Hardcastle & McCormick," "Father Murphy" and "Falcon Crest" *before* the shows go into broadcast syndication.

"You purchase high-profile, off-network shows as a promotional vehicle," says Tim Kassick, director of programming at CBN Cable Network, Virginia Beach, Va. "When you factor in the promotional po-

(Continued on Page S-6)

Cable halfway home

(Continued from Page S-2)

tential from fresh off-network shows, it's worth it. It's better than buying 7,000 newspapers and a lot easier to coordinate. We have 8,000 cable operator affiliates. And problems are compounded in each market. NBC is on only one channel; CBN could be on 12 different channels in the same city."

CBN, Lifetime and USA, along with The Discovery Channel, ESPN, FNN, MTV, TNN, Nickelodeon and SuperStation TBS, also have increased production of original made-for-cable fare to add to their schedules. Among the entries are "Attitudes," a talk show on Lifetime; "The Campbells," a dramatic series on CBN; and "Airwolf," an action-adventure series on USA.

The cable networks, most of which are in the black today and can afford to experiment with programming, say it is simply a maturation of the industry.

A modest start

Essentially cable has come a long way from its modest beginnings as a tool for better reception. Originally known as "community antenna television" or CATV, the industry numbered just 70 operating systems serving 14,000 subscribers in 1952. By 1960, 640 systems served 650,000 subscribers and by 1970, 2,490 systems had 4.5 million subscribers.

But that was before people like Ted Turner recognized the potential benefits of cable TV—increased channel capacity, more extensive programming and the possibility of pay TV.

While revenues for the Big Three networks grew 17% a year and captured 90% of the country's television audience from 1975 to 1980, superstations, cable networks and pay service channels began their development. Between 1980 and 1984, revenues of cable and pay-TV companies catapulted by 278%.

> *"We're becoming a factor. Erosion of the broadcast network audience is happening. And advertisers are looking to cable to fill the gap."*
>
> Douglas Greenlaw
> MTV Networks

The media quickly heralded cable as "the medium of the future." But by the end of 1984, TV's "second coming" was laced with problems relating to franchise wars, stumbling networks, high capital costs and declining profits. Many wrote off the industry, trumpeting in its place another TV technological wonder, the videocassette recorder.

"But no one told the consumer cable was dead," says Robert Alter, president of the Cabletelevision Advertising Bureau, New York.

"The early expectations of cable were unrealistic. There was a backlash. Ad agencies were mad we didn't live up to it, but now we're on realistic footing."

"Things were flat for a while," agrees Roger Werner, senior VP-ad sales, ESPN, Bristol, Conn. "In 1985 and 1986, the industry went through a consolidation period while it grew in subscribers and advertisers and programming. But then the network erosion had temporarily slowed down and people thought it was the end of cable."

Enter the skipper

That's when Dennis Conner sailed to the rescue. ESPN's extensive live coverage of the America's Cup races from Perth, Australia, earned as high as a 20 share despite most of the racing footage reaching the East Coast after midnight.

"What it really did was prove we could do a complex production and provide intelligent commentary. We told the story," says ESPN's president-ceo, J. William Grimes. "Because of it the NFL had the confidence we could do the job for them, too."

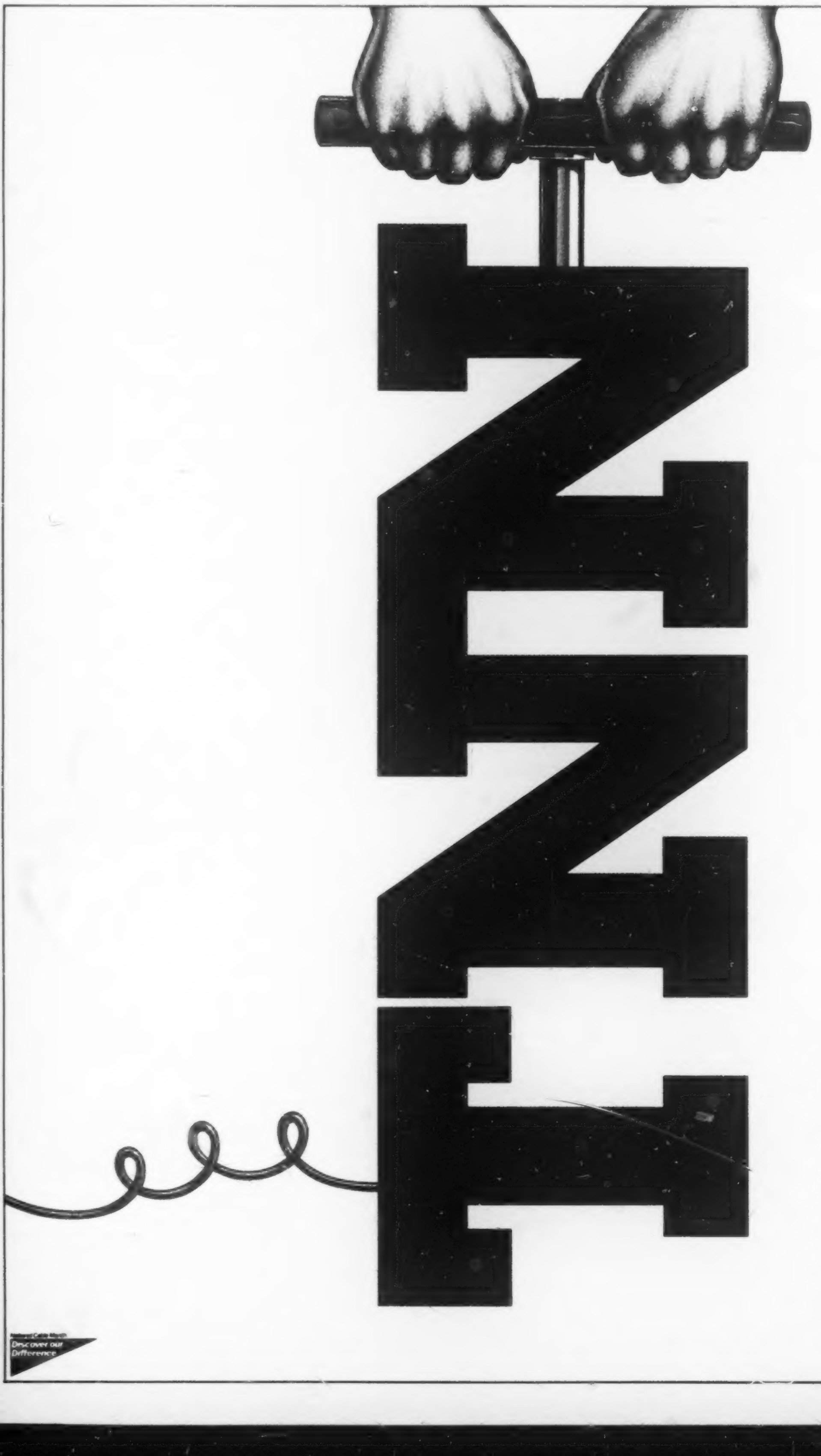
Many in the industry credit the National Football League with bringing cable TV to a new level. "The NFL legitimized local advertising on cable," says John Malone, chairman-ceo of Tele-Communications Inc., Denver, by far the country's largest multiple system operator *(see chart on Page S-2)*. "That just whets the appetite of the industry. I'm not a programmer, but I know programming will drive the economic machine.

"A lot of things the American public wants to see can't be paid for by advertising. That will increasingly be true in the future," he says. "We'll get into a hybrid model where subscription fees and advertising are the rule of thumb for paying for high-cost programming alternatives. We're just seeing the tip of that iceberg today."

Yet the Big Three networks are already feeling some of the effects of viewer fragmentation caused by the proliferation of cable TV and the expansion of independent broadcast stations. For instance, NBC's total audience as the top-rated network in 1986 was 5% *less* than 1980, when NBC ranked last.

With increased revenues, greater penetration and wider acceptance among advertisers, those in the industry believe cable will grow stronger, create a new cable window for off-net-

(Continued on Page S-10)



OUR NEW SEASON WILL BE DYNAMITE.

TNN has added exciting new shows like the TNN Viewers' Choice Awards, Rock 'n' Roll Palace, American Magazine, Holiday Gourmet and Side By Side to all your old favorites.

TNN: Our new season is about to explode.

TNN 5 years

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Cable halfway home

(Continued from Page S-6)

work series, win rights to major events and begin producing its own top quality programming.

That's the idea behind Ted Turner's new Turner Network Television, an ad-supported basic channel he hopes to launch in October. TNT, he says, will be cable's vehicle for exclusive programming including series, miniseries, TV movies, special events, sports and jewels from his MGM film library, including "Gone With The Wind" *(see story on Page S-22)*.

Other networks already have expanded original production and have started to spawn a new cottage industry as a program supplier to broadcast stations. Nickelodeon's "Double Dare," for example, has become a hit in broadcast syndication and another version of the children's game show called "Family Double Dare" has joined Fox Broadcasting Co.'s Saturday night prime-time lineup.

The Disney Channel's original episodes of "Winnie the Pooh" may eventually find a spot on ABC. Showtime's "It's Garry Shandling's Show" started airing on Fox's fledgling fourth network in March. And NBC plans to develop a family situation comedy for The Disney Channel that may eventually join the NBC weekend or daytime lineup.

NBC Entertainment President Brandon Tartikoff believes the less competitive and less risky cable arena could allow new writing and producing talent to develop without the pressure of ratings.

Sports salvation

But while the cable networks continue efforts to produce original dramas, situation comedies and special events, the most coveted programming on cable channels is sports. And for good reason.

The three-hour NBA All-Star Saturday on SuperStation TBS in February reached 3.3 million homes, the channel's second largest audience ever, behind the National Geographic Society "Explore" special, "Secrets of the Titanic," which ran last fall.

An event halfway around the world, the America's Cup covered by ESPN, excited the U.S. about cable.

ESPN's eight regular-season National Football League games averaged a combined cable/broadcast rating of 12.4, well above the 9.5 the network guaranteed to advertisers. ESPN's four preseason games also topped their guarantee of 6.0 with an average 8.5 cable rating.

Pay-per-view and pay cable also have become the premiere venues for boxing, turning the once-moribund sport into a profitable venture even though they pay double and triple what a broadcast network is willing to pay.

Media Sports Business, a Paul Kagan Associates publication, estimates ad sales on cable sports programming both national and regional could reach more than $248 million in 1988, accounting for some 17% of cable's total national and local ad revenues.

ESPN's ad sales were up 20% in 1987 and the network hopes the expansion of Arena Football, another America's Cup regatta and the second year of its three-year $153 million deal with the NFL will yield similar results. Big on ESPN's shopping list is Major League Baseball and a hoped-for co-production of the 1992 Olympics. Competition, however, will be fierce.

Because of what has become prohibitive cost for Olympic rights, all three networks and possibly Fox Broadcasting Co. could be in search of a cable partner, with both USA Network and Lifetime likely candidates. USA is also "very interested" in Major League baseball.

Dual revenue

If a cable network were to land baseball or part of the Olympics, the service likely would turn to cable operators to help pay for the rights. It is this dual revenue stream from

(Continued on Page S-12)

Sharp Minds Recognize Sharp Opportunities

SHARP.
Sharp Shooter-of-the-Month
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For the people at The Sharp Electronics Corporation, advertising on MSG Network delivers more than just men 18-49. It also means enjoying the rewards of MSG's unique merchandising opportunities.

From Knicks programs to Rangers dasherboards, from team parties to scorer's table banners to pocket schedules to team and programming sponsorships, advertisers like Sharp Electronics Corp. can be part of team/arena tie-ins that only a network called Madison Square Garden can offer.

Just as importantly, as one of the country's largest regional networks—reaching 2.2 million households in the New York tri-state area—MSG can help you score big with the prime male audience you want.

When it comes to sports, no one brings home the feeling of being at the game better than MSG Network. Whether it's Knicks basketball, Rangers hockey, boxing, tennis, college and high school sports or exclusive weekly series and Garden Premiere Events, our all-star sports line-up means a quality male audience all year-round.

Join advertisers like Sharp Electronics Corp. who've discovered the benefits that come from bringing the Garden home. When it comes to advertising on MSG Network—we bring your product home and in more ways than one. Call Douglas Moss, V.P. Ad Sales, at (212) 563-8450, and learn how you can enjoy MSG Network's unique merchandising opportunities.

"We Bring The Garden Home!"

Marketers take notice of viewers' Discovery

By Wayne Walley

Channel moves curiosity, nature, science into an 18-hour-a-day lab for fresh programing

The Discovery Channel has become cable TV's latest success story.

Launched on June 17, 1985, with just 300,000 subscribers, the network now reaches 29.4 million households with its mix of nature, science and technology, history, human adventure and world exploration documentaries.

"National Geographic couldn't get arrested trying to sell this stuff," says Bart McHugh, senior VP-director of national radio/TV programming, DDB Needham Worldwide, New York. "But without sports, without weather and without news, The Discovery Channel is making a go of it."

Discovery programs 18 hours each day, scouring the globe for material. Essentially the network has become a godsend for documentary producers by creating a new American outlet for their work besides the limited time devoted to documentaries on the Public Broadcasting Service and "National Geographic" specials.

"We're a breath of fresh air for the producers," says Ruth Otte, president-chief operating officer of The Discovery Channel, based in Landover, Md.

"We want to be the home of premiere programs in this genre. But we also need advertisers. That's the economics of it. We need ad revenues and affiliate revenues . . . Getting the programs is what it is ultimately about and we're two years ahead of schedule."

Originally supported by subscriber fees only, Discovery opened a New York sales office last April and now lists such heavyweight advertisers as AT&T, Burger King, Colgate-Palmolive, Ford Motor Co., General Motors, Gillette, MasterCard, Procter & Gamble, Timex, Wang and Whirlpool, among others. "We always thought we'd bring a new viewer to the advertiser," Ms. Otte says. "Half our audience, according to a study we did in February, is light TV viewers, people an advertiser isn't likely to reach with traditional fare.

The first Discover Channel production, made with BBC's Natural History unit, is "Reef Watch: Live From The Red Sea."

"The documentaries are also squeaky-clean programming. We can go after corporate affairs money or budgets for classics in much the same way MTV likes to tap into a sponsor's promotional budget instead of advertising."

Discovery also offers a more clutter-free environment for

(Continued on Page S-16)

Halfway

(Continued from Page S-10)

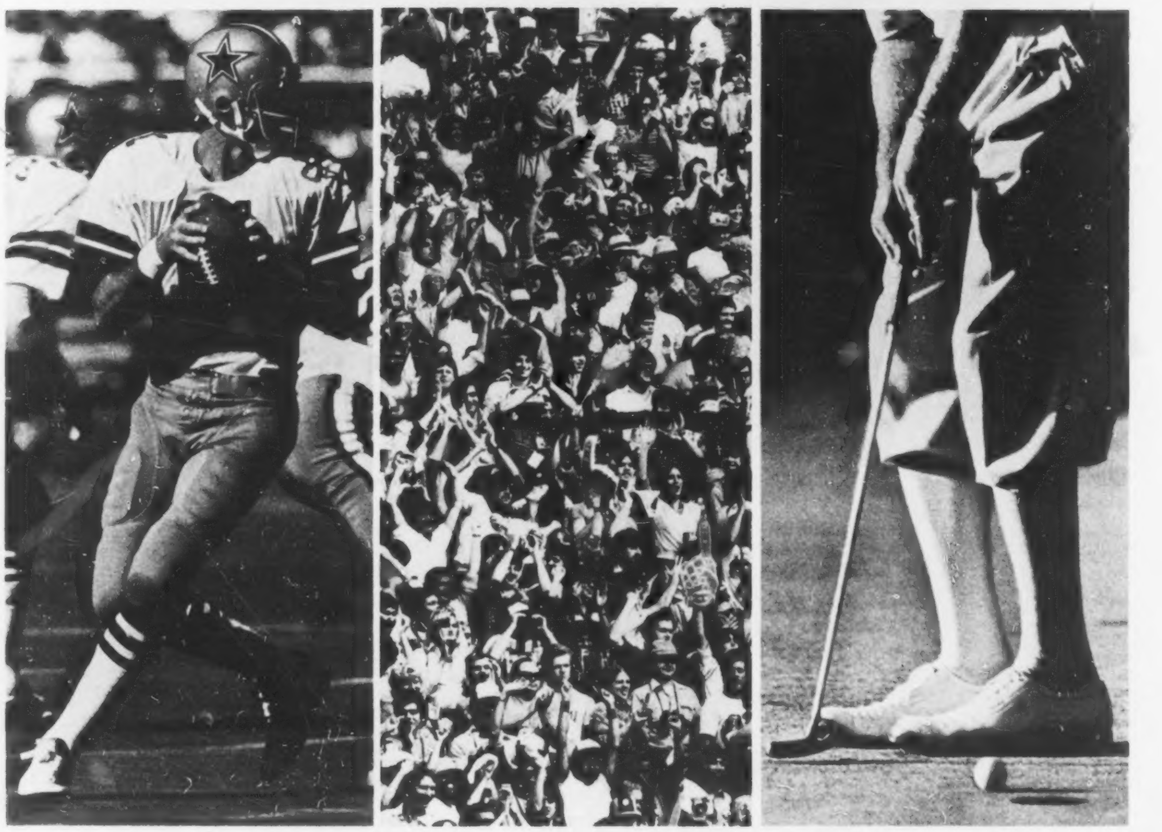
ad sales and subscribers' fees that just might give cable the advantage over broadcasters.

But because so many cable companies have merged and invested in each other, the industry has raised the ire of broadcasters and set off new hearings in Washington.

Many, including Jack Valenti, president of the Motion Picture Association of America, question whether the industry has grown monopolistic and too large and powerful to warrant a compulsory license. They are urging new additional government regulations, but Ted Turner believes the industry will fare well.

"You had to expect a counterattack," Mr. Turner says. "We'll have to work hard and defend ourselves. We've moved from the position over the past 10 years from way on the outside into the predominant communications media as far as 50% of the people are concerned.

"We're doing our job making programs and we have a service people want and enjoy. But we're stepping on the toes of our competitors, and we should be concerned."



THE MEN YOU WANT ARE WATCHING DALLAS, CHEERS AND DIFFERENT STROKES.

The upscale men you're after stand way apart from the norm. And so do their viewing habits. To this select group, "Night Court" means a college basketball game in prime time. And "L.A. Law" is the Raiders' defensive unit. No wonder these men who earn more, spend more and do more are turning off the broadcast networks and turning to ESPN®

They know ESPN is where they can find CFA College Football, Top Rank Boxing, NHL Hockey, College Basketball and more. This season we've even got TV's ultimate weekly drama series: NFL Sunday Night Football.™

And smart advertisers know ESPN is where they can find men who buy 22% more life insurance, 31% more telecommunications equipment and who take 33% more business trips than the national norm.* Which proves just how above average our average viewer is.

Without ESPN, you're underdelivering this very attractive audience. But you can reach them effectively—for a much lower CPM than the networks—by placing a mere 10% of your sports budget with us. You'll see results so dramatic they could change the way you spend your ad dollars from now on. After all, if you're still trying to reach upscale men through the likes of "Knots Landing," you just might be missing the boat.

ESPN
THE TOTAL SPORTS NETWORK

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New York (212) 661-6040, Detroit (313) 874-1818, Chicago (312) 938-4200, Los Angeles (213) 205-8900

INTERVIEW

Koplovitz sets sights on banner year

Changes at networks widen the opening for USA alternatives

Building on the premise in 1980 that a broad-based entertainment network would develop core viewership attractive to many advertisers, Kay Koplovitz now presides over a USA Network that has become a model for the cable industry. In establishing USA as a pacesetter, the network's president-ceo has become the most visible woman manager in the cable industry.

Born in Milwaukee, she has a bachelor's degree from the University of Wisconsin and a master's degree in communications from Michigan State University. Before joining USA Network, she was VP and executive director of UA-Columbia Satellite Services.

Ms. Koplovitz currently sits on the board of the New York City Partnership, Junior Achievement, Ad Council, International Council and the National Academy of Cable Programmers. She recently talked with ADVERTISING AGE about cable TV's present and future.

Q: Some call the fourth quarter of 1987 the turning point for cable TV. Ad revenues soared and now many paint a rosy future for the industry. Was the fourth quarter also a turning point for USA Network?

A: It's hard to pinpoint one moment as a "turning point" for the industry. I look to 1986 and think there were significant changes then in terms of the amount of advertising clients who looked for cable. Clearly there were changes at the three networks and a decrease in audience. But then, we've seen more changes with People Meters and there was a stronger impact in the second half of 1987. The year 1987, in general, was much stronger for cable in terms of ad sales. Then it picked up tremendous steam in the fourth quarter and the momentum is carrying over into 1988. We've had exceedingly strong sales in the first quarter and it looks good. This year, 1988, is likely to be cable's banner year.

Q: The networks are experiencing a glut of ad inventory in the second quarter for various reasons. Some people are saying now is the time to find bargains on the networks, particularly in daytime, because so few are buying time. But it sounds like USA and cable TV aren't experiencing the same thing. Does this mean cable is at the point where it is no longer severely impacted by what happens in the network marketplace?

A: In a sense, broadcast and cable are all TV and they are impacted by the marketplace. But advertisers in broader

"It's hard to pinpoint one moment as a 'turning point' . . . I look to 1986 and think there were significant changes then in terms of the amount of advertising clients who looked for cable."

Kay Koplovitz

Welcome an exciting new member to the media family!
Disney
5:00 p.m
Ch 15
WED JULY 15 2:00 PM 2:23:09 PM
7 NIC — PINWHEEL
10 WGN — CUBS VS PIRATES
13 KTUL — NEWSDAY
15 DIS — HARDY BOYS
17 MTV — ROCK AND ROLL VIDEO
Incredible High-Impact TV Program Promotion for networks & syndicators!
Soft and Gentle
SUN MAR 21 6:30 PM 5:51:02 PM
8 KOTV — SIXTY MINUTES CONT
11 PBS — THE WONDER OF IT ALL
13 HBO — OUT OF BOUNDS (PG) MICHAEL J. FOX, SAMANTHA SMITH
16 TMC — THE COLOR PURPLE
Devastating TV Frequency Clout for Product Advertisers!
PREVUE Guide
"The Kids a Natural"

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A Satellite Service of United Video, Inc.

Viewers' Discovery

As the network hits 30 million households, it's achieved its first 'break even' month and is now beginning to generate its own programs in addition to supporting documentary producers

(Continued from Page S-12)

advertisers because it limits national ad time to 7½ minutes per hour, less than other cable and broadcast networks.

"The commercial breaks also float," Ms. Otte says. "We try to break once in the first half-hour, once at the half-hour and once in the second half-hour, but it's not always at the same exact time. We break at times when it fits in with the documentary. And if a show doesn't lend itself to breaks, then we won't break. So far the policy has worked okay."

A Discovery spokesman says the channel has recorded its first "break even" month and plans to reinvest earnings in its own productions.

The first will be "Reef Watch: Live From The Red Sea," a coventure with the BBC's Natural History unit. Scheduled to air at different times on May 6, 7 and 8, the show will give viewers a first-hand look at the Red Sea's underwater flora and fauna. The pictures will be beamed directly from the sea floor to a satellite and relayed live to The Discovery Channel.

"Cable, in general, has an image of being all reruns," Ms. Otte says. "But when you are in a niche, you innovate. We have a responsibility. We can't take the audience lightly. We need to get their attention, so we plan to get heavily into coproductions in the future. We now have a development department and we plan to find partners from around the world."

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Premium Channels Publishing Company, Inc.

numbers are realizing that a cable network with a national measurable audience can no longer be swept under the carpet. You can't say the network audience erosion is an aberration anymore. Advertisers are finding a fragmented marketplace and they can't make it up just by buying syndication. The networks lose audience share and cable restores it. I expect cable will become part of more regular buys by advertisers. We are now with a number of companies. But cable ad revenues are still not where the marketplace delivery is. We have room to grow. We are not getting full value.

Q: Cable's growth curve slowed in the mid-1980s and people were writing off the medium because it hadn't lived up to its potential. Subscriber levels, revenues and ratings were not near the early projections. Now it seems cable has quietly and suddenly achieved what it said it would do. What happened to cause this?

A: The programming improved. Major city cable systems were built. The distribution system is now there. But the programming is light years from what it was. It's hard to predict how much better it will get in the next five or ten years, but it's growing fast.

Q: Did USA Network change its strategies?

A: No. It's been clear to us. And for the last couple of years we've been doing exactly what we've been saying we will do. We are a broad-based entertainment network. Our strategy in prime time and access is to combine off-network product in an exclusive window with our original productions.

Q: In your opinion, what does cable offer a new advertiser and once you have them, can you keep them as advertisers?

A: We can keep them. That's been the track record of the network. Cable offers an advertiser an exceedingly good quality audience the advertiser is trying to reach. Again, this is a generalization, but cable usually delivers more viewers per viewing household than broadcast in whatever target audience an advertiser wants.

Q: Do you foresee increased competition between cable networks for programming such as sports and off-network series? There's also the advent of Turner Network Television. Will this help or hurt cable?

A: There's already a lot of competition for programming. Will one or two more channels make a difference? Maybe not. There is a definite difference in the type of show a USA Network or CBN Network or Lifetime Cabletelevision Network will go after. Sporting events is where there might be increased competition. We're very interested in Major League Baseball and the National Basketball Association.

Q: When you talk about sports, ESPN's NFL games come to mind. ESPN passed on the cost of the programming to cable operators with a subscriber fee surcharge. Might USA do the same in the future?

> *"Sporting events is where there might be increased competition. We're very interested in baseball and the National Basketball Association."*

A: Cable operators are important for sharing program costs. We all benefit, but they benefit by it the most. These days each subscriber is worth about $2,000 to a cable operator.

Q: They also get local avails to sell in the high-profile programming, which brings new local advertisers to cable and increases the operator's revenues.

A: Yes. Local advertising is becoming an important source of revenue for cable operators. That's one thing that will continue to grow and become more and more important throughout the 1990s.

Cable TV's top 10 advertisers for 1987

	Ad expenditures (in millions)	% change from 1986
1. Procter & Gamble	$23.71	-20.3%
2. Anheuser-Busch	22.94	17.7
3. Philip Morris	20.58	-7.2
4. General Mills	18.58	19.6
5. Time Inc.	16.41	2.3
6. Mars Inc.	14.87	-15.8
7. RJR Nabisco	14.68	40.5
8. Coca-Cola Co.	9.79	59.8
9. Thompson Medical Co.	8.37	360.2
10. General Motors	7.96	10.6

Source: Arbitron Broadcast Advertisers Reports

"The Discovery Channel Made Me A Star"

It's not everyday that somebody makes you a star.

☐ A star in nearly **30 million** homes nationwide;

☐ A star before a discriminating audience of hard-to-reach viewers;

☐ A star in popular programs that enlighten as they entertain.

I owe it all to **The Discovery Channel**, cable's bright new star.

Ask how Discovery can add sparkle to your media plan.

Let **The Discovery Channel** make you a star, too.

Call Kathy Clinton at **(212) 751-2120**, 18 East 48th Street, 21st Floor, New York, NY 10017.

Source: Nielsen Coverage Report, 2/88
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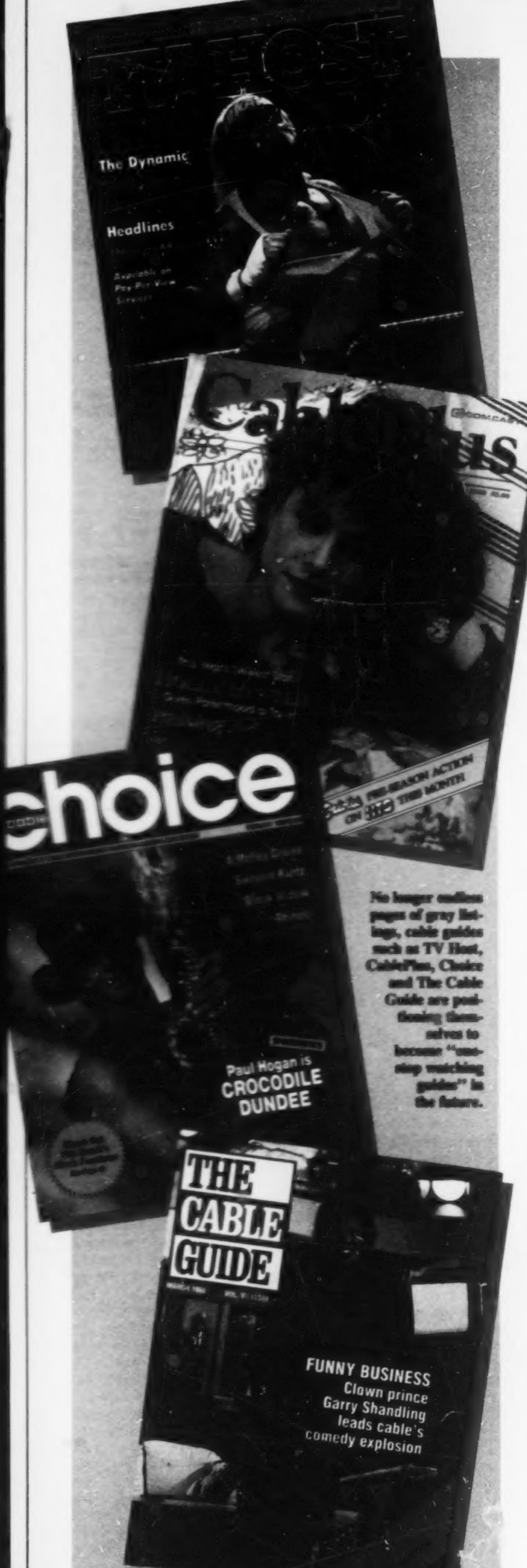
Discovery

☐ NATURE ☐ SCIENCE AND TECHNOLOGY ☐ HISTORY ☐ WORLD EXPLORATION ☐ ADVENTURE


The Dynamic
Headlines
choice
Paul Hogan is CROCODILE DUNDEE
THE CABLE GUIDE
FUNNY BUSINESS
Clown prince Garry Shandling leads cable's comedy explosion

No longer endless pages of gray listings, cable guides such as TV Host, CablePlus, Choice and The Cable Guide are positioning themselves to become "one-stop watching guides" in the future.

Users opening up to spruced-up guides

■ *Cover stories, easier-to-read listings win over advertisers, systems and subscribers*

By Eileen Norris

It wasn't so long ago that cable guides' endless sea of listings would test the bleary vision of even a world-class couch potato.

Today, the guides to cable programming are better looking, beginning with splashy cover stories, opening to neatly presented program highlights, and finishing with easier-to-read listings. The guides are finally starting to get respect from advertisers, cable systems and even subscribers—some of whom appear to willing to spend up to $3 a month for a guide.

Some guides even place a new emphasis on network programming information. "The networks won't go away," says one cable guide publisher matter of factly. "We can co-exist." The goal is for the cable guide to become the "one-stop watching guide" of the future.

"The potential for the national advertiser is enormous, says Lou Pirnik Jr., national advertising director for TV Host Inc., Harrisburg, Pa., which publishes cable guides distributed in Pennsylvania, New Jersey and Oregon.

"Network TV viewing is down, non-commercial TV watching is up and these viewers have to pick up a guide to find out what to watch," he says. "It's a great place for an advertiser's message." It's especially true now that cable has reached that all-important 50% household penetration benchmark.

From a circulation perspective, the deregulation of the cable industry has given the cable guide market a boost, says Bob Dallas, vp-marketing for TVSM Inc.'s *The Cable Guide*, Horsham, Pa.

"The cable operators can now charge more for their services, so they have more money to pay for the guides," he says. "Plus it allows the operators to provide better service to subscribers."

Cable operators seem more receptive to the guides, too, but their enthusiasm could have something to do with the fact that some subscribers are beginning to pay for the listings, which translates into a new revenue source for the operator as well as a handy billboard for a cable system's promotions.

"The guide adds value to the cable package," says Larry Higby, senior vp of marketing, programming and sales at Irvine, Calif.-based Times Mirror Cable Television, which has 50 cable systems and 915,000 subscribers in the U.S. The cable company in January started offering *The Cable Guide* at no cost to its premium service subscribers. It sells the guide, which it buys from TVSM, for $1 an issue to basic subscribers who request it.

Still, many advertisers apparently remain lukewarm to the idea of cable guides. "It's easier to get an appointment on Madison Avenue," says Mr. Pirnik. "We don't get as many doors slammed in our face anymore, but it's still a hard sell."

"We've always been a service guide and we'll continue to be that, but we plan to be read as an entertainment vehicle in the future."

Neil Heller

"It's easier to get an appointment on Madison Avenue. We don't get as many doors slammed in our face anymore, but it's still a hard sell."

Lou Pirnik Jr.

When Time Inc. lost $47 million after the quick death of its *TV-Cable Week* in September, 1983, uncertainty swept the fledgling guide industry. As other cable guides succumbed, no one was sure what was going to become of the infant category.

Now that uneasiness seems to have subsided a bit.

"Our research shows that subscribers want one source for viewing information and editorial entertainment," says Alan Vandenburgh, president of The CPI Guide Network in Boston, which publishes about 200 different versions of its guide, going to 5.5 million subscribers monthly under the names *Cable Choice, Cable Time* and *Choice*.

And he doesn't believe the grand-daddy of them all, *TV Guide* can give cable viewers what they need. "The weekly *TV Guide* is in a league of its own, but they can't give the detailed cable information that we can," he says. "Plus, cable programming is viewed on a monthly basis, so our chief competitors are the other guides." *(See related story on Page S-26.)*

CPI uses its cable operators as its distributors for the magazine, which costs subscribers anywhere from 75¢ to $2. The publisher started charging for the magazine about a year ago, but only about 10% have been converted to paid status. Mr. Vandenburgh is aiming to increase that percentage to 60%, although he realizes the process will take time.

"We have found that the people who really use the guide are prepared to pay for it," he says. "When you give a guide away, about 20% to 30% of the people throw it away. If we can get 60% paid and figure in those that throw it away anyway, then there's only a 10% gap."

The Cable Guide has a rate base of 6 million nationally and also charges its 20 multiple system operators for the guide. The operators can either sell it (which about one-third do, for anywhere from 75¢ to $1.50) or include the guide in its package to subscribers who buy two or more pay services.

(The cable publishers declined to say what they charge the operators for the guides. Nor would cable operators divulge what they pay for the guides or how much revenue they get from selling the guides to subscribers.)

"The cost we charge the cable operator depends on distribution, locale and volume," says Neil Heller, president of *The Cable Guide*,, which is published in 500 versions. (The 50,000 pages of different listings are printed in a 10-day production period.) The average length of the monthly guide is 248 pages, which includes 200 pages of listings.

The Cable Guide had a heady 1987, gaining 2 million subscribers over the previous year. Advertising revenue shot up 68.4% in 1987, from $11.5 million in 1986 to $19.4 million in 1987. Advertising pages for all of '87 climbed 55.4% over the previous year. And the publisher reports the first two months of 1988 brought continued growth, with ad pages up 18.6% over the same period in '87 and ad revenue up 51.7%.

New sign-ons in the first four months include major advertisers such as Prudential, Panasonic, Seagram, Chevrolet, Ford and Chrysler, according to Mr. Heller.

The Cable Guide is over-deliv-

(Continued on Page S-22)

Eileen Norris is a Chicago-based freelancer and a frequent contributor to Special Report.

"Regis Philbin's Lifestyles" has developed a following on Lifetime.

Female audience lifeblood of Lifetime

Tom Burchill has good reason to smile.

Lifetime Cabletelevision Network, of which he is president-ceo, projects a 40% increase in ad revenues in 1988 following record revenues in 1987.

The channel turned its first profit more than a year ago and has now solidified its position as the top cable network for reaching a female audience. "We view it as the right niche and the right segment to reach," Mr. Burchill says. "Magazines and radio went from mass-market vehicles to segmentation. TV is going through the same transformation. We're at an age when cable is moving toward personalization.

"The bulk of what we do is demographically pure. We want to reach upscale working women without diluting the audience. To me, the attractiveness we've provided advertisers in the advent of people meters is a predictable demographic profile. It's a safety net to advertisers."

While some advertisers such as includin Johnson & Johnson continue to use cable as a small supplemental buy, others—among them—Gillette Co., Lever Bros. Co., Procter & Gamble Co. and Weight Watchers International—have been on Lifetime since the merger of Daytime and Cable Health Network formed the channel in 1984.

Soon after the merger, Lifetime dropped much of Cable Health Network's family fitness, science and medicine programming in favor of Daytime's bent to provide alternative programming for women.

(Continued on Page S-27)

Turner explodes barrier via TNT

By Wayne Walley

Ted Turner likes to swim upstream.

At a time when this flamboyant entrepreneur has been rocked by financial turmoil and forced to sell off part of his company, he's attempting lately to expand his empire.

His latest venture: Turner Network Television, a new 24-hour, ad-supported "super" basic cable channel set to launch Oct. 3 with the exclusive cable TV premiere of "Gone With The Wind."

"Ted Turner had to do it," says Bart McHugh, senior VP-director of national radio/TV programming, DDB Needham Worldwide, New York. "There are storm clouds over the future of superstations. He needs a unique network. The cable industry has money to buy programming, but the question comes down to where do they put it? Cable operators virtually own TNT, so this could be the place."

As a home for cable-exclusive programming and high-profile events, some industry observers believe TNT could be the drawing card to bring more subscribers to cable TV and push the penetration level, now at about 51%, to 60% or even 70%.

To make it, all work, however, the new channel needs subscribers. Prime Cable's Atlanta system, with 150,000 subscribers, became TNT's first affiliate in March. Other MSOs also signing last month include Jones Intercable, Galaxy Cablevision and Cardinal Communications, which combined add another million subscribers to the TNT base. but Mr. Turner is hoping for 30 million by the October launch.

"If we've got 30 million subscribers, we can move the official NBA package

WTBS went for nostalgia in airing the "New Leave It to Beaver" series.

Spruced-up guides

A little promotion, marketing and upgrading of the editorial matter is making a bevy of cable guides increasingly attractive to advertisers, systems and subscribers

(Continued from Page S-18)

ering right now, so plans call for ad rates to increase by about 15% in June (a color page ad currently costs $53,400 and a b&w page is $41,120).

The guide also is sprucing up its image, having just unveiled a new design format in its March issue. Plans also call for more entertainment features, and a new editor, former *US* magazine Managing Editor Jay Gissen, assumed his duties last month.

"As the advertising increases," says Mr. Heller, "the magazine will get even more attractive. We've always been a service guide and we'll continue to be that, but we plan to be read as an entertainment vehicle in the future," he adds.

CPI started out with a circulation of 25,000 in Waltham, Mass., just six years ago. Plans call for opening this month of a 10-person advertising sales office in New York. And Mr. Vandenburgh says he hopes to add Chicago and Los Angeles offices by the end of the year.

"Cable is becoming an accepted medium," he adds. "And even though our national advertising revenue isn't there yet, we had $2 million in ad sales last year and we expect to at least double that this year." Target categories include cigarettes, package goods, automotive and home electronics.

The trend toward paid guides is one that will continue, says Mr. Pirnik of TV Host Inc., whose guides have a combined circulation of 2 million and are distributed by 30 cable operators. "The cable operator needs revenue streams and the sale of the guide is lucrative," he maintains.

But not everyone thinks that's necessarily true. "It's not a significant source of revenue for us," says Jeffrey Wayne, executive director of marketing and advertising sales for Colony Communications, a cable company in Providence, R.I. Subscribers pay anywhere from $1.50 to $3 to receive *The Cable Guide*.

But he agrees the monthly guide can give a cable company a leg up on its own marketing efforts. Cable operators typically are given several pages within the monthly guide, with such uses as advertising contests or just providing information about how subscribers can read their monthly cable bill.

"It's a tremendous service," says Mr. Pirnik. *TV Host* is sold to subscribers (and on newsstands) for anywhere from 50¢ to $2 a month. "The magazine is distributed through the cable system so how it works is up to them," he says, adding that some package it into the service at no charge while others sell it separately.

But not all cable operators think cable guides are as necessary as they were a couple of years ago, before newspapers added cable listings.

"I have mixed emotions about cable guides," Mr. Wayne says. "Newspapers are doing an excellent job of putting together a prime-time grid showing exactly what's on cable . . . The absolute necessity of having a guide is not what it was a few years ago. But, the guides focus specifically on cable programming and show viewers what channels the shows are on so they're important for retention and for giving us a place to market new products."

The *Chicago Sun-Times* has been offering cable listings for about four years, but not because it felt it had to compete with the cable guides, says Jim Wagner, "TV Prevue" editor. "They can't compete with the dailies," he says.

"First of all, the public perception is that we offer cable listings as a true public service. It has nothing to do with competition. And secondly, we provide daily listings in the paper and weekly listings in our TV guide, so our information is more current than a monthly publication," he says.

The *Sun-Times* TV supplement has grown from 50 pages, before it added cable listings, to about 100 pages a week, he adds. "Our readership is responsive to cable. We believe about 33% have cable, so we're responding to their needs."

The *Los Angeles Times* has offered cable listings since 1980, says TV editor Aleene MacMinn, and since that time has added eight pages to its Sunday "Television Times" to accommodate the cable services. "And I could easily use four more pages," Ms. MacMinn says.

"I'd like to think people look for the cable listings in their daily newspaper so that they don't have to go to two sources. Hopefully, they read the paper and stick with us for the TV listings," she adds.

over to TNT. That's part of contract with the NBA," Mr. Turner told the Southern California Cable Association in March. "That will also allow us to put 25 Atlanta Hawks games back on Superstation TBS, and it means the cable industry will be able to offer 75 NBA games."

But the goal of lining up 30 million subscribers—about two-thirds of all current cable subscribers—for a new cable channel in six months could be far-fetched.

Turner executives project 10 million to 15 million subscribers by October, which would be the largest subscriber launch of a cable network ever and immediately qualify TNT for tracking by A.C. Nielsen Co.

Immediate national ratings may help persuade some advertisers to come on board, but most media buyers remain skeptical.

"Ted is brilliant. He's often ahead of himself and the industry, but on this one he'll have to prove a lot of things," says Chuck Bachrach, senior VP-media, Western International Media, Los Angeles.

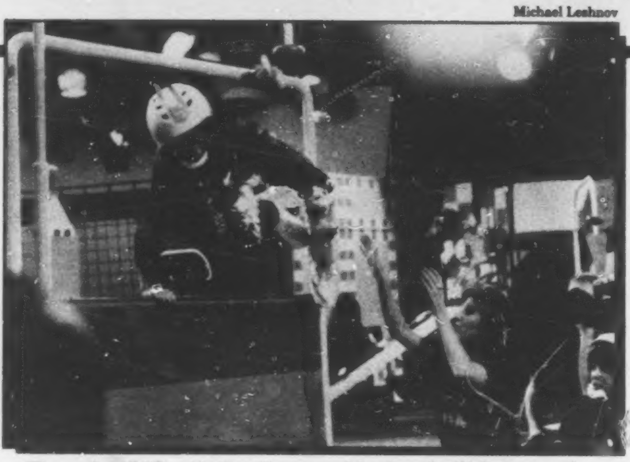
"The problem is Turner could price TNT out of the marketplace because they need the money. Already TBS seems to be priced more on the company's financial needs than media needs. USA Network, Lifetime Cable Network, The Nashville Network and CBN Cable Network are all pricing time more efficiently right now," Mr. Bachrach says.

The price of time won't matter, should TNT gain rights to top events like the Grammy Awards, the Olympic Games, Major League Baseball or "anything else we can think of," targets Mr. Turner painted last October. But now the chairman of Atlanta-based Turner Broadcasting System has lowered his sights.

"I was warned by my board—don't get people's expectations too high. Let Rupert Murdoch do that," Mr. Turner says. "But those of you that know me know I've really wanted to do some high-profile original programming for cable. If we start with 30 million subscribers, we could move our programming budgets up a year. The budget now is $40 million for original productions in 1989; $90 million in 1990 and $150 million in 1991."

TNT, he said, will start with one high-profile program a month in addition to sports programming and premieres of classic films from the MGM library, both colorized and originals.

Michael Leshnov



The antics of "Double Dare" are resulting in spinoffs for networks.

The channel will kick off Oct. 3 with the first half of "Gone With The Wind." The second half will follow on Oct. 4 with a two-hour documentary, "The Making of Gone With the Wind," scheduled for Oct. 5.

MTM's first major made-for-cable production will be a 10-hour miniseries titled "The History of Hollywood." The project is the culmination of a two-year project with the British Broadcasting Co.

"The one thing that's helped us sell this to the cable operators we've talked to and to our board was most cable networks spend about 50% of their income on programming. But for the first three years, TNT will be spending more than 80% of its total revenues—advertising plus subscriber fees—on programming. We can do it because we don't have to create another overhead," Mr. Turner says.

Turner executives expect TNT could have a prime-time schedule dominated by original programming within five years.

The cable guides don't think the dailies can do what they perceive as a job cut out for them. "The papers are not complete," says Mr. Vandenburgh of *CPI*. "People buy a newspaper for one reason but it has nothing to do with TV listings."

That sentiment is shared by *The Cable Guide's* Mr. Heller "Newspapers or supplements have no major negative effect on us, because our guides are system specific. The Sunday newspaper includes the services a cable subscriber has and those services he doesn't have. Our guide is more comprehensive and detailed. We have 20 different versions of our guide in Chicago alone to match the different systems."

Cable guides, says Cabletelevision Advertising Bureau President Bob Alter, are well positioned for success in the years to come. "They have gone from being a technical service to one that is programming driven. In the future, cable operators will be more aggressive in audience promotions, which will help position them well for future."

BLACK ENTERTAINMENT TELEVISION

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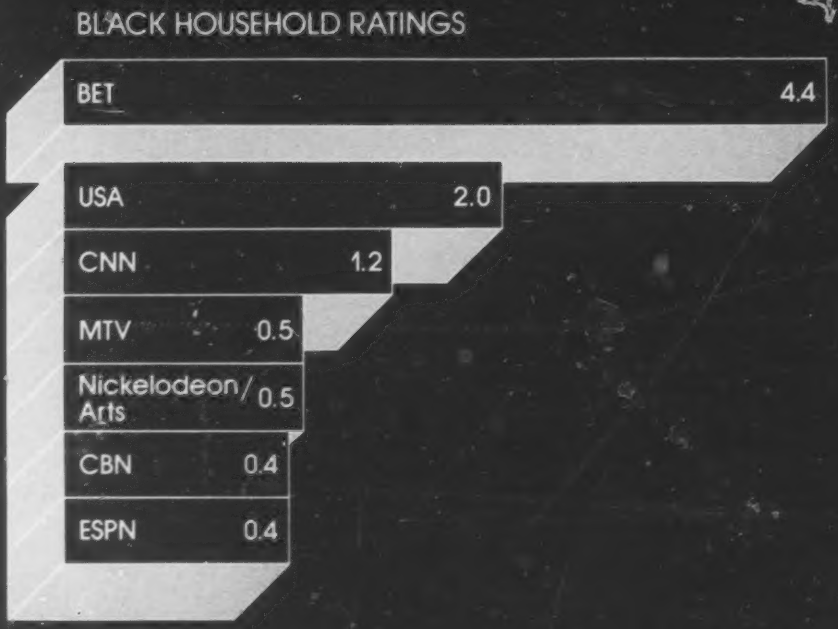

BET has the *highest* concentration of viewing in black households, more than any basic cable network.

BET provides the perfect program environment for reaching the viewers who traditionally purchase more package goods, beverages and beauty aids than the average consumer.

Strength in upscale demographics are a bonus when you advertise on BET. BET viewers are younger, more affluent, better educated, hold higher level employment, and live in larger households.

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For additional information contact
Black Entertainment Television
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New York (212) 512-5258
Chicago (312) 444-2059

THE URBAN CONTEMPORARY CHANNEL

SOURCE: Nielsen Homevideo Index Telephone Coincidental, October 27, 1987 (8 PM-11 PM Eastern)

Cable's 'big ticket' programming

NFL Football
$153 million
(39-game, three-year deal)
ESPN

■ ESPN's deal with the NFL was not only the most important programming milestone in cable TV history, it was a brilliant strategic move. In one fell stroke, Capital Cities (80% owner of ESPN) made ABC's NFL package profitable; it elevated ESPN's prestige; it lessoned the glut of NFL on network TV, which was killing the sport; and it opened the door for dozens of other major ventures to come to cable.

It's Garry Shandling's Show
$400,000
per episode (to produce)
Showtime

■ Garry put Showtime on the map. He appeared when the struggling network desperately needed visibility and desperately needed something to differentiate it from HBO. "Shandling" now runs on both Showtime and Fox. There's a question about whether this move to Fox will ultimately dilute the show's drawing power on Showtime. It probably will. Ironically, cable executives have been pleading for original and unusual first-run shows. Then they get one and promptly sell it to one of the networks.

Miami Vice
$250,000
per episode
USA Network

■ The "Vice" is coming to cable! Big deal. Cable TV has a disconcerting habit of picking up off-network shows that are dying fast deaths. Once-potent "Vice," produced by MCA, is a sorry has-been and due for cancellation. MCA (which owns half of USA) could literally not give this show away in the syndication after-market. How convenient to sell "Vice" to its own division. USA has trumpeted this as a great coup. It's really just another uninteresting program acquisition.

Murder She Wrote
$350,000
per episode
USA Network

■ With "Murder," we have yet another example of an off-network hour that could probably not cut it in the much more lucrative world of syndication. The difference between "Vice" and "Murder," however, is that "Murder" is still genuinely popular on network TV. "Vice" is genuinely not. MCA (which not uncoincidentally owns half of USA and all of "Murder") is probably smart to let "Murder" run on USA before moving it into syndication. After all, the syndication market just might be warm up to hour shows one of these days.

King of the mountain keeps up with devotees

By Eileen Norris

If the plethora of cable guides making the rounds these days seems to resemble the 35-year-old *TV* Guide, it doesn't appear to rankle William Deitch, the weekly magazine's general manager. In fact, he's rather amused by it all.

"You know what they say . . . imitation is the sincerest form of flattery. Of course, we don't want anyone using our logos or any of our property, but if our successful formula causes emulation, it tells you something about what we really are," he says.

Just as the cable guides seem to think looking like the *TV Guide* might bring them more readers and advertisers, so has the Triangle Publications magazine warmed to cable.

In a limited sense, *TV Guide* has been carrying cable listings since its debut in 1953. But that was only because parts of rural America couldn't receive TV signals without the help of underground cable. It wasn't until 1978 that *TV Guide* added cable listings, beginning with HBO.

But a lot has happened in a few years. In 1980, cable listings accounted for 16% of the Radnor, Pa.-based magazine with a whopping 17.6 million circulation. Today, 53% of the publication's listings are devoted to cable.

Cable has created complications, says Roger Youman, coeditor. "There are more choices, and it's hard to figure out what to watch and when. As cable has grown, so have we. We want to provide our readers with information that is important to them."

■ *'TV Guide' now devotes 53% of its listings to cable and vows to keep up with its audience*

Obviously, if viewers are paying more attention to cable, he says, *TV Guide* will keep increasing its cable features and listings. "We're governed by the magazine we are, and people buy us to get information about TV," he adds.

TV Guide was partly prompted to take more interest in cable television, says Mr. Deitch, by the 1983 introduction of Time Inc.'s *TV-Cable Week*. "Anytime a publication gets introduced, you take it seriously," he says.

"It was time for us to make additional commitments to cable and apparently the readers agreed. We're more successful and they're *(TV-Cable Week* gone." The magazine crashed after only a few months.

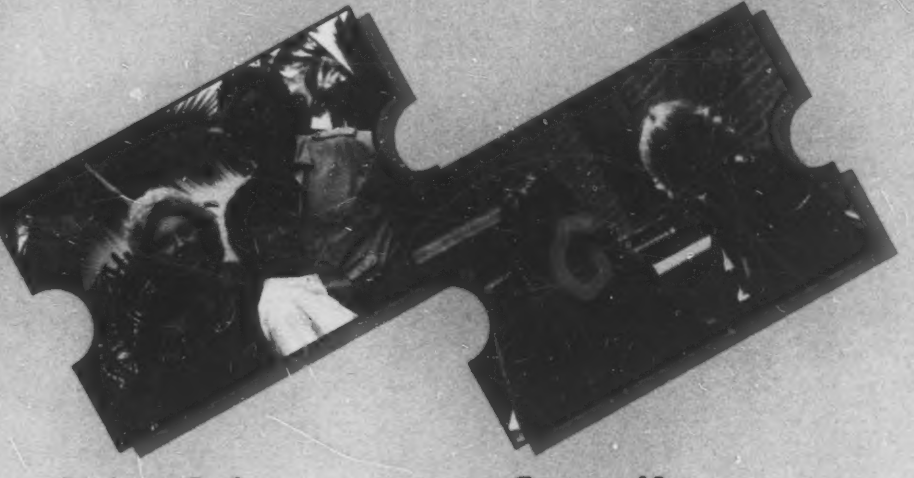
Keeping up with cable and its growing number of services has proven to be more complicated for *TV Guide*. It currently publishes 106 editions, each of which carries about 117 pages of listings and editorial, not including the national features section that wraps around the listings.

The cable listings have increased the production workload; there are 15,000 to 17,000 different pages of programming printed every week. The magazine, which has a Saturday issue date, is available on newsstands the previous Monday or Tuesday, while home subscribers receive the magazine no later than Friday, the day before the week's listings start.

But *TV Guide* doesn't try to include all cable programming. "If it's a large enough market we'll program it, but no one in-

TV GUIDE
I Was Going 'Batty' About My Crisis
By Katharine Hepburn
Oprah! Why She's Got America Talking
Israelis vs. Palestinians: How Enemies Talk to Each Other Through TV
TV GUIDE
If It's Not Too Late... Here's How Miami Vice Can Revive Its Magic
Mid-Life Crisis?
See Avery Corman's Viewing Tips

■ *One dramatic indication of cable's growing popularity is its high-visibility programming. Here are some examples of the most watched—and most costly—shows on cable today, along with capsule comments from Verne Gay, ADVERTISING AGE'S senior editor covering the broadcasting industry. Program costs shown are AA estimates.*



Remington Steele

$100,000

per episode

CBN

■ "Steele" was one of the first network shows to make the big leap to cable. It kicked off CBN's fall schedule last September. Unfortunately "Steele" does little to differentiate CBN's schedule and helps to reinforce the notion that cable is the final resting place for net TV cast-offs. "Steele" was an amusing trifle during its network years; now it's just another hour to fill up CBN's prime-time schedule.

Cagney and Lacey

$100,000

per episode

Lifetime

■ Once again, we have an example of a tired network TV show finding new life in cable. This example is a *little* different, however. Unlike "Vice," "C&L" has a truly loyal and long-standing core audience, which, no doubt, will follow the show to cable. "C&L" also will complement—as well as diversify—Lifetime's general adult women-oriented format. "C&L" came on board in February and will be "exclusive to cable" starting this September.

cludes everything," he says. "Some audiences are too small." Nor is *TV Guide* producing any system-specific editions for cable operators. The editions are based on TV signal areas that cover a particular market.

What *TV Guide* is doing for its cable customers, which Mr. Deitch puts at a "huge number," is offering the magazine at $2.40 a month (55¢ a copy) through cable systems that are willing to market the magazine as a separate line item on the subscriber's cable bill.

"The magazine is marketed through the cable system as part of the package offered to subscribers. The clear distinction (between *TV Guide* and other cable guides) is that these subs pay for our magazine and it meets [Audit Bureau of Circulations'] circulation and audit requirements," Mr. Deitch says.

While *TV Guide* doesn't have any special promotions for cable systems, it does actively work out agreements with new cable companies to market the magazine, says Mr. Deitch. "Cable is an important market for us; it's big business."

The essential difference, he says, between *TV Guide* and cable guides, is that "they're a marketing tool and we're a magazine that charges customers."

Mr. Deitch adds that he doesn't know of too many cable guides that have been successful in getting subscribers to pay for their monthly guide. "That will be the real test of how successful they [cable guides] will be.

"That explains why we do so well," he says. "We charge customers the full price and get good rates from advertisers. There are no free rides in this business."

Indeed, no one can deny *TV Guide's* success. The magazine pulled in $331.2 million in advertising revenue last year, a $13 million gain over the previous year.

The newsweeklies, *Reader's Digest* and women's service books are seen as chief competitors for ad dollars, and Mr. Deitch says the magazine's toughest test for readers is repeated every week. That's when 8 million copies of the 75¢ magazine are picked up on impulse by shoppers in supermarkets across the country. Subscribers pay 72¢ an issue. The magazine feels it can best reach consumers through TV advertising. A new ad campaign launched this year keys in on specific articles and features appearing in that week's issue.

Mr. Deitch says he doesn't feel threatened by the cable guides and maintains that *TV Guide* will do the best it can to protect its market share. "We cover TV and that means broadcast and cable and we are more accurate and timely anyone else."

But Mr. Youman says any publication that puts out information about TV is competition. "And there is a lot more competition today than there has been in the past," he adds. "We're working hard to maintain our position of preeminence in the field," he adds.

While *TV Guide* executives play down the importance of cable guides as a competitive factor in the future, they don't deny that *TV Guide* has trademarked the name "Cable TV Guide," which used to be a department in the magazine. "The name isn't in use now," says Mr. Youman, "but like any other company we want to protect our trademark."

Asked if he sees the day when *TV Guide* might change its name to include the word "cable," Mr. Youman responds, "It's not necessary to change our name. TV is TV and people sitting at home don't care if they get their signal through the air or on cable."

Mr. Deitch is even more adamant about keeping the magazine's identity intact: "Almost everyone in the country recognizes *TV Guide* . . . and there is no brand that has a higher recognition. This franchise has been built over many years and we wouldn't think of changing the name."

Lifeblood of Lifetime

Developing a niche as the top cable network to reach women, Lifetime watches ad revenues soar as it adds marketers like Chevrolet, Beech-Nut, Playtex and Nestle, while continuing to carry Sunday's health, science, medicine fare

(Continued from Page S-22)

"When we started this, most of the cable channels were centered on movies, sports and more male-appeal programming. There was a big gap," recalls Mr. Burchill, who took over the merged networks in 1984.

"At the same time on the advertising side, lifestyle changes resulted in the decline of daytime on broadcast networks. The irony was that it became tough to find women as an ad target at a time when they became a more attractive customer because they were working."

The channel, a joint venture of Capital Cities/ABC, Hearst Corp. and Viacom International, quickly developed much of its own original programming.

Those shows include "The Dr. Ruth Show," "Regis Philbin's Lifestyles," "Wok with Yan," "People in Crisis," "What Every Baby Knows" with Dr. T. Berry Brazelton, "Mother's Day" with Joan Lunden, "Motherworks" with Cyndy Garvey and "Attitudes," a women-oriented talk show hosted by Linda Dano and Nancy Glass.

Not completely abandoning its health, science and medicine roots, the network becomes Lifetime Medical Television on Sundays with such shows as "Doctors' Sunday" and "Doctors' Sunrise."

Today Lifetime is available on more than 3,500 cable systems across the country reaching more than 35 million households.

"If you want to reach women, Lifetime is one of the hottest things on TV," says David Verklin, VP-media director, Hal Riney & Partners, San Francisco.

"Our belief is the American consumer doesn't turn on the TV and say 'Let's watch cable TV,' " he adds. "They watch program or personalities. CNN has Larry King, who is terrific. But the two ladies on Lifetime's 'Attitudes' have started to emerge as two neat personalities on cable.

"At the same time, the networks, in daytime, show an audience composition of 80% female and some older males. This is fine, but the statistics also show 60% of the women 18-49 are now working. This means the network claim to women is really the stay-at-home mother.

"There's equal opportunity now for all," he says. "For reaching the right women, cable, particularly Lifetime, is fast becoming as attractive to buy as the three networks."

Mr. Burchill says cosmetics companies like Cosmair Inc., for its L'Oreal line, and Revlon Inc. have increased buys this year while car makers such as General Motors Corp.'s Chevrolet and Austin Rover Cars of North America's Sterling have become Lifetime clients for the first time.

Other new advertisers, according to Mr. Burchill, include Beech-Nut Nutrition Corp., International Playtex, Kitchenaid and Nestle Foods Corporation.

Last year Lifetime aggressively pursued off-network shows, landing short-lived female-appeal series "Jack & Mike," "Kay O'Brien," "Lady Blue" and "Partners In Crime."

"Falcon Crest" failed to live up to expectations on Lifetime, but Mr. Burchill has been pleased with the performance of "Cagney & Lacey;" Lifetime licensed 125 episodes for a presyndication window beginning Feb. 1.

"It's a little easier to determine what to go for in terms of acquired programming," he says. "There's research that shows which are the most appealing and upscale. We also punctuate the regularly scheduled shows with specials or events. A special this fall will be about the impact of AIDS on women."

But Lifetime's future likely lies within its expanded original production efforts. Construction of the channel's TV facilities at the Kaufman Astoria Studios in New York is expected to be complete in September.

"The advantage of cable is you don't need to make a decision about a show's future in four to six weeks," he said. "Dr. Ruth's show was uneven at first, but we were able to work the bugs out and the personality came through. 'Attitudes' is for, by and stars two women. It's in its third year and growing."

Plans are expansive. "The studio will give us new flexibility," Mr. Burchill says. "You need to take risks and try things to achieve some hits. We might be able to do women's sports like tennis, the Olympics and basketball. And we also want to produce our own drama and an entertainment gossip show."

—Wayne Walley

Executive editor Features/Special Report Robert Goldsborough coordinated this report on Cable TV.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Magazines.**

Data bank — Cable TV

Top cable multi-systems operators

Ranked by number of subscribers

Company address, telephone	Chief executive	Basic subscribers/date, percentage of market penetration	Geographic range	Parent company
1. TCI Telecommunications Inc. Terminal Annex PO Box 5630 Denver, Colo. 80217 (303) 721-5500	John Malone, president	5,200,000/1-88 57%	44 states	self
2. ATC American Television & Communications Corp. 160 Inverness Dr. West Englewood, Colo. 80122 (303) 799-1200	Trygve E. Myhren, ceo	3,700,000/1-88 57%	32 states	Time Inc. (owns 80%)
3. Continental Cablevision Inc. The Pilot House Lewis Wharf Boston, Mass. 02110 (617) 742-9500	Amos Hostetter, chairman	2,112,000/1-88* 50%	15 states	self
4. Storer Cable Communications 12000 Biscayne Blvd. Miami, Fla. 33181 (305) 889-1000	Ken Bagwell, ceo & president	1,459,000/2-88 58%	12 states, East & South	SCI Holdings
5. Cox Cable Communications 1400 Lake Hearn Dr. Atlanta, Ga. 30319 (305) 899-1000	James O. Robbins, president	1,438,057 57%	17 states	Cox Enterprises
6. Warner Cable Communications 400 Metro Place N. Dublin, Ohio 43107 (614) 792-7000	James Gray, president	1,410,190/2-88 52%	11 states	Warner Communications
7. Comcast Cable Communications 1 Belmont Ave. Bala-Cynwyd, Penn. 19004 (215) 667-4200	Robert B. Clasen, president	1,342,500/2-88 55%	14 states	Comcast Corp.
8. Century Cable 50 Locust Ave. New Canaan, Conn. 06840 (203) 966-8746	Leonard Tow, president & ceo	1,240,000/5-87 56%	21 states & Puerto Rico	Century Communications Corp.
9. United Cable Television Corp. 4700 S. Sycamore, Pkwy #1100 Denver, Colo. 80237 (303) 779-5999	Gene W. Schneider, chairman	1,167,355/2-88 56%	17 states	self
10. Newhouse Broadcasting 4 Newhouse PO Box 4872 Syracuse, N.Y. 13211 (315) 455-5971	Robert Miron, president	1,085,478/1-88 65%	18 states, South, East & Midwest	self
11. Viacom International 5924 Stoneridge Dr. Pleasanton, Calif. 94566 (415) 463-0870	Frank Biondi, president & ceo	1,058,808/1-88 59%	7 states	self
12. Heritage Communications 2195 Ingersoll Ave. Des Moines, Iowa 50312 (515) 246-1440	James M. Hoak, chairman	1,044,666/3-88 52%	18 states	TCI
13. Cablevision Systems Corp. 1 Media Crossway Dr. Woodbury, N.Y. 11797 (516) 364-8450	Charles Dolan, chairman	1,021,426/2-88** 71%	10 states, concentrated in East & Midwest	self
14. Jones Intercable 9697 E. Mineral Ave. Englewood, Colo. 80122 (303) 792-3111	Glenn R. Jones, chairman & ceo	935,233/2-88 66%	26 states	Jones International
15. Times Mirror Cable Television 2381 Morse Ave. Irvine, Calif. 92714 (714) 660-0500	Larry W. Wangberg, president	933,980/3-88 57%	14 states	self
16. Sammons Communications PO Box 15216 Dallas, Texas 75201 (214) 742-9828	James Whitson, president	829,781/2-88 61%	18 states	Sammons Enterprises
17. Daniels & Associates 2930 E. 3rd St. Denver, Colo. 80206 (303) 321-7550	Bill Daniels, chairman	798,526/2-88 58%	11 states, South & West	self
18. Paragon Communications 4582 S. Ulster St., Ste. #405 Denver, Colo. 80237 (303) 771-0079	David Van Valkenburg, president	665,000/2-88 52%	8 states, Northeast, West & Florida	American Television & Communications and Houston Industries
19. Cooke Cablevision 21221 Oxnard St. Woodland Hills, Calif. 91365 (818) 713-3800	Brad Ogden, chief financial officer	620,000/2-88 56%	18 states	Privately held by owner, Jack Kent Cooke
20. Cablevision Industries 6 Wierk Ave. Liberty, N.Y. 12754 (914) 292-7550	Alan Gerry, ceo & owner	591,428/1-88 64%	8 states, South, East & California	self
21. Adelphia Communications 5 W. 3rd St. Coudersport, Penn. 16915 (814) 274-9830	John Rigas, president	582,638/3-88*** 66%	9 states, East & Florida	self
22. Telecable Corp. 740 Duke St. Norfolk, Va. 23510 (804) 624-5000	Richard D. Roberts, president	527,843/3-88 62%	14 states, Midwest & South	self
23. Falcon Cable TV 10866 Wilshire Blvd., Ste. #500 Los Angeles, Calif. 90024 (213) 470-4884	Marc Nathanson, president & ceo	527,000/2-88 NA	16 states	self
24. Centel Cable Television 2001 Spring Rd., Ste. #700 Oakbrook, Ill. 60521 (312) 954-4800	John P. Frazee Jr., president & ceo	524,859/2-88 60%	7 states, Midwest & Florida	Centel Corp.
25. Wometco Cable TV Dadeland Towers 9400 S. Dadeland Blvd., Ste. #700 Miami, Fla. 33156 (305) 662-2205	John Lewis, president	402,422/3-88 59%	7 states, South	Bass Brothers

*includes 1-88 purchase of American Cablesystems **does not include acquisition to go through in late April ***#'s to increase in late April with consolidation of acquisition Source: Advertising Age Research: Kristine Stiven

4/20/88
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NEWSPAPER
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0201090649 AA00 8816 COMP H32
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

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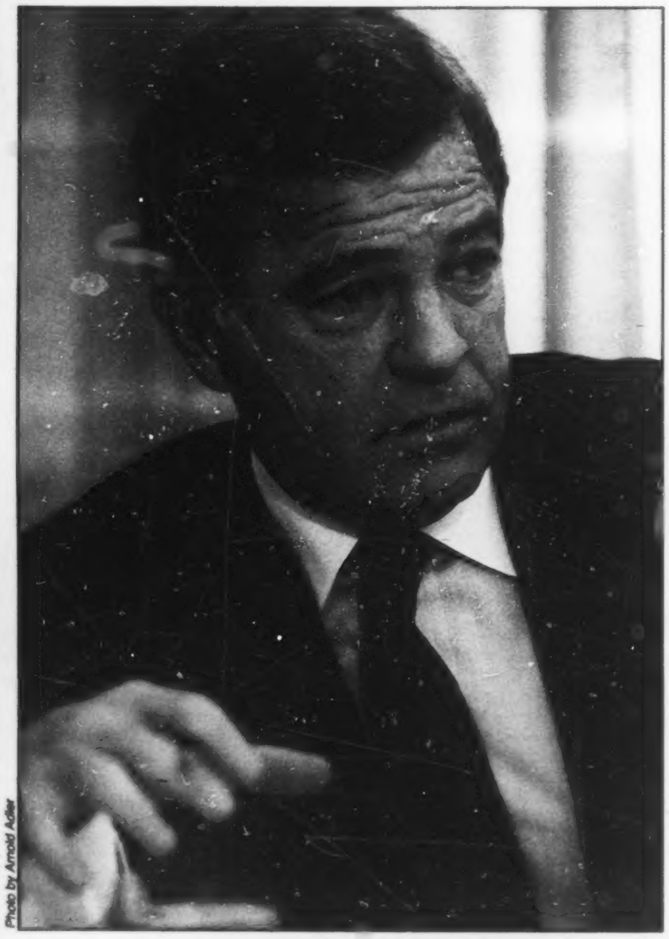

Photo by Arnold Adler

Peter Diamandis could make $25 million from his Hachette deal.

A gold rush for U.S. titles

By PATRICK REILLY

There's no crest in sight for the wave of foreign acquisitions of U.S. magazines, even with last week's $712 million acquisition of Diamandis Communications Inc. by French communications giant Hachette S.A.

Fueled by the weak dollar, Australian, British, French and West German publishers are targeting individual U.S. titles and entire publishing companies with a fury.

The next group of foreign publishers expected to make buys in the U.S.: U.K. publishers Reed International and press baron Robert Maxwell's Maxwell Communications Corp., and West Germany's Bertelsmann AG.

All have existing properties in the U.S. and have indicated a desire to expand.

Their targets appear to include a wide range of trade and special-interest consumer publications, say magazine industry sources.

The possibilities include Petersen Publishing Co. (publisher of *Hot Rod* and *'Teen*); titles from Capital Cities/ABC's ABC Publishing; trade publisher Edgell Communications; Lane Publishing (*Sunset*); and *Architectural Digest*, published by Knapp Communications Corp.

"In Europe, there are regulations where publishers are really prevented from acquiring anything else in their countries," said John Beni, president of Gruner & Jahr USA, a subsidiary of West Germany's Bertelsmann. "They have money and desire or need to expand, so they look to the U.S., where there is economic stability and a segmented magazine market."

An interview with Hachette's U.S. president—P. 90

John Veronis, chairman of Veronis, Suhler & Associates, the investment banker that with Salomon Bros. represented Hachette in the DCI purchase, said:

"Foreign publishers continue to have an enormous appetite for U.S. publications. . . . Don't expect just big buys like Diamandis. You will also see increased interest in joint ventures, taking minority positions and even launching new publications."

One reason is the huge profits U.S. publishers can take away from the deals.

In the Hachette deal, Peter Diamandis, president-ceo, and Prudential Insurance Cos. of America, the company's financial backer, are expected to make a total profit of about $300 million, about $100 million of which will go to Diamandis management.

Close to 100 executives at DCI had stock in the company and will benefit from the sale. All employees who didn't have stock will get a one-time $1,000 bonus.

As for Mr. Diamandis, sources close to the sale estimated he

(Continued on Page 90)

Last Minute News

Sears to try 'superstores'

CHICAGO—Sears, Roebuck & Co. will launch a chain of appliance and home electronics "superstores." The No. 1 U.S. retailer for the first time will sell brand-name appliances in addition to its own brands, *Crain's Chicago Business* reports. Sears will create a "superstore" environment in existing full-line Sears outlets in late summer or early fall in an undisclosed market. In the initiative's second phase, an undisclosed number of free standing stores operating under a Sears banner will be created. Ogilvy & Mather is Sears' agency of record.

Coca-Cola rumors bubble

ATLANTA—Coca-Cola Co. agency and company sources denied rumors last week that John C. Reid, 37, Coca-Cola USA senior VP-marketing, is leaving to direct a 1990 mayoral campaign here. The rumor was one of several circulating in the past few weeks about Coca-Cola. Some speculated

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INSIDE:

Suncare marketers let tans fade. P. 4
How did they shoot that spot? P. 58
Do admen know right from wrong? P. 88
Hot Stuff shows new commercials. P. 89

See new Up for Grabs column, P. 86

Courts can't stop IBM's breakaway

By JON LAFAYETTE
and GARY LEVIN

NEW YORK—The movement of IBM Corp. business from Lord, Geller, Federico, Einstein to Lord, Einstein, O'Neill & Partners may be unstoppable—despite last week's surprising court order.

Concerned about the assignment of ad projects to Lord Einstein, made up largely of breakaways from Lord Geller, acting New York state Supreme Court Judge Herman Cahn temporarily prohibited Lord Einstein from accepting or soliciting any LGFE clients and from hiring more LGFE employees.

Despite the stay, the IBM project work Lord Einstein received may indeed be open-ended, allowing that relationship to grow.

That would dilute the victory WPP Group Chief Executive Martin Sorrell appeared to win in court April 14, sources say.

The stay was much more comprehensive than the narrow injunction that Judge Cahn had issued against Lord Einstein two weeks ago, and it will last until another hearing is held next week.

Still, the stay "specifically does not include any business now maintained by Lord Einstein," Judge Cahn said.

Making an indirect reference to IBM, he added, "Lord Einstein may finish the business it already has but may not solicit or accept any new business."

Thomas Schwarz, a lawyer with Skadden, Arps, Slate, Meagher & Flom, the law firm representing the new agency, said that "for the short period of time, [the new order] is not something people can't live with."

As for the next hearing, Mr. Schwarz told ADVERTISING AGE that he might call clients to the stand to prove they weren't solicited improperly.

IBM last week confirmed it had shifted "a number of time-dependent advertising items" to Lord Einstein from Lord Geller "to complete IBM's work on a timely basis" (AA, April 11). But IBM watchers believe those projects

(Continued on Page 92)

Photo by Doug Goodman

Dick Lord rode the subway last Thursday from the courthouse.

Rating TV spots

New system slated to go national

By VERNE GAY

A small Seattle-based media research company will launch a full-scale national TV commercial ratings service, a move almost certain to ignite another battle in media research.

Closely held R.D. Percy Co. announced it would have a 2,000-national-household-meter system operating as early as September 1989. Roger Percy, the company's chairman and the son of former U.S. Sen. Charles Percy (R., Ill.), said the meters would be placed in homes starting this December.

The move portends a major shake-up in the undeveloped but potentially explosive field of commercial ratings.

Agency experts said the new development may not only spur A.C. Nielsen Co. into launching a similar system but could revolutionize network TV buying.

Percy's system also could ultimately shed light on the most pressing question in TV advertising: How many people are actually watching network TV commercials?

And that, research experts said, would ultimately change the way advertisers buy airtime.

If advertisers know the rating of a commercial vs. the program's rating, then they might force networks into pricing their inventory based on the information.

Mr. Percy has said preliminary data show prime-time-commercial ratings are about 17% lower on average than the programs in which they air.

The company's new national system could prompt a battle similar to the one that pitted Nielsen against AGB Television Research in the race for the first national people-meter service.

Nielsen is testing a technology that could also measure commercial ratings; Percy's proposed system is expected

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EXCLUSIVE

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Agency execs handicap shops in Saturn race

By RAYMOND SERAFIN

N W Ayer is "the obvious choice" for Saturn Corp. to make, says one General Motors Corp. ad executive who's been watching GM's new automobile division search for its first agency.

But "nothing on Saturn has ever been obvious," cautioned this observer, who believes Saturn's stated concern for "breaking the mold" gives the other two finalists—Hill, Holliday, Connors, Cosmopulos and Hal Riney & Partners—a shot at the estimated $80 million account.

In an informal survey of GM agency officials, who spoke on condition of anonymity, Ayer ranked as the favorite but Riney's chances were rated nearly as high. HHCC was generally seen as the long shot.

Ayer, HHCC and Riney will meet with Saturn officials the week of May 9 to present the strategic positionings they've developed for GM's planned Japanese import-fighter (AA, April 11). A decision is expected by the end of May.

"We're very pleased that we have three terrific agencies," said Thomas Shaver, director of marketing services for Saturn Corp. Saturn officials have never announced the names of the finalists, but they've confirmed the list has been pared to three.

Ayer, New York, has been a favorite from the start because it already is a GM agency. Since Ayer now handles corporate image work rather than a car division, it wouldn't face the problem of producing work for two or more divisions that might be competing in the same market segment.

Further, Ayer is the largest of the three agencies, an advantage in servicing a national account that will likely need regional strategies and regional servicing if Saturn decides to allow its agency to handle dealer ad co-op groups.

Ayer is the 16th-largest U.S. agency based on worldwide gross income, according to ADVERTISING AGE's 1987 rankings, with offices on both coasts, in the Midwest and in the Southwest.

HHCC, Boston, is 29th, with offices on the East Coast. Its primary automotive experience involves handling Ford Motor Co. dealer groups in New England and New Jersey.

Riney is 52nd but has offices on both coasts and in Chicago. The San Francisco-based agency has handled the $20 million Sterling imported car account for Austin Rover Cars of North America since last May.

Ayer will need to overcome a perception that the other two agencies produce better creative. That could be a handicap, even though Saturn hasn't asked the three agencies to produce speculative creative.

On the creative front, Ayer's dubious new work for Burger King Corp., following the biggest account change ever, comes at an inauspicious time, more than one of the observers said.

Also, the account could be structured in a way that one of the two smaller agencies could handle it without doing the media buying.

There's a precedent on the E&J Gallo Winery account, where Riney has done creative while Ayer bought the media. Or Saturn could tie into the GM media-buying system.

The idea that a shop with a hot creative reputation will win rests also on GM's frequent pronouncements that Saturn represents a commitment to finding innovative new ways to build and market a car.

When GM Chairman Roger Smith announced the division in early 1985, he clearly intended it to take a blank-sheet approach to developing a small car. Everything is being considered from scratch, from technology to management philosophy.

"I give the Saturn folks pretty high marks for their commitment to a fresh approach," one executive said. Another countered with, "That's the public posture, but every time I read something new about Saturn, they seem to be less innovative."#

Pizza Inn takes dough to Chiat

By JENNIFER LAWRENCE

DALLAS—Pizza Inn today will hand the creative assignment on its $15 million ad account to Chiat/-Day, Venice, Calif., a move that will pit the agency against its former client, Pizza Hut.

It also will further stir up the highly competitive $12 billion restaurant pizza business, where a spate of agency changes started last August when PepsiCo's Pizza Hut replaced Chiat/Day with BBDO Worldwide, New York.

Pizza Inn chose Chiat/Day for its creative depth, said Dan Japhet, VP-marketing at the No. 4 chain, but he added that the agency's pizza experience was the deciding factor.

Kelly, Scott & Madison, Chicago, now handles media placement for Pizza Inn.

"Chiat/Day understands the nuances of the category," Mr. Japhet said. "With their knowledge of the restaurant business, there shouldn't be a lot of downtime and we'll be back up faster."

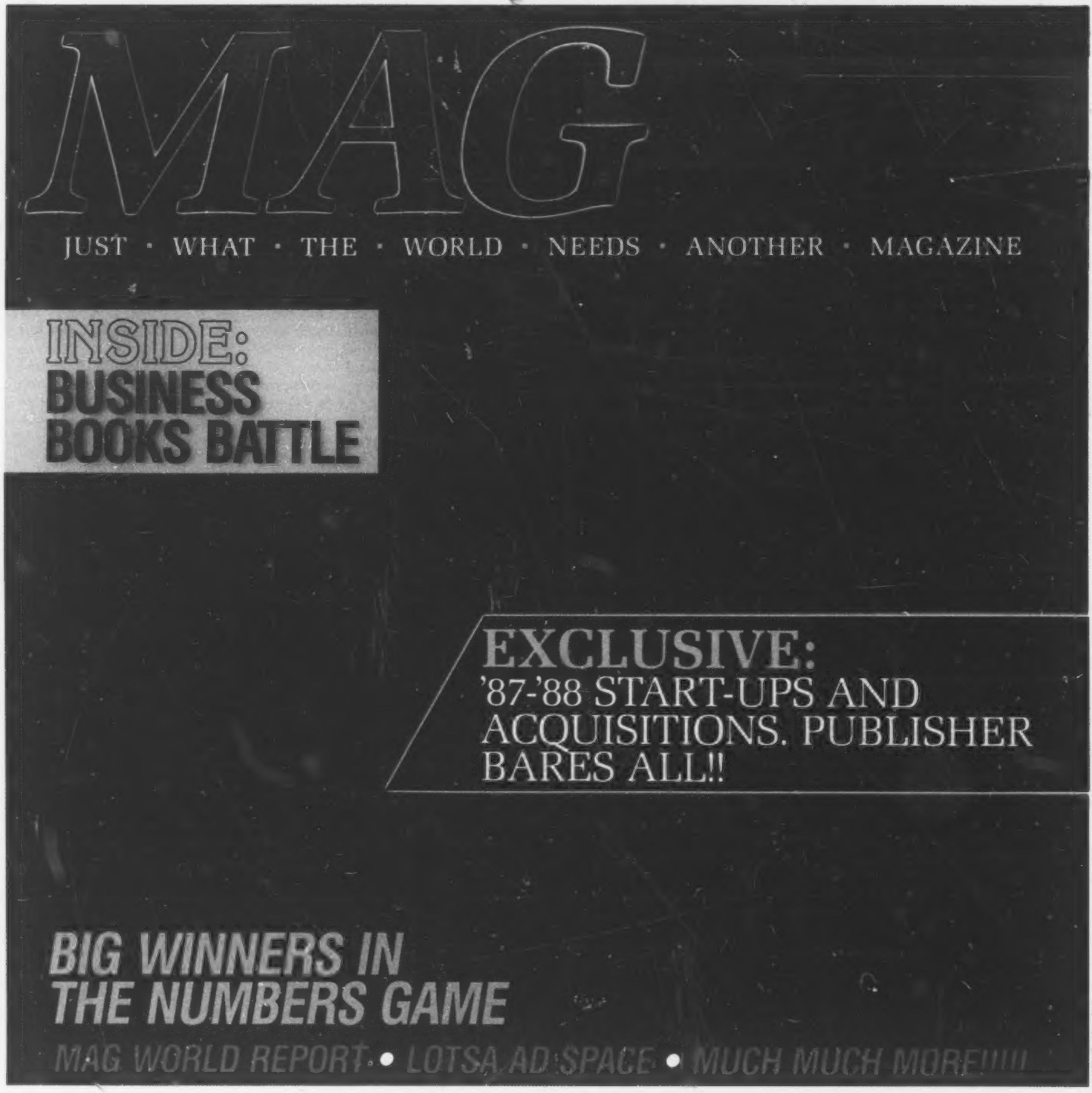
The agency's first task will be to reposition Pizza Inn—a strategy that's been under way since Pantera's Corp. acquired the troubled 650-unit chain last July.

The strategy includes doubling Pizza Inn's ad spending, as well as new-product introductions and an emphasis on home delivery.

Mr. Japhet said Chiat/Day will develop the next step in the "America's most underrated pizza" campaign, which was begun by its

(Continued on Page 93)

Special Report


MAG
JUST · WHAT · THE · WORLD · NEEDS · ANOTHER · MAGAZINE
INSIDE:
BUSINESS BOOKS BATTLE
EXCLUSIVE:
'87-'88 START-UPS AND ACQUISITIONS. PUBLISHER BARES ALL!!
BIG WINNERS IN THE NUMBERS GAME
MAG WORLD REPORT • LOTSA AD SPACE • MUCH MUCH MORE!!!!!

AVID Productions

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Top magazines by ad revenues

(dollars in millions)

1. **TV Guide**	**$331,188,722**
2. **Time**	328,778,875
3. **People Weekly**	**266,203,908**
4. **Sports Illustrated**	263,167,312
5. **Newsweek**	**239,252,795**
6. **Business Week**	217,483,994
7. **Better Homes & Gardens**	**142,170,974**
8. **Good Housekeeping**	132,465,976
9. **Forbes**	**128,563,495**
10. **Family Circle**	123,975,448

Source: Publishers' Information Bureau, 1987

‘Esquire,’ ‘GQ’ fashionably ahead

By Gary Belsky

> *“GQ and Esquire each try to lay down the trends for men today, in terms of what he’s wearing and what he cares about.”*

One of the fiercest battles in publishing today is between two of the oldest men’s lifestyle magazines in the country: *Esquire* and *Gentlemen’s Quarterly* The quest: the well-heeled, male reader and men’s magazine advertisers.

Jay Susman, a 27-year-old commodities trader from New York, is a regular reader of both magazines. And, frequently because of his hectic schedule, Mr. Susman says he must choose between the two.

While management at both magazines deny that they have the same readers, according to Mr. Susman, “*GQ* and *Esquire* each try to lay down the trends for men today, in terms of what he’s wearing and what he cares about.”

Of course, you won’t hear *Esquire* or *GQ* admit to this.

“Without question, the two magazines compete for some of the same readers,” says *GQ* Editor Art Cooper.

“Not in the least,” says Lee Eisenberg, *Esquire’s* editor. “We’re aiming at two separate demographic groups.” However, both magazines have commissioned studies that each claims will set the standard for defining modern man and his lifestyle.

In the past few years, *Esquire* has revamped its fashion coverage, gaining ground in what was once the almost proprietary domain of *GQ*. Conversely, *GQ* has lessened its reliance on fashion pages, and has paid more attention to its editorial content.

Both magazines have changed the style of their cover art in recent years as well, relying on celebrity covers to draw attention at the newsstand.

Esquire and *GQ* are far ahead of the competition in circulation. According to Audit Bureau of Circulations’ FAS-FAX report for six months ending Dec. 31, 1987, *Esquire* and *GQ* have total paid circulation of 705,278 and 686,842, respectively.

Fairchild Publications’ *M* has made the most progress in recent years by targeting older, wealthier men, but it still ranks with *Men’s Look* and *Men’s Guide to Fashion* in the second tier of men’s lifestyle publications. *M’s* total paid circulation for the same time period is 138,205.

In the head-to-head fight in circulation, *GQ* made the most gains last year. Though the magazine’s newsstand sales actually decreased 2.7% from a year earlier, subscriptions increased 12.8% and total paid circulation was up 3.6%.

Esquire, meanwhile, showed an increase of 4.4% in paid subscriptions for the last half of 1987; that combined with a 15.9% drop in newsstand sales accounted for a marginal 0.4% increase in total paid circulation. *Esquire’s* publisher says the reason for the magazine’s decrease in newsstand sales may be in part that the redesign of the book is becoming familiar to readers and that the “newness” is wearing off.

Baseball ’86: Strawberry Rips Mates! Will Dodgers Rise from Dead?
Esquire
The Lonely Prince
A Beautiful Wife.
A Royal Inheritance.
Some Guys Just
Can’t Catch a Break.
By Peter Davis
“It’s delightful! It’s de-lovely!”
GQ
The Wizardry of
Ozzie
Smith
By Thomas Boswell
Summer’s
Big Hits
Cool Suits
Casual Flair
Dressy Denim
The Passion of
Spalding Gray
The Life & Death
Of a Genius
By Pat Jordan
Perfect
Tennis
Where to Learn,
How to Win

Both magazines have redesigned covers; one indication of GQ’s cover transformation is the use of celebrities rather than models.

Esquire has revamped its editorial pages with a month-in/month-out focus on fashion.

GQ’s steady increase in circulation was due, in part, to a change in consumer perception of the magazine. For years, observers note, *GQ* was generally referred to as a magazine for gays, and its readership barely reflected the heterosexual public. But since joining *GQ* in 1983, Mr. Cooper has succeeded in changing the magazine’s image and broadening its appeal.

“I think they’ve definitely broadened the product,” says Paul Zuckerman, senior VP and director of media planning at DDB Needham, New York.

“The fact is, you don’t have to be a peacock to read *GQ* anymore,” says Publisher Jack Kliger. He maintains, “Gays are still considered very important readers at *GQ*.”

The magazine’s management reasoned that to compete with *Esquire* for readers and advertisers, its focus would have to be broadened.

The transformation began with the cover. Once dominated by male models, *GQ’s* covers are now territory for movie, television and sports stars. Recent covers have featured actors James Woods and Kevin Kline and basketball player Isiah Thomas.

And, the magazine got some national publicity when other media picked up quotes from *GQ’s* April cover story in which St. Louis Cardinals’ star Ozzie Smith blasted the team’s manager, Whitey Herzog, for going into last fall’s World Series “like he expected us to lose.”

GQ’s makeover is also evident in its editorial content. A recent issue contained nearly as many nonfashion feature stories as those on fashion.

Nonfashion stories frequently deal with women. For example, actress Blair Brown was profiled in an article in the March 1988; another story asked the question “What Do Women Want?” Bringing women into its pages was less a move towards snaring female readers than it was an effort to grab the male reader “who has grown up with a woman as an equal in life,” says Mr. Kliger.

According to *GQ*, those men’s median age is 26 and they earn $19,164. While those demographics are far different from what *Esquire* claims as its target reader (median age of 36.8, income of $25,866), both magazines seek essentially the same man—one with buying power and a curiousity about how other men are thinking.

Esquire disagrees, despite the fact that recent editorial changes have brought it closer to *GQ’s* fashion emphasis. Most notable in *Esquire’s* new look is its month-in/month-out focus on fashion. Not so long ago, the magazine relegated its fashion coverage to two issues a year—spring and fall.

Then reflecting an increasing awareness of fashion by the American male, “We redeployed our [fashion] pages over the course of the year,” says Mr. Eisenberg.

Esquire denies the move is an attempt to compete with *GQ*. In fact, *Esquire* Publisher Randy Jones says the magazine’s eight to 10 editorial fashion pages each month essentially equals the total pages that used to be contained in the twice-yearly “Esquire Collection.”

“We hardly want to be another *GQ*,” says Mr. Jones. Nonetheless, *Esquire* recently hired Robert E. Beauchamp, the former fashion editor at *GQ*, to oversee its fashion coverage.

The editorial content of the magazine was revamped earlier because of a change in demographics of its readership. A year ago, near the time it was acquired by the Hearst Corp., *Esquire* announced that its readership was growing older. To attract this more mature reader, the magazine altered its editorial content. “Story selection definitely changed,” says Mr. Eisenberg. “There are no more ‘Should I?’ or ‘Would I?’ articles. Now the stories are for grown-ups who are facing reality.”

With the September 1986 issue, *Esquire* increased the size of the book. The new format was a play for readers and for advertisers, who would presumably be attracted by the book because of its use of a standard page format, magazine management says.

Although the new look apparantly has failed to grab readers at the newsstand, *Esquire* saw a slight increase in ad revenue from $29.0 million in 1986 to $30.5 million in 1987. “We’ve done a good job in making marketers understand that men are different now, that they are very involved in purchasing home products and that they’re pushing shopping

(Continued on Page S-28)

1987 U.S. circulation scorecard

(for six months ended Dec. 31, 1987)

Esquire		**Gentlemen’s Quarterly**	
Total circulation	705,278	*Total circulation*	686,842
% change from ’86	0.4	*% change from ’86*	3.6
Subscriptions	587,723	*Subscriptions*	05,709
Single-copy sales	117,555	*Single-copy sales*	381,133

Source: Audit Bureau of Circulations’ FAS-FAX report for six months ended Dec. 31, 1987

Gary Belsky is a reporter for Crain’s New York Business

'Us' gains, 'People' profits from lead

While no longer strictly head-on rivals, both have strikingly similar audience profiles.

By Patrick Reilly

People and *Us*. It seems they were once cut from the same cloth. On the nation's newsstands and in reader's minds, *Us* was a clone of *People*.

But while the occasional reader may still confuse the two, it's clear now the two magazines are on diverging paths.

Us is just now beginning to hit its stride after years of floundering, but it has yet to firmly establish its identity. On the other hand, *People*, the originator of "personality journalism," continues to do well for parent Time Inc. Yet the magazine is struggling with maturity to find the zip that once made it a success.

The editorial mix of the two magazines has changed. The weekly *People's* articles are a mixture of both celebrities and the newsworthy. For example, past stories have included the rescue attempt of a baby girl in Texas and Rob Lowe's love interests.

"When *Us* was launched, I was circulation director at *People* and we used to think about *Us* a lot, but every day the gap between us gets wider," says Donald Elliman, *People's* publisher. "*People* is only 40% celebrities or entertainment industry stories. Our research tells us that people like that mix."

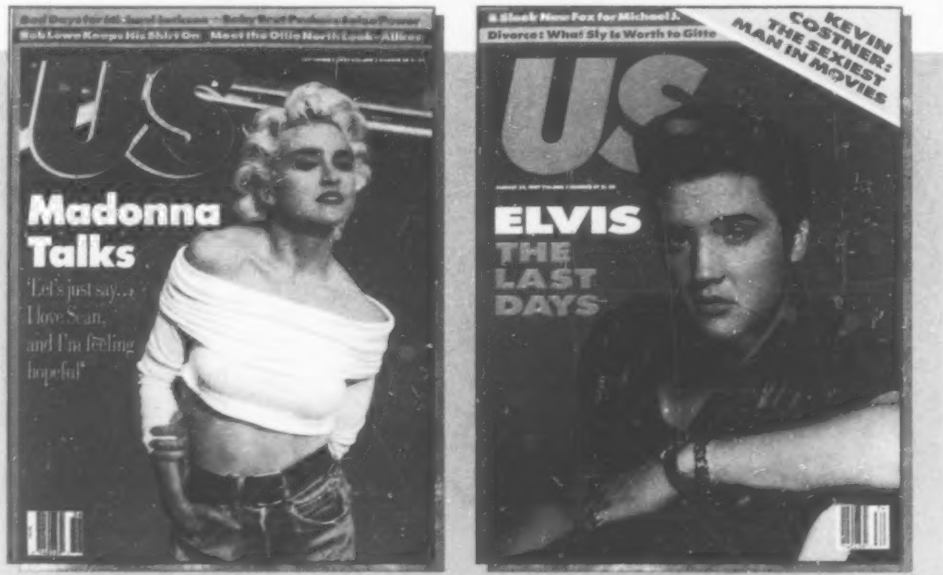
In the past year, *Us*, published once every two weeks, has put its focus strictly on entertainment and celebrities. "We wanted to make *Us* more elegant and still sell it. Last year we decided *Us* would be a celebrity and entertainment magazine only," says Anthea Disney, who was appointed editor of *Us* in July 1987 after serving as deputy managing editor at the *New York Daily News*. "*Us* meets people at the 'up' point in their careers."

In terms of ad pages and circulation, *People* is the leader. As of December 1987, *People's* average circulation was 3.3 million, a 9% increase from 1986.

"*People* is the stronger entity," said Paul Zuckerman, senior VP-director of media planning and operations, DDB Needham, New York. "Because of its draw, it's the closest thing to TV in print."

With only a little more than one-third of *People's* circulation, *Us* reached the 1.2 million mark as of December 1987. However, that was a booming 22.5% increase from 1986.

In ad pages, *People* also leads, but it had a tough 1987. Its pages totaled 3,581, a 4.8% drop from 1986, while ad revenue totaled $266 million, a 0.6% decrease. *Us* 1987 ad pages totaled 618, a 5.8% increase from 1986, and ad revenue increased to $13.2 million, a 17.4% rise.



US
Madonna Talks
'Let's just say... I love Sean, and I'm feeling hopeful'
Divorce: What Sly Is Worth to Gitte
KEVIN COSTNER: THE SEXIEST MAN IN MOVIES
US
ELVIS THE LAST DAYS

With its splashy color, two of 'Us' ' best-selling covers last year were Madonna and Elvis Presley.

'People' has been chastised for running a series of 'feel bad' covers, exemplified by these recent issues.

A 21-page salute to 60 sensational years
People weekly
THE PREPPY MURDER CASE
Tall, handsome and deadly, ROBERT CHAMBERS killed JENNIFER LEVIN, then dragged her name through the mud in court and got off easy. Here is the full story behind the trial that shocked New York.
Sly woos a deb, Cher gloms a Globe & John Connally sells all
People weekly
BEAUTY AND THE BOTTLE
MARGAUX HEMINGWAY became a supermodel overnight, and overnight she vanished—into alcohol, bad marriages, rivalry with sister Mariel and thoughts of suicide. At Betty Ford, she faced the truth. This is her story.

Such widely varying statistics give credence to the assertion of *People's* Mr. Elliman that the two magazines are "in totally different businesses."

However, while no longer strictly head-on rivals, *People* and *Us* have strikingly similar audience profiles.

The median age of *People* readers is about 35 years old; at *Us*, the median age is about 32. While the perception among most media directors is that *People's* readers are decidedly more upscale, its readers' median income is $30,769, not far ahead of *Us*' median income of $30,329. As for gender, 65% of *People's* readers are women, while *Us* has 68% female readership, according to the magazines.

With its large display of color photographs and bent for celebrities, *Us* has targeted a younger audience.

Mr. Zuckerman says, "There's more substance to *People*, but currently there is no young, general interest magazine except for *Us*. There's lots of color and that's Jann Wenner's (*Us* editor-in-chief and chairman of Us Magazine Co.) approach. The color is excellent, but that won't make it a better magazine."

It is Mr. Wenner who has kept *Us* alive when many in the industry thought the magazine was finished. Launched in May 1977 by The New York Times Co., it was bought by Macfadden Co. in 1980. After languishing under Macfadden, Mr. Wenner's Straight Arrow Publishers (also publisher of *Rolling Stone*) and the Los Angeles-based Lorimar-Telepictures became co-owners of the magazine in July 1985.

Mr. Wenner maintains control, and in the past two years appointed most of the magazine's top business staff. Sources close to Mr. Wenner says he has been negotiating to buy Lorimar's half of the magazine, and industry observers say Lorimar is expected to sell.

But Anne Holton, *Us* publisher, says Lorimar-Telepictures now is not so eager to sell and has committed to maintain its 50% share for two more years. Lorimar is especially interested after a first quarter performance in 1988 in which ad pages rose by 31% to 132 over the same period in 1987. In July, *Us* will raise its rate base to 1.2 million, a 9.1% increase.

People, too, is expecting a brighter 1988, though the stock market crash in October may slow down the expected growth.

People's sheer size—it carries more consumer electronics ad pages than any other consumer magazine—makes it more susceptible to major swings in the economy. No other magazine in the Time Inc. stable, with the exception of *Time*, could top *People's* ad revenue of $266 million in 1987.

"We expect a good year but it will be heavily weighted to the fourth quarter, and we don't know how that will turn out," says Mr. Elliman. He says *People's* ad pages, single copy and subscriptions sales for the first quarter in 1988 were ahead of the same period last year.

In 1988, *People* will also get a new look. James Gaines, managing editor, has called in some of the business's top magazine designers to submit ideas for a redesign. There have also been rumors that *People's* trademark black-and-white editorial pages would use four-color photographs this year, but a *People* spokeswoman says color pages are not planned.

Us executives say the success they have had with color editorial pages has forced *People* to consider color and to redesign in general. But *People* disagrees. "We are [redesigning] because we are 14 years old and Jim Gaines strongly feels that it's time for a new look," says Mr. Elliman. "A contemporary look is core to the magazine, and we want to have a fresher look."

Mr. Elliman says the redesign is not a "repositioning," and that, in fact, it "won't be a huge revolution." He adds the changes could appear in late 1988 and may be tested first in regional markets to gauge reader reaction.

The redesigns are crucial in selling magazines in the supermarket and on newsstands. *Us*

(Continued on Page S-28)

1987 U.S. circulation scorecard

(for six months ended Dec. 31, 1987)

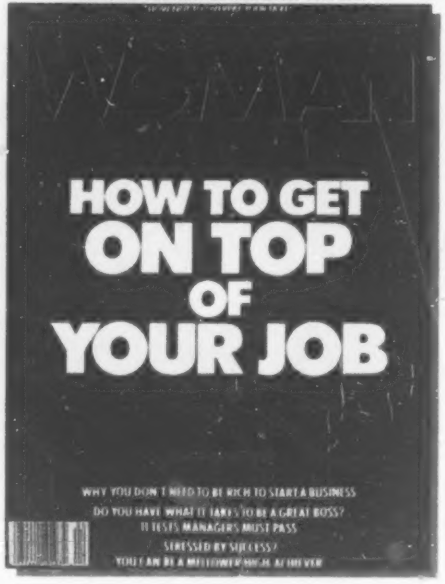
People Weekly		**US Magazine**	
Total circulation	3,311,139	*Total Circulation*	1,250,776
% change from '86	9.0	*% change from '86*	2.5
Subscriptions	1,418,170	*Subscriptions*	845,176
Single-copy sales	1,892,969	*Single-copy sales*	405,600

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987

Happy at Last: A Savvy Survey Reveals That Divorce Can Be for Better, Not Worse
SAVVY
FOR THE SUC
AN
Broadcast News
The real story on TV's smartest women
THE $40,000 QUESTION: Is B-school worth it?
SHIRT FASHION: The great white way
CONNIE CHUNG

Savvy says it profiles successful career women; a recent story featured newscaster Connie Chung.

Working Woman says it devotes two-thirds of its editorial content to business stories.


WOMAN
HOW TO GET ON TOP OF YOUR JOB
WHY YOU DON'T NEED TO BE RICH TO START A BUSINESS
DO YOU HAVE WHAT IT TAKES TO BE A GREAT BOSS?
11 TESTS MANAGERS MUST PASS
STRESSED BY SUCCESS?
YOU CAN BE A MELLOWER HIGH ACHIEVER

'Savvy,' 'WW' race on the fast track

Both fight for the successful female reader— and both claim dominance in their market

By Christopher Slaybaugh

Though *Savvy* and *Working Woman* both compete for the successful female reader, each magazine takes a different approach in attracting its audience. Unsurprisingly, both claim dominance in this upscale market.

These magazines target the 11 million women in management and the professions, a subgroup of the 47 million women the U.S. Bureau of Labor Statistics says are employed nationally.

Leaders at both magazines contest each other's claims to dominance. *Savvy's* Publisher, Kristin A. Norrgard, says the difference in circulation between *Savvy's* 400,000 and *Working Woman's* 900,000, can be explained. "We're class, and [*Working Woman's*] mass. You can increase your circulation all you want, but we don't want to do that and dilute the demographic profile of the magazine."

Working Woman's Editor in Chief, Anne Mollegen Smith, responds, "That's probably what I would say if I were in [*Savvy's*] shoes, because the comparative size of our circulations makes that an attractive explanation. But if you look at the demographics of the magazine, I don't think that holds up. Our women's group is quite definitely an elite group."

Ms. Smith says *Working Woman*, published by Working Woman/McCall's Group, New York, is targeted to "career women, not just women who have a job." *Working Woman* Publisher Carol Anderson Taber agrees, adding that the magazine's subscribers have an average individual employment income (IEI) of $37,800 and average household income of $76,700 with 74% holding professional or managerial jobs.

"Since Simmons [Market Research Bureau] began, we have delivered a higher concentration of professional/management women than any other women's magazine measured year in year out," she says.

Ms. Norrgard says *Savvy*, published by Family Media Publications, New York, targets readers 25 to 49-years-old who earn more than $25,000. "We're aiming at the upper-scale career woman. We're probably the most upscale women's magazine out there, in terms of female IEI."

According to the most recent subscriber study commissioned by *Savvy* through Simmons Market Research Bureau, New York, subscribers have a median IEI of $27,500, median household income of $48,300, and a median age of 37 years.

While both magazines try to attract similar readers, they maintain different editorial slants. *Working Woman* devotes two-thirds of its editorial content to business stories—"not business news," says Ms. Taber, "but business trends, management strategies and philosphies, and career management."

She adds that the magazine is "written to a successful mentality. Look at our cover. We use the words 'master,' 'power,' 'achieve,' 'success'—words like that have, sadly, never been used on women's covers before."

She maintains, however, that the business content is not only of interest to women. "What makes us a women's magazine is the services." These services, comprising the other third of the magazine, cover such issues as health and fashion from a career angle, says Ms. Smith.

Moving away from its own largely business posture, *Savvy* underwent changes last spring that included a new editorial profile, a redesigned cover and a change in its tagline from "The Magazine for the Executive Woman" to "For the Successful Woman."

The magazine now profiles women inside and outside the corporate world, according to Ms. Norrgard. "Success doesn't lie just in the corporate arena. We profile women entrepreneurs and women who are successful in all careers . . . " Recent issues have featured fashion designer Cynthia Steffe, former Transportation Secretary Elizabeth Dole, and newscaster Connie Chung.

Ms. Norrgard emphasizes timeliness, a quality she says was brought to the magazine in August/September 1986 by editor-in-chief Annalyn Swan, formerly *Newsweek* senior editor. "She's predicted what was going to be hot down the road. She has an incredible knack for getting on the newsstand what's hot right then, what's being talked about on radio, television, and the newspapers."

Savvy regularly devotes space to business, fashion and beauty, travel, health, and food. Ms. Norrgard summarizes the book as a "full interest magazine for today's high-achieving career woman. It shows her how to live life with style."

Common to both magazines is healthy growth. Comparing the last six months of 1987 with the same period a year before, *Savvy* balanced a 19.2% increase in subscriptions with a 35.4% decrease in single-copy sales for a 16.7% increase in total paid circulation, according to Audit Bureau of Circulations' FAS-FAX report. *Working Woman* increased both

(Continued on Page S-8)

Christopher Slaybaugh is a free-lance writer based in Ohio.

1987 U.S. circulation scorecard

(for six months ended Dec. 31, 1987)

Working Woman		**Savvy**	
Total circulation	855,434	*Total circulation*	415,521
% change from '86	10.3	*% change from '86*	16.7
Subscriptions	790,568	*Subscriptions*	405,004
Single-copy sales	64,866	*Single-copy sales*	10,517

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987

Network targets working women

When Career Women Networking's president, Talia Y. Carner, left her previous job as publisher of *Savvy* in 1985, she took with her nagging doubts about the efficacy of advertising in women's business magazines.

"When I was with *Savvy*, advertisers were asking me questions such as 'There are 52 million employed women in the U.S. but *Savvy* and *Working Woman's* combined circulation—even by now, it's only a million three. Where are the other 50 million women?' "

"Women in business," she says, "tell us how they work harder, how they develop their professional skills, how they need to run the extra mile compared with men.

"But you couldn't sell them *Savvy* at $9 a year or *Working Woman* at $12—and these are good magazines."

So in 1985, Ms. Carner started Advertorial Inc., an enterprise to write and sell advertorials. But soon she realized that she first had to investigate the habits of career women.

What she found was a common denominator among groups of women in business. "In every single industry, women had started their own professional association. Law, medicine, accounting, journalism, real estate. You name it, they started a professional association."

This led to another question: Why were women who were unwilling to buy a magazine ready to pay $40 to $150 a year to belong to an association and to take the time to go to seminars and meetings?

"The signals were that these women in industry feel different and maybe they did not have enough recognition, maybe they felt there's something in their industry that sets them apart."

Ms. Carner says she had found the three ingredients she was looking for: commitments of emotion, money and time.

By translating "this phenomenon into something workable for the advertising industry," she says, "an advertiser that talks to these women right in their marketplace will benefit more than an advertiser using a more traditional approach."

Over a period of time Career Women Networking evolved. The New York-based company creates inserts for women's trade journals.

One obstacle that faced Ms. Carner was a negative attitude toward advertising held by some of the associations. "It took me 15 months to go to the various professional associations and educate them about advertising," she says, "to convince them that advertising is not dirty, that it has

(Continued on Page S-8)

EXECUTIVE FEMALE

Talia Carner left her post as publisher of Savvy to start Career Woman Networking.

Network places inserts in magazines like 'Executive Female'.

Racing on the fast track

Both magazines attribute part of their success with advertisers and readers to the rising number of women entering the workforce

(Continued from Page S-6)

subscriptions and single-copy sales 6.9% and 80.3%, respectively, for an increase of 10.3% in total paid circulation.

Working Woman was named to a list of " 'Triple Play' Best Performers" by Capelle's Circular Report, published by Whitaker Newsletters, Westfield, N.J. The book was one of 16 titles to make the list of magazines that were able to raise cover price, increase units sold and increase the percentage of copies sold by retailers over a six-year period ending in 1987.

Working Woman's price was raised 50¢ to $2.50, while sales rose 111% and the percent retailers sold rose 10.5%.

Working Woman sold 1,164 ad pages in 1987, down 10.3% from the previous year.

Ms. Taber attributes the slump to a decline in the amount of ads placed by office equipment advertisers, which she says, resulted from fluctuation in the yen. This year, the magazine is expected to show a 6% increase in ad pages from the previous year. And, she says, February 1988 carried a larger amount of ad pages than any previous February. June is also a record breaker for the book; the issue will carry 110 ad pages, according to Ms. Taber, up 28% from the previous year's issue.

In comparison, *Savvy* sold 448 ad pages in 1987, a gain of 8.7%.

Both magazines attribute part of their success to the rising number of employed women. "In essence, both [*Working Woman* and *Savvy*] are delivering women with money. It's the market that the advertiser is buying, not the editorial," says Ms. Taber.

"One reason for our spectacular growth has been the spectacular growth of our audience," says Ms. Smith. " . . . if there weren't this burgeoning category of women to whom very few other media are talking, we wouldn't have been able to do this."

The reader profile has changed, says Ms. Norrgard. "She's been in business for a while, she's a little more established, she's further along in her career," she says. "Therefore, you've got to address how these women have changed."

Both books rely on direct mail to sell subscriptions. Patricia Gardiner, VP circulation for Family Media, says using "highly targeted lists", *Savvy* ran a direct-mail sweepstakes promotion. The sweepstakes is shared with Family Media's nine other magazines. The promotion includes a mail-in card for a free copy. The magazine has not offered premiums recently. Ms. Gardiner says promotions are guided by Family Media Chairman Robert Riordan.

Like *Savvy*, *Working Woman* has not relied heavily on premiums, although some mailings since 1982 have offered editorial premiums, such as books by well-known authors on issues the magazine covers, according to Ms. Smith.

Since forming partnership with Time Inc., New York, at the end of 1986, *Working Woman* has experimented with non-editorial premiums like

(Continued on Page S-28)

Network

(Continued from Page S-6)

a purpose, that it educates, that it's on target."

The associations were quick, however, to embrace the ad revenue, particularly because many attract little or no advertising on their own, she says. Each journal receives payment at a set rate multiplied by the book's share of total circulation.

Network published its first trial insert in November/December of last year. The signature, which provided four pages of ads, was inserted into 12 journals that had a total of 370,000 subscribers.

Career Women Networking's cost-per-thousand is $23, says Ms. Carner, about one third lower than the rates of other magazines.

She says reception by advertisers has been favorable, enough that the third insert, published in March/April, covered two signatures. This allows advertisers to buy spreads.

Advertisers include Chrysler, The Quality Paperback Book Club, TWA, Simmons College M.B.A. program and No-Nonsense pantyhose.

Career Women Networking currently has inserts in 13 publications, from *Woman Engineer* to *Press Woman*, for a circulation of 475,000 to 530,000, depending on the issues.

Like the publishers of *Savvy* and *Working Woman*, Ms. Carner lays claim to the top-of-the-pyramid working woman. "Our readers have reached the higher echelons in their fields. Among accountants, we have chief financial officers; among lawyers we took only the National Association of Women Lawyers, and they tend to be on the federal level . . . "

In addition to direct advertising, Career Women Networking offers an advertiser response card, which allows Networking to build a mailing list that it sells to marketers. Networking also offers advertisers participation in women's trade shows.

Christopher Slaybaugh

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BusinessWeek
GLOBAL PROFITS
How 1,000 companies in 60 countries did in 1986

Only one magazine talks business to the world.
Every business week.

And our readers are leaders, in Europe, Asia, Latin America.
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And as an advertiser, you reach them when and where they're thinking business and talking business.
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Paris: Bruno Hermann (1)42-89-03-81 **Stockholm:** Andrew Karnig (8)4400-05 **Tokyo:** Paul Ishii (3)581-9811

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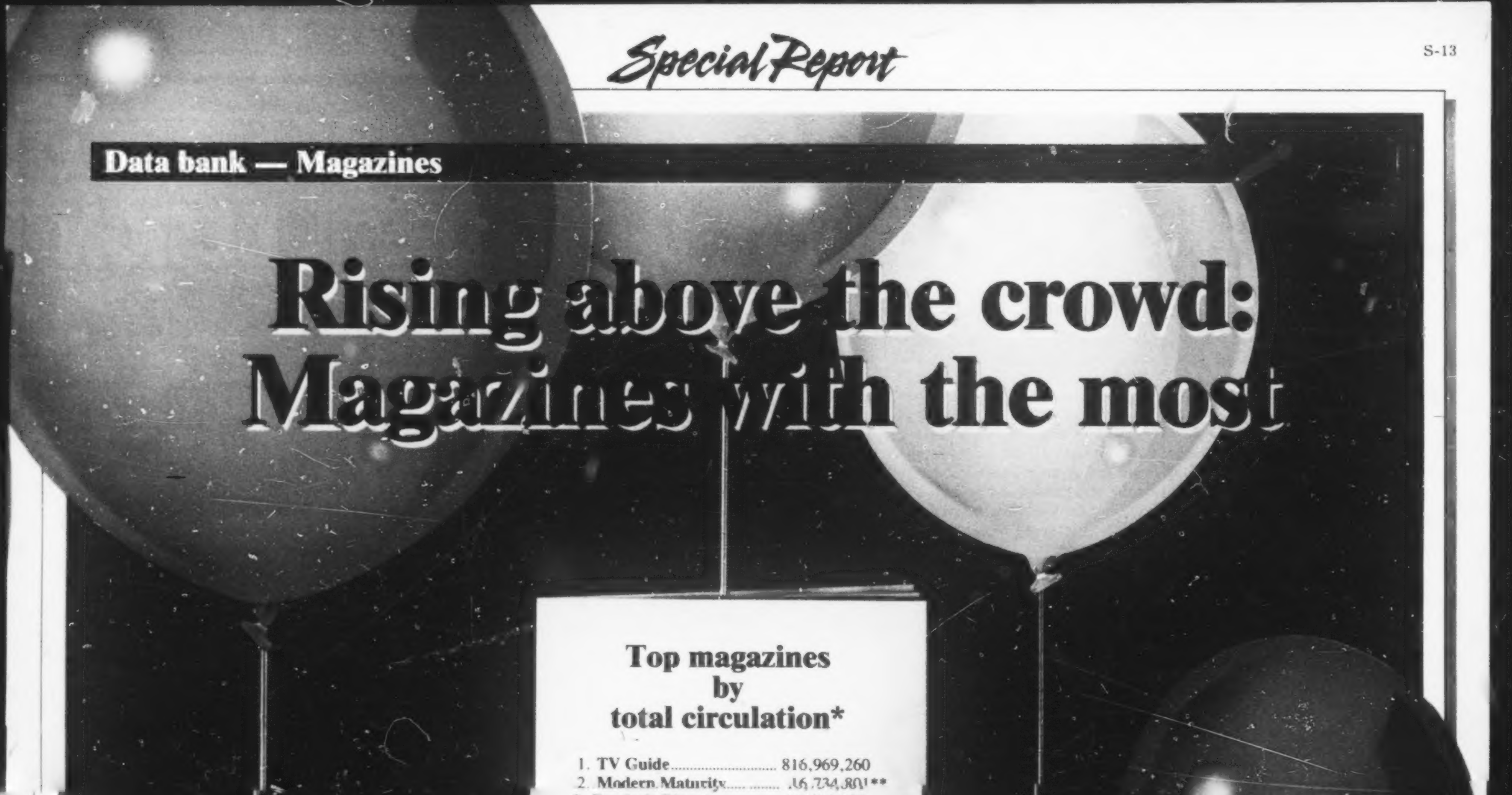
Data bank — Magazines



Rising above the crowd: Magazines with the most

Top magazines by total circulation*

1.	TV Guide	816,969,260
2.	Modern Maturity	16,734,801**
3.	Reader's Digest	16,566,650
4.	National Geographic	10,498,594**
5.	Better Homes & Gardens	8,012,659
6.	Woman's Day	6,021,136
7.	Family Circle	5,773,484
8.	McCall's	5,353,595
9.	Good Housekeeping	5,202,526
10.	Ladies' Home Journal	5,125,052

*Excludes comics, publisher packages and bulletins
**Membership associations

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987.

Largest % increase in total paid circulaton

1.	Alfred Hitchcock & Ellery Queen Mystery Magazines	90.6*
2.	Game & Fish Magazine	77.1
3.	European Travel & Life	70.5
4.	Teen Beat	59.9
5.	Runner's World	55.8
6.	Consumer's Digest	46.2
7.	Entrepreneur	45.9
8.	Golf Illustrated	45.1
9.	Vanity Fair	42.6
10.	Bicycling	42.4

*combined circulation

Source: Audit Bureau of Circulations' FAS-FAX for six months ended Dec. 31, 1987

Largest % decrease in total paid circulation*

1.	Private Clubs	53.2%
2.	High Technology Business	36.8
3.	Star Hits	26.5
4.	80 Micro	24.5
5.	Unique Homes	22.5
6.	Guns Magazine	22.4
7.	Compute!	21.1
8.	High Fidelty	20.5
9.	Cashflow	18.5
10.	Compute!'s Gazette	18.2

*excludes comics

Source: Audit Bureau of Circulations' FAS-FAX for six months ended Dec. 31, 1987

Highest cover prices

1.	Harvard Business Review	$8.50
2.	Unique Homes	$6.95
3.	American Demographics	$6.00
4.	Foreign Affairs	$5.95
5.	Traveler	$5.60
6.	The American Lawyer	$5.00
7.	The Magazine Antiques	$5.00
8.	Satellite Orbit	$4.95
9.	American Scientist, Art In America, Art & Antiques, Cashflow,	$4.75
10.	Architectural Digest, Artnews, Southwest Art	$4.50

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987

Top magazines in single-copy sales*

1.	TV Guide	8,136,590
2.	Woman's Day	5,922,993
3.	Family Circle	4,626,893
4.	National Enquirer	3,939,661
5.	Star	3,309,999
6.	Cosmopolitan	2,571,753
7.	Penthouse	2,023,557
8.	People Weekly	1,892,969
9.	Good Housekeeping	1,680,790
10.	Glamour	1,626,699

*Excludes publisher packages and comics

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987

Top magazines by subscriptions*

1.	Modern Maturity	16,734,801**
2.	Reader's Digest	15,636,050
3.	National Geographic	10,439,527**
4.	TV Guide	8,832,670
5.	Better Homes & Gardens	7,392,159
6.	McCall's	4,590,558
7.	Time	4,439,485
8.	GuidePosts	4,290,882
9.	Ladies' Home Journal	4,086,417
10.	Good Housekeeping	3,521,736

*Excludes comics, publisher packages and bulletins
**Membership associations

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987

Business books battle for readers

By Gary Belsky

It's a story that any business editor would want to publish: three leading competitors, faced with an increasingly sophisticated and demanding customer, battle for dominance in their field.

But don't expect any of the Big Three business magazines to report the story. Why? Because the long-time competitors *are* the Big Three business magazines: *Business Week*, *Forbes* and *Fortune*.

In recent years, *Business Week* has made the greatest strides in total paid circulation and has posted the highest percentage gains in both subscriptions and newsstand sales.

For the last six months of 1987, *Business Week's* total paid circulation increased 8.8% from the same period in 1986, to 857,958. By comparison, Time Inc.'s *Fortune* increased 2.5%, to 658,850, while *Forbes* managed a modest 1.0% jump to 740,307.

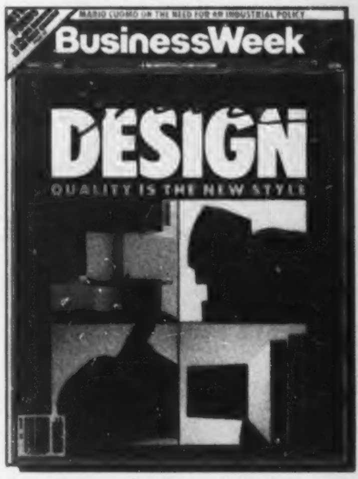
> ■ *The troika's tactics are similar, despite differences in the way they cover the news*

"Their problem is that they are all around 600,000 to 800,000 in circulation," says magazine consultant James Kobak, of James B. Kobak & Co., New York. "To get that last one or two subscribers, they have to keep fighting. The whole game is getting new subscribers."

The troika's subscriber tactics are similar, despite differences in the way they cover the world of business.

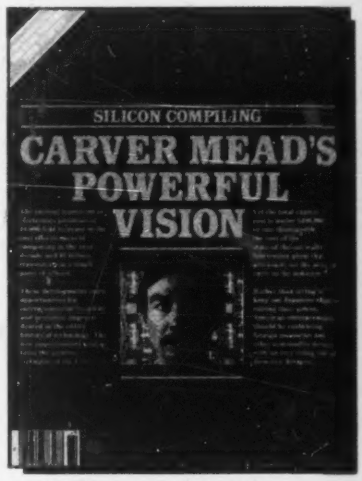
Business Week is the only weekly among the three; *Forbes* and *Fortune* are every-other-weeklies.

The three magazines' marketing strategies are based on this premise: the maturity of the market and intense competition for readers necessitates the use of stimulants such as premiums, discounts or short-term trial subscriptions, industry analysts say.



Greater use of color and boider covers have made Business Week a more visually appealing magazine.

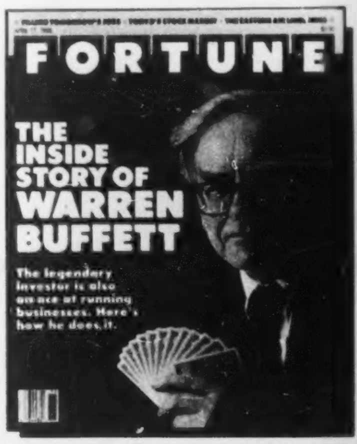
For example, *Forbes* also offer readers a short-term subscriptions of six issues for $9.75.



To shed its image of being solely a magazine for investors, Forbes' expanded its business news coverage.

In large part, *Business Week's* gain in circulation has been fueled by extensive use of stimulants. According to Audit Bureau of Circulations figures for the first half of 1987, 84.8% of new *Business Week* subscriptions were sold with either merchandise or editorial premiums, or at a discount. In fact, more than half of those new

(Continued on Page S-18)

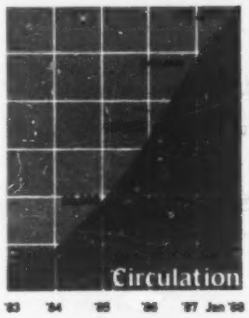

FORTUNE
THE INSIDE STORY OF WARREN BUFFETT
The legendary investor is also an ace at running businesses. Here's how he does it.

Not long ago, Fortune revamped its editorial mix and increased its emphasis on international business news.

WOULD YOU PAY $1,350 FOR A MAGAZINE?

Online Today readers already have —and they're looking for ways to spend more.

Before the average *Online Today* readers even saw their first issue, they had already spent approximately $1,350* (and often more) on their computer system and peripherals. That figure includes a subscription to CompuServe, the largest (and still growing) online information service in the country. As a CompuServe subscriber, our spender receives *Online Today*, the monthly magazine with features devoted exclusively to computers and communications.



These high-tech trendsetters are also looking for the newest and the best in electronics, stereos, cameras, cars and computer accessories. And aren't they the kind of people you want your ad to reach?

An ever-growing audience.

An ad that appears in one issue of *Online Today* is seen by almost half a million of our computer-using readers. And because CompuServe adds approximately 8,000 subscribers each month, an ad that runs for a year gets seen by even more new readers.

High-tech, high income.

According to CompuServe's September 1987 Subscriber Study of *Online Today* readers:
- **median household income is $56,500**
- **94% are college-educated**
- **94% are males**
- **87% of males are 25-55**
- **74% are in executive and professional positions or technical fields**
- **100% are computer users; 71% use their computers for both business and personal needs**
- **75% use a computer at work**
- **97% use a computer at home**

Reach the big spenders without spending the big bucks.

A buy in *Online Today* is extremely cost-effective. It's an excellent value based on such a select audience.

For a complete media kit, contact the *Online Today* representative in your area:

National Peter A. Scott, Columbus, OH (614) 457-8600
Northeast Hajar Associates, Norwood, MA (617) 769-8950
Mid-Atlantic Nelson & Ross Assoc., Inc., Hastings-on-Hudson, NY (914) 478-0491
Southeast Fox Assoc., Atlanta, GA (404) 252-0968
Southwest Hajar Associates, Dallas, TX (214) 888-1169
Midwest The Kingwill Company, Chicago, IL (312) 675-5755
West The Faust Co., Torrance, CA (213) 373-9604
Northwest Fox Assoc., San Francisco, CA (415) 989-5804

ONLINE TODAY

Printed Monthly / Online Daily
Published by CompuServe Incorporated, an H&R Block Company

*Average price paid by CompuServe subscribers for computer, modem, communications software and Subscription Kit.

† Projected figures for CompuServe Information Service Subscribers — January 1988. BPA circulation 328,133 — June 1987.

BPA

Business books battle

1987 U.S. circulation scorecard
(for six months ended Dec. 31, 1987)

	Business Week *(North America)*	Forbes	Fortune *(North America)*
Total circulation	857,958	740,307	658,850
% change from '86	8.8	1.0	2.5
Subscriptions	816,968	696,001	616,949
Single-copy sales	40,990	44,306	1,901

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987

Ad rates and revenues for The Big Three*

	Business Week $48,800	Forbes: $40,100	Fortune: $43,380
1986 revenue	$166.6 million	$114.0 million	$110.1 million
1987 revenue	$217.5 million	$128.6 million	$122.0 million

*For a four-color, full-page ad; information only given for domestic issues.
Source: Business Week, Fortune & Forbes.

(Continued from Page S-14)

subscriptions were sold below the cover price. *Forbes* and *Fortune* sold 28.9% and 25.0% of their new subscriptions, respectively, at a discount.

Business Week's readership rise is a product of several factors, including an aggressive sales program and improved editorial product, observers say.

Business Week's Business Information Plan, or BIP, has greatly contributed to the magazine's success in gaining corporate subscriptions. To sell group subscriptions to corporations, a regional sales force uses a face-to-face approach in the sales calls that it makes to 1,000 businesses around the country.

"All three business magazines derive most of their subscribers from direct mail," says John M. Thornton, *Forbes'* director of circulation.

Similarly, all three use premiums. Mr. Thornton says that *Forbes* doesn't induce subscribers with "novelty" items like the competition does. However, *Forbes* does use premiums.

Malcolm Forbes' business magazine is considered the best investment magazine of the Big Three. *Forbes* offers prospective subscribers several editorial reprints, including its mutual fund survey and an article that discloses stock analysts' favorite investment stock.

"[The editorial premium] is a capsule version of what *Forbes* is about," Mr. Thornton says.

Fortune, like *Forbes*, offers customers editorial premiums, including "The Complete Fortune Financial and Tax Planner." However, like *Business Week*, the bulk of *Fortune's* premiums is merchandise. It's a practice, says *Fortune's* Publisher James Hayes, that's well received at parent company Time Inc., where such products as telephones have long been used as premiums.

Also, like *Business Week*, *Fortune* avoids what it views as frivolous premiums, reasoning that their desired subscribers—the 40-year-old male, in middle or upper-level management, with an income of $70,000 or more—wouldn't be interested in plastic phones or radios as gifts, according to Mr. Hayes.

Instead, both magazines reward new subscribers with "business related" gifts: *Fortune* offers a planner or dictionary and is currently testing sending out a business-oriented videocassette; *Business Week* gives a desktop solar calendar and also is testing an "office on the go," a small zip-up holder which contains such useful items as tape and scissors.

For all of its promotional techniques, however, industry experts attribute most of *Business Week's* success to Editor Stephen Sheperd. Mr. Sheperd has achieved what some consultants describe as an almost miraculous turnaround in *Business Week's* editorial product.

"Far and away, *Business Week* has made the greatest progress [in changing the book]," says John Gray, senior VP and director of media planning at J. Walter Thompson USA, New York. "They've done an outstanding job in redesigning. The whole editorial product says 'read me.' "

Before Mr. Sheperd became editor three-and-a-half years ago, *Business Week* was a dull, predictable read, observers say. Since then, however, the magazine has been overhauled.

(Continued on Page S-28)

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Bridal magazines 'gloriously strong'

By Tim Harris

Bride's and *Modern Bride*, bookends of the bridal magazine market, often share readership, editorial content and advertisers. Unsurprisingly, advertisers buy pages in both magazines, "but there is still plenty of battling in the trenches," says Howard Friedberg, recently named publisher of *Modern Bride*.

An examination of the February/March issues of Conde Nast's *Bride's* and Cahners Publishing Co.'s *Modern Bride* reveals how this battling occurs. The ad index in the February/March issue of *Bride's* lists ads for 106 different brands of bridesmaid, mother-of-the-bride and bridal fashions. The index in the competing issue of *Modern Bride* lists 79 such advertisers.

The big bridal fashion manufacturers advertise different fashions of the same line in both magazines, allowing them to show their product effectively but without overlapping advertising costs.

For example, Ilissa Bridals, a well-known bridal designer, advertises two fashion lines in the February/March issue of *Modern Bride* In the competing *Bride's*, the designer features different dresses from the same line.

Following a variation on this strategy is Jessica McClintock, which alternates ads by issue date. The February/March issue of *Bride's* features McClintock's Signatures Bridal Collection; the same line is presented in the April/May issue of *Modern Bride*. This process, according to Mr. Friedberg, is called rotating ads. "It's really a question of funding. Essentially, for these companies [rotating ads] is the best of both worlds." He says the process is also cost-efficient, making the most sense for companies who have smaller ad budget. By alternating its advertising between the two magazines by issue date, companies can also keep from duplicating ads.

With the availability to advertise in both books, companies also can exert a stabilizing influence on already sky-high advertising prices. According to Mr. Friedberg, "A four-color, full-page ad in *Modern Bride* costs a company $20,000. It's expensive on a CPM basis." Comparatively, a four-color, full-page ad in *Bride's* costs $21,220.

(Continued on Page S-24)

Tim Harris is a New York-based free-lance writer.

BRIDE'S
GROOMS ISSUE
TAKE-YOUR-BREATH-AWAY BEAUTY
BEDROOMS MEN LOVE
NEW WILDLY ROMANTIC DRESSES

Bride's touts its annual groom's issue in its April/May magazine.

MODERN BRIDE
BEST!
FASHIONS
HONEYMOONS
ENTERTAINING
DECORATING

This month Modern Bride offers its readers an 11-page reception planning guide.

1987 U.S. circulation scorecard

(for six months ended Dec. 31, 1987)

	Bride's	Modern Bride
Total circulation	371,019	324,449
% change from '86	5.5	3.6
Subscriptions	47,412	37,316
Single-copy sales	323,607	287,133

Source: Audit Bureau of Circulations' FAS-FAX report for six months ended Dec. 31, 1987

New bridal magazine marching south

Pace Communications, Greensboro, N.C., is depending on the strong regional identity among people who live in the South to help *Southern Bride* compete against *Modern Bride* and *Bride's* for advertisers and newsstand sales.

"The power of the Southern identity is difficult to understand if you're not from the South," says Publisher Bonnie McElveen-Hunter. "But there's a fraternity in the South, a sense of belonging."

The power of this identity is behind the successes of *Southern Living* and *Southern Accents*, according to Ms. McElveen-Hunter. "It's a unique market."

The every-other-monthly premiered March/April and is aimed at brides-to-be in 17 states. "The 17 states we define as Southern have about 43% of the weddings [in the country]," says Ms. McElveen-Hunter.

Initial newsstand distribution of *Southern Bride* was concentrated in the South with token availability in Chicago, Los Angeles and New York.

In its first issue, the magazine carried 116 pages of advertising. "It's a real vote of confidence from advertisers," she says.

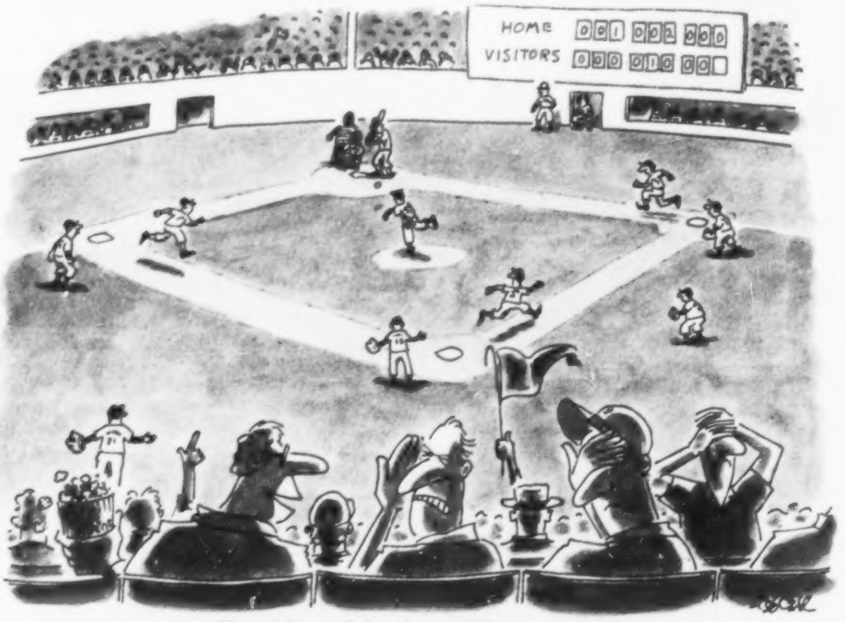
Bill Levkoff, a well-known brides' maid and prom dress designer who advertises heavily in *Bride's*, bought 27 pages of ads in the magazine's premiere issue. An additional ten pages were placed by Mendicino, another New York-based wedding and prom fashion designer.

Ms. McElveen-Hunter says the second issue carries comparable advertising pages while "the third issue has double the number of ad pages than the premiere issue did."

A four-color, full page ad costs $9,688 per issue. According-

(Continued on Page S-24)

Southern Bride
PREMIER Issue!
Elegant Southern Gowns
Plantation Weddings



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DRIVE YOUR MESSAGE HOME.

How are more and more big leaguers adding power to their marketing line-up? With **Street & Smith's Sports Group.** National advertisers—like Seagram's, Gillette and R.J. Reynolds Tobacco—have discovered that Street & Smith offers an unbeatable way to cover all the bases.

For over 50 years, sports fans have voted Street & Smith MVP (Most Valuable Publications). And we've certainly got the stats to back it up. Our team of all-star editions—BASEBALL, PRO FOOTBALL, COLLEGE FOOTBALL, PRO BASKETBALL, COLLEGE BASKETBALL, THE 1988 OLYMPICS—is a super six-magazine buy with a 1,600,000 total circulation. We deliver a captive audience of 5 million adult readers, 95% of them male.

Impressive numbers, to be sure. And because Street & Smith is a leading source for sports facts, figures and forecasts, readers refer back to us—time and time again. So our performance will be just as strong at the end of the season as it is in the beginning. And that means yours will be, too.

Making a play for the top? It's easier when you've got a lot of fans behind you. Call Street & Smith at (212) 880-8698.

STREET & SMITH'S SPORTS GROUP

BASEBALL • PRO FOOTBALL • COLLEGE FOOTBALL • COLLEGE BASKETBALL
New! PRO BASKETBALL • *New!* 1988 OLYMPICS MAGAZINE

It's a brand new ball game.

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Bridal magazines

Future competition between 'Modern Bride' and 'Bride's' is expected to be most intense in the area of attracting and servicing advertisers.

(Continued from Page S-22)

Eliot Marion, publisher of *Bride's*, tries to distinguish the magazine from *Modern Bride* in a publisher's memo that accompanies the 912-page February/March issue. He writes, " . . . the February/March 1988 issue puts *Bride's* . . . in a class by itself"; the issue has 704 pages of paid advertising, a record for a single-issue consumer magazine.

However, to the consumer, there may be little difference between the two books. "The magazine with the cosmetics ads is *Bride's*," says Mr. Friedberg. " . . . Otherwise, if you switched the covers, you'd have a hard time telling the magazines apart."

There is, indeed, much editorial, circulation and advertising duplication between these magazines. For example, the 698-page February/March issue of *Modern Bride* has such departments as "Wedding Planning," "Setting Up Your First Home" and "Honeymoon Travel." The competing *Bride's* has similar departments: "Planning Your Wedding," "Your Home Together" and "Travel."

The balanced, head-to-head competition between these magazines also carries over to circulation. According to the Audit Bureau of Circulations' FAS-FAX report, *Bride's* total circulation for the six-month period ending Dec. 31, 1987, was 371,019, about 50,000 larger than *Modern Bride's* total circulation for the same period.

For both magazines, about 87% of total sales for the six-month period came from single-copy sales. "There is huge duplication. Once a woman identifies herself as a bride, she'll probably buy both," says Mr. Friedberg.

Each magazine keeps the same reader for the same nine-to-12 month period. "A bride will stay with us the length of her engagement," says Mr. Marion. "Then, some buy the next issue after the wedding, while they decorate the bedroom and buy flatware."

These two magazines share many advertisers. Indeed, within certain industries advertisers recognize that they have to buy space in both magazines or they risk missing the customer completely.

"We have a transient audience, and we can give them three or four impressions [of a product]," says Mr. Friedberg. "Companies such as Wedgwood know that once they've captured a bride, she keeps buying

(Continued on Page S-30)

South

(Continued from Page S-22)

ing to the publisher, Pace will institute a group buy program starting next year which will include *Inflight* magazine. By establishing this network, the company anticipates travel advertisers to buy in both *Southern Bride* and *Inflight*.

To put a distinctly Southern foot forward and to attract readers, the magazine uses an editorial approach that is both upper-crust and regional.

The premiere issue features photographs of Southern couples at their wedding receptions; one article interviews newlyweds adjusting to married life during the groom's third year of law school. "We call this our *Town & Country* approach," says Ms. McElveen-Hunter.

Also, says Editor Alex Gant, "We want our cover to be softer, sweeter [than *Modern Bride* and *Bride's*].

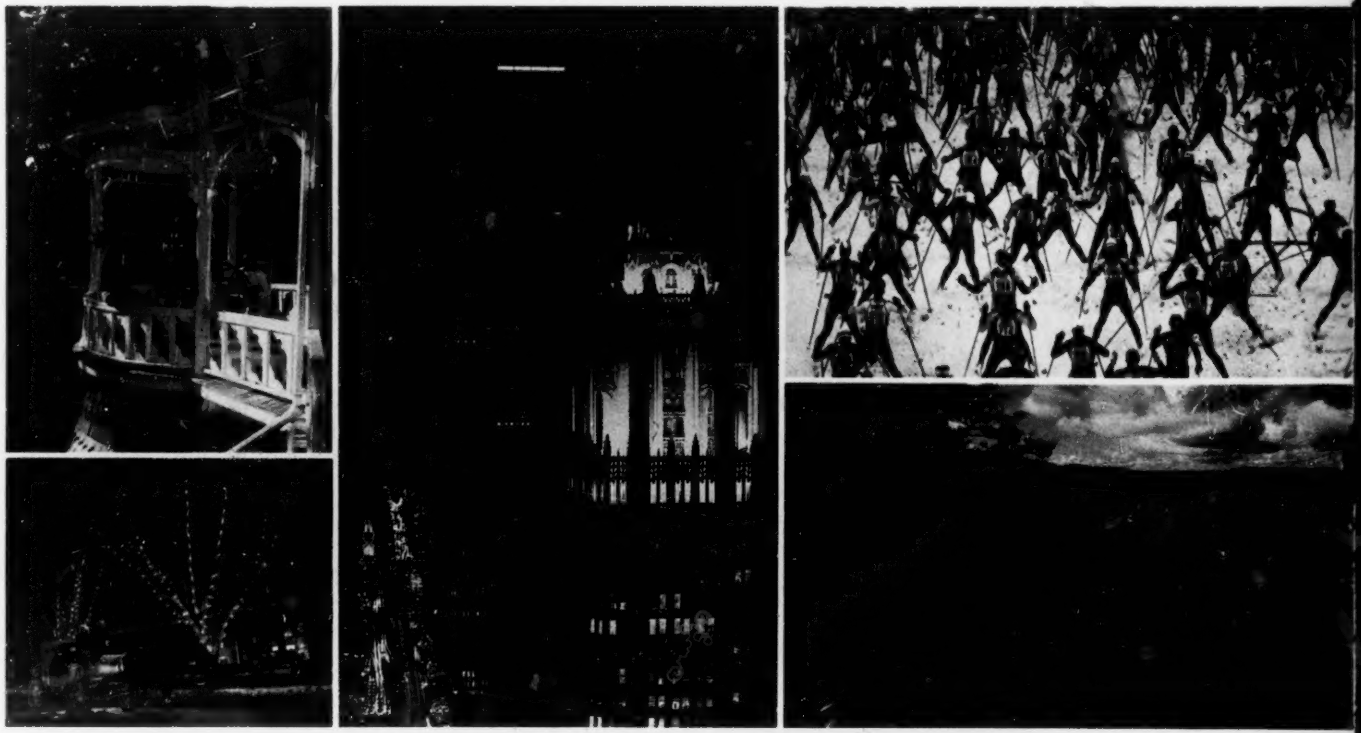
"Women down here read the national magazines but are not necessarily able to head off to Macy's to buy some featured earrings. But we refer to what's available in our reader's backyard," she says.

She describes the setting of the magazine's bridal fashion pictorials as " . . . deliberately, ridiculously Southern." In these pictorials, featured bridal gowns range in price from $450 to $9,000, and one train costs $7,000.

Finally, while *Bride's* touts an annual grooms issue, "[*Southern Bride*] calls the groom the ultimate accessory," says Ms. Gant.

Ms. McElveen-Hunter says that the magazine has distributed 170,000 issues for each of the first three issues, and depending on the sell-through with distributors, the number may climb.

Tim Harris



Midwest Living

How bright is America's

One hundred eight of the 1987 *Inc.* 500 listing of America's growing small businesses have their roots – and headquarters – in the Midwest.

More than a quarter of *Venture's* 100 fastest growing franchisor companies are from our region.

The same inventive energy that made us a $330 billion consumer market and built a multitude of familiar names in every industry is now meeting the new age's demand for specialty services and products.

From the *Business Week* 1000 to *Fortune* 500 to all the *Forbes* lists of powerful companies public and private, it's clear that America's bright economic future is tightly intertwined with the twelve states of the Midwest.

If you didn't know this before, it's because the Midwest never had a spokesman before. Now we do.

Midwest Living™ gives the Midwest its own magazine, devoted to the enduring values and lifestyles of America's Heartland. By reporting our region's bests . . . travel, homes, foods, gardens, restaurant and entertainment discoveries . . . as well as featuring the people shaping the Midwest's exciting future, *Midwest Living* has gone further faster than any

Midw

Readers find 'Utne' a solid alternative

Last year, *Utne Reader*, a national, every-other-monthly digest, decided that it was time to increase its circulation base. The Minneapolis-based book started accepting ads.

Since opening to advertisers in May/June 1987, the magazine's total paid circulation has jumped 50% to 75,000, according to Mike Tronnes, ad manager. And, 1987 marks the first year the book has been audited by the Audit Bureau of Circulations.

The *Utne Reader*, which tags itself "the best of the alternative press," was founded in 1983 by Eric Utne, publisher, and compiles news and opinions from such publications as *The American Spectator*, *Harper's Magazine*, *The Nation*, *The Progressive*, *Rolling Stone*, *Spy* and *Village Voice*.

Articles appearing in past issues have included: "A view from Chicago: Mike Royko on Jesse Jackson," "Start making sense: David Byrne's thoroughly post-modern dilemma," "The CIA's role in Nelson Mandela's imprisionment" and, most recently, "High-risk high tech: Who decides how it is used?"

"[*Utne Reader*] looks at issues and how they affect people politically, socially and personally," says Mr. Tronnes.

With the current March/April issue, the magazine increased the size of the book, upgraded its paper stock and began using four-color. The changes, according to Mr. Tronnes, were made to accomodate advertisers that previously had to produce ads to fit the digest's non-standard size.

NICARAGUA'S ECOLOGY
Utne Reader
The best of the alternative press
ARE YOU PLAYING WITH YOUR HEALTH?
How To Choose What To Use
Utne Reader
The best of the alternative press
REFLECTIONS ON FAMILY

'The best of the alternative press' recently increased the size of the magazine to accomodate advertisers.

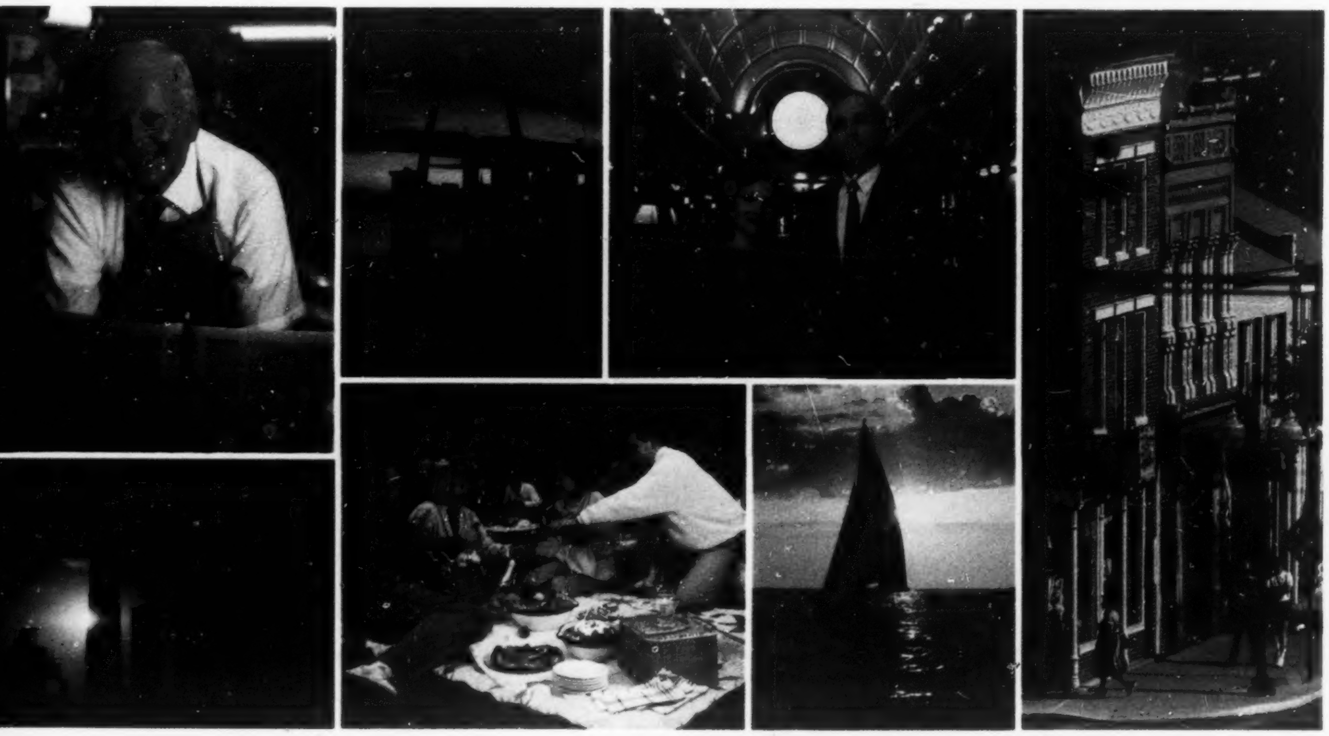
The results so far have been encouraging for the two-person ad department. "Out of 86 advertisers that bought ads in first three issues [since opening the book to advertising], 65 reran their ads by the following year's May/June issue . . . " The May/June 1988 issue carries 18 pages of advertising.

" . . . I think we've come pretty far in one year. We're starting to attract more recognizable national advertisers, and as our circulation approaches 100,000, it should pick up even more," says Mr. Tronnes.

National advertisers include Barnes & Noble, Bantam Books, National Public Radio, Quality Paperback Book Club and Vantage Press.

"The one point I try to get across when talking to advertisers is that they're able to reach a really special reader," says Mr. Tronnes. "Our readers are concerned in personal growth and society. Ninety-three percent of those who read the magazine are college-educated."

(Continued on Page S-30)



midwestern future?

new magazine in recent memory.

In its first year, *Midwest Living* has grown into the forceful, but cheerful, voice of all that is best in the Heartland today. Circulation is now 450,000. More than 2.25 million midwesterners read each issue.

Today's Midwest is going places.

If ever there was a right time to confirm your commitment to the people who distribute and sell your products throughout the Midwest, it is right now. *Midwest Living* is the magazine to do that for you!

Like the 222 advertisers who have joined us during our first year, you, too, can go places in the Midwest. In *Midwest Living*.

DES MOINES: Tom E. Benson, Publisher (515) 284-3062; NEW YORK: (212) 551-7032; CHICAGO: (312) 580-1635; MINNEAPOLIS (612) 447-3909; WEST COAST: (714) 854-1922; MAIL ORDER: (212) 551-7037 ©1988 Meredith Corporation Locust at 17th Des Moines, Iowa 50336

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Databank — Magazines

1987-88 consumer magazine acquisitions and start-ups

Publishing company/ceo	Address	Acquisitions	Start-ups
ABC Publishing (includes Hitchcock Publishing Co.) Robert G. Burton, president/ceo	825 7th Ave. New York, N.Y. 10019 (212) 887-8540	*Personal Publishing*—acquired from an independent publisher in May 1987.	***Musical America Bimonthly***—premiered Sept. 1987; published six times a year, to seven times a year in 1988. ***IBM PC Magazine***—premiered June 1987; published six times a year.
Advance Publications Samuel I. Newhouse Jr., chairman	350 Madison Ave. New York, N.Y. 10017 (212) 880-8800	*Details*—acquired from Alan Patricof Associates, a New York-based venture capital group, in Jan. 1988.	
Cahners Publishing Co. Terrence E. McDermott, president, magazine division	275 Washington Ave. Newton, Mass. 02158 (617) 964-3030	*Modern Bride*—acquired from Diamandis Communications Inc. in Dec. 1987. *Variety*—acquired from Variety Inc. in Oct. 1987.	
Century Publishing Co. (includes World Publishing) Norman Jacobs, president	1020 Church St. Evanston, Ill. 60201 (312) 491-6440		***Hockey Digest NHL Preview Yearbook***—premieres Oct. 1988; published once a year. ***Basketball Digest NBA Pro Preview Yearbook and Basketball Digest College Preview Yearbook***—premiered Oct. 1987; published once a year. ***Video Marketplace***—premiered Sept. 1987; published six times a year. ***Football Digest NFL Preview Yearbook and Football Digest College Preview Yearbook***—premiered June/July 1987; published once a year. ***Baseball Digest Yearbooks***—premiered Jan. 1987; published consecutively four times a year.
The Conde Nast Publications (includes Street & Smith's Sports Group) Bernard H. Leser, president	350 Madison Ave. New York, N.Y. 10017 (212) 880-8800		***Street & Smith's Pro Basketball***—premieres Sept. 1988; published once a year. ***Conde Nast's Traveler***—premiered Sept. 1987; published monthly.
Crain Communications Mrs. G.D. Crain Jr., chairman	740 Rush St. Chicago, Ill. 60611 (312) 649-5200	*Metropolitan Detroit*—acquired from Metropolitan Communications, Inc. in Oct. 1987 and merged with ***Detroit Monthly***.	
Diamandis Communications Inc. Peter G. Diamandis, president/vp-pres/ceo	1515 Broadway New York, N.Y. 10036 (212) 719-6000		***New Families***—premieres June/July 1988; published as insert in ***Woman's Day***; stand-alone date not yet determined. ***Memories***—premiered Jan. 1988; published twice a year, then to quarterly in 1989.
Fairchild Publications Philip J. Meek, president	7 East 12th St. New York, N.Y. 10036 (212) 741-4390		***Travel Today***—premiered Jan. 1988; published weekly. ***Scene***—premiered in March 1987; published six times a year.
Family Media Jeremy Grayzel, president/coo	3 Park Ave. New York, N.Y. 10016 (212) 340-9200	*Taxi*—acquired from Taxi Publishing Inc., Jan. 1988. *Discover, Science Digest*—acquired from Time Inc. in July 1987.	***Model***—premieres July/August 1988; joint venture with Times Mirror Magazines Inc.; published 10 times a year.
Hearst Magazines Gilbert C. Maurer, president	959 8th Ave. New York, N.Y. 10019 (212) 649-2000		***Good Housekeeping's Victoria***—premiered March 1987; published quarterly and will be published five times by yearend 1988.
Knapp Communications Corp. Cleon T. Knapp, chairman/ceo	140 E. 45th St. New York, N.Y. (212) 687-6855		***KETC***—premiered Jan. 1988; published 12 times a year for public broadcasting members.
Larry Flynt Publications Larry Flynt, ceo	9171 Wilshire Blvd. Beverly Hills, Calif. 90210 (213) 858-7100	*Analog, ST Analog*—acquired from an independent publisher in April 1988. *Running Times*—acquired from an independent publisher in June 1987. *Supercycle*—acquired from an independent publisher in March 1987.	***Autotech***—premiered March 1988; a joint venture with Italian publisher Publiamo; published monthly. ***Men's Look***—premiered April 1987; published monthly.
Meredith Corp. (includes Special Interest Publications) James A. Autry, president, magazine group	1716 Locust St. Des Moines, Iowa 50336 (515) 284-3000	*Cross Stitch & Country Crafts*—acquired from Craftways Corp. in March 1988.	***Midwest Living***—premiered April 1987; published six times a year. ***Grandparents***—premiered Jan. 1987; published 13 times a year.
Murdoch magazines John B. Evans, president, magazine division	500 Plaza Dr. Secaucus, N.J. 07096 (201) 902-2000	*In Fashion and Sportswear International*—acquired from VSI Publishing in Feb. 1988.	***Premiere***—premiered July/August 1987; joint venture with Hachette Publications; published monthly.
The New York Times Co. Magazine Group William T. Kerr, president	229 W. 43rd St. New York, N.Y. 10036 (212) 556-1234	*Child*—acquired from Child Magazine Publishing, Inc. in May 1987.	***Snow Country***—premiered Feb. 1988; published monthly.
Penthouse International Robert C. Guccione Sr., chairman	1965 Broadway New York, N.Y. 10023 (212) 496-6100	*Saturday Review*—acquired from Manhattan Media Corp. in Oct. 1987	***Longevity***—premieres fall 1988; published monthly.
Reader's Digest Association George V. Grune, chairman/ceo	Reader's Digest Rd. Pleasantville, N.Y. 10570 (914) 238-1000	*50 Plus*—acquired from Whitney Communications in Jan. 1988. *The Family Handyman*—acquired from Maxwell Publications in Dec. 1987.	
Rodale Press* Robert Rodale, chairman	33 E. Minor St. Emmaus, Pa. 18098 (215) 967-5171	*Backpacker, Adventure Travel and Ski XC*—acquired from Diamandis Communications Inc. in Jan. 1988. *American Woodworker*—acquired from an independent publisher in Nov. 1987. *Mountain Bike*—acquired from an independent publisher in Sept. 1987. *The Runner*—acquired from DCI in Jan. 1987 and merged with ***Runner's World***.	***Men's Health***—premiered Feb. 1987; published twice a year, to quarterly in March 1988.
Time Inc. Reginald K. Brack Jr., president/ceo magazine group	1271 Avenue of the Americas New York, N.Y. 10020 (212) 522-1212		***Cooking Light***—premiered Feb. 1987; published six times a year.
Times Mirror Magazines Herbert K. Schnall, chairman, magazine division	380 Madison Ave. New York, N.Y. 10017 (212) 687-3000	*Field & Stream, Home Mechanix* and *Skiing* and *Yachting*—acquired from Diamandis Communications Inc. in Dec. 1987.	***Model***—premieres July/August 1988; joint venture with Family Media; published 10 times a year.
Whittle Communications H. Christopher Whittle, chairman	505 Market St. Knoxville, Tenn. 37902 (615) 595-5100		***Special Reports***—premieres Oct. 1988; six magazines published quarterly. ***Tennessee Illustrated***—premieres Spring 1988; published six times a year. ***Pursuits***—premiered Jan. 1988; published quarterly. ***Go! (Girls Only)***—premiered Sept. 1987; published three times a year. ***Southern Style***—premiered July 1987; published six times a year.
Working Woman/McCall's Group Dale W. Lang, president	230 Park Ave. New York, N.Y. 10169 (212) 551-9500		***America Entertains***—premiered March 1988; published quarterly through 1989, then to 10 issues a year. ***Working Woman Weekend***—premiered Nov. 1987; published twice a year, then quarterly in 1989.
Ziff Corp. Kenneth H. Koppel, president	One Park Ave. New York, N.Y. 10016 (212) 503-3500		***PC Computing***—premieres Aug. 1988; published monthly.

Chart does not list single-publication companies or trade magazines.

**Practical Homeowner* on block.

Source: ADVERTISING AGE

Men's mags

(Continued from Page S-2)

carts too," says Mr. Jones.

GQ's ad revenues grew from $33.2 million in 1986 to $36.7 million in 1987. A four-color, full-page ad in *GQ* costs $21,950. Comparatively, *Esquire's* cost for a four-color, full-page ad is $27,200.

To meet its guaranteed subscriber rate base, *Esquire* has been sending issues to 40,000 people whose subscriptions have expired, according to the ABC. Further, the magazine has been discounting its subscription price.

For the first six months of 1987, nearly 80% of *Esquire's* 213,000 new subscriptions were discounted. By comparison, *GQ* discounted less than 15%.

GQ, like other Conde Nast Corp. properties, is driven by single-copy sales. With virtually no consumer advertising or mailings, readers are exposed to *GQ* at the newsstand, and has more than twice the single copy sales of *Esquire*.

One of the reason for passing *Esquire* in single copy sales is *GQ's* aggressive move into supermarkets. "Specifically," says Mr. Kliger, "we got pockets at the '10 items or less' checkout lanes."

GQ, which offers no discounts except to the trade, has primed subscription sales by increasing insert card production, Mr. Kliger says. The magazine's subscriptions, in fact, did increase from 270,942 for the last six months of 1986, to 305,709 one year later. The increases, Mr. Kliger says, come despite a hike in cover price from $2.50 to $3.00, and without offering any incentives. "That showed people were going to buy this magazine, regardless," he says.

'Lear's second issue off and running

For a new magazine, the second issue is as important as the first. If advertising pages drop off too drastically it could mean trouble. If *Lear's* second issue is any indication, the magazine for women over 40 has a bright future. Still, it's too early to call *Lear's*, published every other month, a runaway success.

After running 76 advertising pages in its debut March/April issue, *Lear's* second May/June issue has weighed in with 46 ad pages, a drop of about 40%. Michele Magazine, publisher of *Lear's*, says a start-up is considered to be "doing well" if the second issue carries 50% of the first issue's ad pages.

"The reader reaction shows we are striking an emotional chord in readers, and we are getting the same reaction from advertisers and [ad] agency people," says Ms. Magazine. "We are getting lots of white mail, that's when readers send in their money without even finding a subscription card."

LEAR'S
Wow!
DOLE
THATCHER
FRIEDAN
SADAT
GREEN
&
SALTER

In addition to new advertisers, Lear's says its second May/June issue carries 46 pages of ads.

With a rate base of 200,000, *Lear's* distributed 475,000 copies of the first issue, which completely sold out on newsstands in Los Angeles and New York. Ms. Magazine estimates the first issue sold 125,000 on newsstands, 350,000 were subscriptions.

Of the magazine's total distribution, 25,000 copies of *Lear's* were sent free to selected "upscale households," a practice, Ms. Magazine says, that will continue at least through 1988. With reader reaction strong, Ms. Magazine says *Lear's* will publish 10 issues in 1989. A rate base increase is also being considered for the September/October issue, she says.

Lear's launch was helped by the massive pre-launch publicity owner Frances Lear was able to generate. Surprisingly, *Lear's* leading advertising category is automotive, with ads in the second issue from BMW, Lincoln-Mercury and Buick. Traditionally, women's magazines have drawn most strongly from fragrance and apparel advertisers.

The second issue is also picking up new advertisers such as Mikomoto jewelry and the Spain National Tourist Office. The magazine's July/August issue will be a "soft month" for advertising, but Ms. Magazine says it, too, will carry new advertisers.

Patrick Reilly

'People'

(Continued from Page S-4)

even breaks out its best and worst selling covers. Big sellers: Elvis Presley and Madonna. Worst sellers: Alan Alda and Patrick Duffy.

"Because *People* can go to press faster than we can, they take advantage of what we call the "dead celebrity index," says Ms. Holton. In fact, *Us* not only wants cover subjects that are alive, but ones that are young, beautiful and perky. According to Ms. Holton, "We are into giving the reader a positive, intimate look at someone, not an uncovering of their foibles."

Indeed, *People* was recently chastised by *New York Times* humor columnist Russell Baker for publishing a recent string of "feel-bad" covers, including model Margaux Hemingway and her recovery from alcoholism, and President Kennedy's affair and mob connections.

However, the occasional "feel-bad" cover hasn't hurt *People's* newsstand and supermarket sales. For the six months ended December 1987, *People* sold 1.8 million single copy sales, an 8.8% increase from the same period in 1986.

As for *Us*, it sold 405,600 single copies, only a 5% increase for the same period in 1986.

"If there is a trend, newsstands sales will tell us about it; we will know about it quickly. The trend [Russell Baker] pointed out won't be forever," says Mr. Elliman. "We've become more news directed [on covers]. Fan covers don't work as well as they used to. One look at our sales numbers tell us fan covers are not necessarily a good idea."

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Fast track

(Continued from Page S-8)

travel clocks.

Michele Jones, *Working Woman's* circulation director, credits the Time Inc. relationship with part of her magazine's success in single-copy sales. The magazine uses the Time Distribution Service to keep issues in high-visibility locations, a prime factor for newsstand sales, she says.

Ms. Jones says perseverance is the key to success. "No matter what product you're trying to sell, the name of the game is to find something that works and then constantly test to see if you can find something better. You can never be satisfied with your results. You always have to get the price up another 50¢, get the term a few issues longer. It's like 'How do you get to Carnegie Hall?'—practice, practice, and just when you think you have a winning combination, you're out there in your next mailing trying to beat it again."

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Business

(Continued from Page S-18)

Physically, a greater use of color and bolder covers have made a transformed *Business Week* into a much more visually appealing magazine. Editorially, the magazine has established several new departments and overhauled old ones.

"The whole theory behind this is that business isn't dull," says Mr. Sheperd.

At *Fortune*, the arrival of Marshall Loeb as editor in 1986 precipitated a change in the magazine's editorial approach. In fact, the change was more a return to days of old, says Mr. Hayes. "At one point a conscious effort was made to run more stories and shorter stories. Marshall is pushing the magazine back to its roots."

Cover stories—like an article on the Vatican's finances that appeared in *Fortune's* Dec. 21 issue—highlight what Mr. Hayes describes as the magazine's increased emphasis

(Continued on Page S-30)

Business

(Continued from Page S-28)

on international business news. And *Fortune* claims editorial victory because of the attention it gets in the press. According to Burrelle's Press Clipping Service, Livingston, N.J., *Fortune* had 23,621 mentions in other publications last year. By comparison, *Forbes* was quoted 13,246 times, while *Business Week* was noted 8,830.

Forbes, too, has changed its editorial product. Recent years have seen the addition of marketing and careers coverage, says Editor James Michaels.

One goal at *Forbes* has been to shed the image of being solely a magazine for investors. "We're always writing for the business generalist," says Mr. Michaels. "But when you're talking to top management, as we are, investing is a part of their world so we cater to that."

Nonetheless, the magazine's attention to companies, moneymakers and losers alike is what attracts many readers. According to Robert Melnick, a 27-year-old New York stock analyst, "*Business Week* might do a story about 'Company X' telling you why it was taken over. But *Forbes* would have done a story two months earlier, telling you why 'X' was an attractive company. *Fortune* might to a sweeping trend story that would include something relevant to Company X or its industry."

Bridal

(Continued from Page S-24)

the product. And if they miss a bride while she's making these buying decisions, they won't have a chance to sell her for another 20 years."

Besides battling for so-called table-top product buyers, companies also compete in the travel and travel-related areas. To compete for these advertisers, both books create special travel-information vehicles geared to newlyweds. These supplement the regular travel sections of each magazine.

Modern Bride publishes an "Official Honeymoon Planning Guide" each year. "It's a mega-page section for us," says Mr. Friedberg. "Then Eastern [Airlines] packages the section as a brochure and sends it to travel agents." The *Modern Bride* ensignia is on some of these brochures.

Mr. Marion says *Bride's* follows only *Travel & Leisure* in the number of travel ad pages it carries. " 'Our World Travel Guide' is our most popular section." This annual feature carries 120 pages of travel destinations, which *Bride's* repackages as a brochure and distributes to travel agencies, according to Mr. Marion.

Overall, advertising in both books was very healthy in 1987. Ad pages in *Bride's* totalled 2,476 in 1987, up 18.2% from 1986, according to published reports. *Modern Bride* had 1,993 pages, up 12.8% from 1986.

"We are number-nine among all publications [in total ad pages]. The only women's magazine we didn't beat was *Vogue*.," says Mr. Marion.

Future competition between *Bride's* and *Modern Bride* will probably be most intense in the area of attracting and servicing advertisers. Competition to boost circulation will be comparatively moderate, according to Mr. Friedberg.

He says that a magazine can't expect to continually offer premiums to push up circulation. "Circulation expands only when there are more brides or more brides with the means to make purchases," says Mr. Friedberg.

As a result, the promotions these magazines undertake regionally with advertisers may become an increasingly important tool for servicing customers, according to Mr. Friedberg. Neither *Bride's* nor *Modern Bride* publish regional editions.

In the last two years, for example, *Bride's* has staged a number of fashion shows at shopping malls. "We work with retailers who carry our advertisers' bridal fashions and produce the events of the winter and summer season," says Mr. Marion.

Modern Bride also employs a staff that travels the country, coordinating bridal events that focus on the gift registry. "These combine fashion shows and vendor demonstrations," says Mr. Friedberg. "For us, the key participants are the table-top people." *Modern Bride* sponsored 200 such events last year, he says.

Mr. Friedberg and Mr. Marion agree that circulation and ad revenues for the two magazines will probably continue to grow, however, the reasons they give for the increases vary.

"There aren't any more marriages or first marriages than five years ago but our circulation is up. We think it may be a renewal of interest in marriage etiquette," says Mr. Friedberg.

"For health reasons," says Mr. Marion, "more people are conservative and have a relationship with a single person. Then they say, 'Why not get married?' "

Even without these societal trends, both books are expected to enjoy steady growth. According to Mr. Friedberg, "It's not a huge market. But it's nearly problem-proof. Companies know our readers have a buying deadline, so they hit them, and then the next batch comes in. The market is gloriously strong."

'Utne'

(Continued from Page S-25)

Utne has also commissioned Simmons Market Research Bureau, New York, to better profile their readers in product usage. "*Utne's* kind of a general-interest magazine so you really need the research to sell with advertisers," says Mr. Tronnes. "We're spending about $15,000 on this study to show advertisers [who *Utne's* readers are]." The results of the study will be available in early summer.

In addition, *Utne* has set up advertising supplements within its covers. "Off The Newsstand," which runs in every issue, is a showcase for publishers who wish to offer sample copies of their magazine or journal. For $210 per issue, "Newsstand" is "a cost-effective way for publishers to increase their circulation," according to *Utne*.

The supplement features the publication's cover, a short description of the magazine, subscription costs and frequency. Magazines from *American Forests* to *Harper's* advertise in this supplement.

What is unusual about these supplements is that some of the advertisers are considered competitors of the magazine. But, according to Mr. Tronnes, many of the magazines are smaller and specialized, and he has no worries that they might pull subscribers away from *Utne*.

"It's in our interest for people to read these smaller magazines. We appeal to people who are interested in the different perspectives these kind of magazines offer," he says. "Smorgasbord," published twice a year, is another ad supplement for those companies and organizations offering products, services and ideas. Recent advertisers include Audio Forum and Banana Republic. Ad rates are $350 per issue.

The magazine is getting noticed, says Mr. Tronnes, citing the recent nomination for general excellence for publications under 100,000 circulation by American Society of Magazine Editors. The winner will be announced April 27.

Anita M. Busch

Associate editor Anita M. Busch coordinated this report on Magazines.

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March consumer magazine ad linage

	Current month		Year-to-date	
	1988	1987	1988	1987
Auto/cycle/rec. vehicles				
ATV Sports	30.8	37.9	86.9	125.8
Autoweek (52X)	142.9	174.4	438.9	401.9
Car & Driver	106.0	79.7	290.6	251.9
Car Collector & Car Classics	15.9	14.6	53.0	46.4
Car Craft	85.5	90.2	201.2	203.3
Circle Track	84.8	111.8	235.1	212.5
Cycle World	63.2	80.0	125.1	151.9
Dirt Rider	48.2	33.7	104.8	96.4
Dune Buggies & Hot VWs	70.7	70.5	204.6	217.1
Family Motor Coaching	195.0	187.1	549.5	485.5
4 Wheel & Off-Road	89.8	82.8	217.0	209.4
Four Wheeler	83.0	69.0	233.0	222.0
Hot Rod	88.3	83.5	245.1	188.8
Motorcyclist	57.1	70.9	109.9	117.4
Motor Trend	78.1	90.8	221.0	195.3
Motorhome	86.2	78.9	249.6	231.1
Rider	42.7	44.4	99.2	105.9
Road & Track	109.5	92.3	318.7	253.6
Trailblazer	48.2	39.0	130.7	111.0
Trailer Life	102.0	109.2	267.4	283.8
Total Group	**1,629.9**	**1,640.8**	**4,383.3**	**4,111.0**
% change	**-0.7%**		**6.6%**	
General				
American Health (10X)	90.5	88.0	160.0	152.2
American Heritage (8X)	33.9	—	70.3	25.9
American West (6X)	—	—	—	—
The Atlantic A.	45.3	34.3	146.0	92.3
Bon Appetit A.	73.9	86.4	210.1	230.7
Cable Guide	31.9	24.2	86.2	70.1
Changing Times	73.7	74.7	184.0	198.6
Conde Nast's Traveler	54.2	—	136.1	—
Connoisseur	107.3	65.7	216.7	172.8
Consumers Digest (6X)	25.8	26.3	43.3	53.8
Ebony	87.0	82.1	286.8	261.6
Fifty Plus	36.4	39.5	98.9	127.1
Food & Wine	51.4	46.2	142.0	136.1
Games (6X)	18.8	20.7	35.0	34.2
Golden Years	—	—	—	—
Gourmet	97.7	104.3	264.0	252.5
Harper's A.	34.0	32.5	92.0	88.5
Harrowsmith (6X)	59.2	50.2	124.2	104.6
Let's Live	44.0	50.0	141.0	139.0
Life	38.8	39.5	120.6	127.9
Mature Outlook	—	—	—	—
Modern Maturity (6X)	—	—	38.9	50.6
Money	133.2	133.3	340.8	354.2
Money Maker	—	—	8.0	—
Mother Jones (9X)	—	—	32.3	37.2
National Geographic	28.5	17.2	78.5	47.8
National Geographic Trvlr(4X)	34.0	44.3	34.0	44.3
Natural History	37.4	38.1	112.6	116.4
Prevention	53.9	64.8	172.8	206.4
Psychology Today	31.3	36.7	94.7	100.3
Reader's Digest A.	110.5	88.8	284.6	231.6
Saturday Evening Post (9X)	37.5	40.0	76.4	83.9
Smithsonian	91.6	92.6	282.4	224.3
Sylvia Porter's Personal Finance (10X)	39.7	48.3	94.7	117.7
Town & Country	—	—	—	—
Travel-Holiday	68.5	84.9	170.5	179.6
Travel & Leisure	134.1	123.9	308.8	261.3
Vanity Fair	109.6	72.1	215.0	140.2
Writer's Digest	32.0	27.0	85.4	78.1
Yankee	67.4	77.7	236.6	223.5
Total Group	**2,013.1**	**1,854.3**	**5,224.1**	**4,765.2**
% change	**8.6%**		**9.6%**	
Home				
Americana (6X)	20.9	21.2	37.5	35.7
Architectural Digest A.	156.6	128.1	408.3	295.4
Better Homes & Gardens	121.7	129.5	300.9	275.7
Colonial Homes (6X)	67.2	67.0	135.4	142.7
Columbus Monthly-Homes (4X)	—	—	30.2	22.6
Country Home (6X)	60.8	51.8	102.7	88.0
Country Living	89.0	85.2	227.2	227.3
Family Handyman (10X) A.	44.7	63.7	133.3	150.9
Florida Home & Garden	62.2	41.3	159.8	112.8
Flower & Garden (6X)	—	—	54.4	51.8
Home	48.7	41.6	154.5	144.2
Home Mechanics	57.5	58.7	135.8	163.8
The Homeowner (10X)	44.2	47.5	87.8	88.0
Horticulture	44.1	38.9	139.6	114.6
House Beautiful	74.0	85.1	183.3	184.3
House & Garden	111.9	93.1	242.6	231.0
Houston Home & Garden	52.2	54.7	164.0	174.6
Metropolis	61.9	56.0	117.7	119.8
Metropolitan Home	75.3	61.6	210.8	156.3
1,001 Home Ideas	58.9	59.1	156.0	140.8
Organic Gardening	54.4	59.9	187.3	187.6
Phoenix Home/Garden	80.0	83.0	244.5	228.8
Practical Homeowner	39.2	37.7	146.9	151.0
San Diego Home/Garden	—	—	—	—
Southern Accents (6X)	125.6	95.8	207.9	179.9
Southern Living	149.9	147.3	319.2	323.6
Sunset Magazine A.	133.2	121.1	340.4	289.7
Workbench (6X)	43.4	59.7	91.8	109.1
Total Group	**1,877.2**	**1,788.3**	**4,719.8**	**4,390.0**
% change	**5.0%**		**7.5%**	
In-flight & other passenger				
Aboard Group (7X)	32.2	24.3	60.2	52.1
Alaska Airlines	57.2	55.9	166.8	163.8
America West Airlines	60.5	42.1	181.1	128.2
American Way (24X)	125.1	101.9	376.7	274.0
Brighton Inflight Group:				
Hawaiian Air (6X)	—	—	—	—
East/West Network:				
Continental	42.3	—	154.0	—
Eastern Review	62.5	89.0	176.2	239.0
Northwest	37.8	50.5	118.2	134.0
Pan Am Clipper	41.1	38.2	124.1	117.4
Spirit	58.5	71.8	188.5	181.8
TWA Ambassador	47.6	57.0	152.4	143.0
Vis 'A Vis	57.3	62.2	154.0	176.6
Halsey Publication:				
Delta Sky	84.0	82.7	244.5	220.0
Pace Communications:				
Piedmont Airlines	82.4	68.4	246.2	236.8
US Air	77.5	52.7	202.7	130.4
Spirit of Aloha (6X)	20.1	30.4	61.8	98.4
Total Group	**886.1**	**827.1**	**2,607.5**	**2,296.6**
% change	**7.1%**		**13.6%**	
Men's				
Esquire A.	98.0	103.6	212.6	199.2
Firehouse Magazine	55.5	43.9	121.3	120.8
Gentlemen's Quarterly A.	216.1	197.6	428.2	368.0
M Magazine	82.7	93.6	209.7	218.7
Muscle & Fitness	125.3	123.3	363.5	343.2
Penthouse A.	42.5	37.4	134.0	114.8
Playboy A.	53.9	46.6	151.3	140.3
Salute (10X)	28.8	28.3	56.2	28.3
Total Group	**702.8**	**674.2**	**1,676.9**	**1,533.3**
% change	**4.2%**		**9.4%**	
Metropolitan				
Aloha (6X)	29.4	31.5	48.1	59.4
Atlanta	59.9	48.5	172.4	154.3
Baltimore	58.4	66.2	178.1	204.4
Boston	133.1	133.4	403.9	410.3
California	76.5	72.5	188.7	170.1
Chicago	100.1	111.7	295.8	265.8
Chicago's North Shore	84.9	86.9	257.3	228.2
Cincinnati	47.8	55.7	137.1	139.5
Cleveland	55.3	60.4	158.2	162.4
Coast (39X)	203.3	191.2	303.5	312.2
Columbus Monthly	51.5	50.8	164.8	155.9
Connecticut	103.9	96.0	278.0	271.7
D/Magazine, Dallas/Ft. Worth	86.0	115.3	251.0	322.7
Denver	34.5	25.3	97.2	81.5
Detroit Monthly	65.1	54.4	182.6	201.5
Grand Rapids	30.7	52.0	91.6	96.4
Gulfshore Life (10X)	—	—	—	—
Honolulu	63.1	55.8	175.7	182.9
Louisiana Life (6X)	31.7	35.7	55.9	65.5
Madison	44.0	35.8	115.0	157.8
Memphis	67.0	69.0	212.0	217.0
Mid Atlantic Country	38.7	35.0	74.4	106.3
Milwaukee	58.3	65.4	152.2	151.3
Minneapolis/St. Paul	102.3	130.1	249.8	272.5
Nashville	51.0	35.0	132.0	138.0
New England Monthly	41.4	32.0	123.4	96.0
New Jersey Monthly	106.6	88.5	261.6	244.7
New Mexico	17.6	16.8	128.5	85.7
Ohio	48.0	57.5	140.9	164.8
Oregon (6X)	—	—	—	—
Orlando	96.3	104.5	270.6	273.3
Palm Beach Life	99.9	105.7	289.7	307.6
Palm Springs Life	132.2	130.8	414.9	414.9
Philadelphia	147.1	133.6	384.5	365.3
Phoenix	62.0	81.0	180.3	228.0
Pittsburgh	78.5	67.3	196.6	178.0
St. Louis	52.7	53.5	155.3	89.2
San Diego	149.1	131.0	443.3	376.8
San Francisco Focus	95.7	73.3	237.4	223.8
South Florida Magazine	102.7	47.9	268.3	147.9
Texas Monthly	89.7	113.0	244.8	255.1
Twin Cities	67.9	66.2	184.5	142.7
The Virginian (6X)	59.0	62.5	119.5	361.1
Washington (7X)	74.2	56.0	121.6	96.0
The Washingtonian	157.0	165.3	583.7	594.2
Total Group	**3,354.1**	**3,279.9**	**9,124.6**	**9,152.5**
% change	**2.3%**		**-0.3%**	
Outdoor & sport				
Alaska	40.0	38.7	118.7	102.5
The American Handgunner (6X)	49.0	39.0	98.0	82.0
American Hunter	17.8	16.6	54.9	53.8
American Rifleman	27.2	25.9	71.9	73.5
Backpacker (6X)	—	—	—	—
Bass Master (10X) A.	113.1	113.9	307.0	276.3
Bicycling (9X)	135.8	101.1	221.4	170.7
Ducks Unlimited (6X)	20.6	21.8	43.2	40.0
Field & Stream	—	—	—	—
Fins & Feathers A.	29.9	38.3	60.0	128.2
Fishing World (6X)	68.4	71.4	111.4	111.7
Florida Sportsman	147.1	139.8	480.9	452.4
Golf Digest	121.5	96.6	336.5	300.8
Golf Magazine	121.2	79.5	512.2	396.4
Gun Dog (6X)	38.2	29.8	65.4	60.8
Guns	33.0	22.0	101.0	83.0
Guns & Ammo	46.6	36.3	149.1	111.0
In-Fisherman (6X)	—	—	162.8	145.0
Outdoor Life	100.3	79.8	334.5	334.4
Outside Magazine	56.6	52.1	128.5	117.8
Petersen's Hunting	44.1	30.0	147.5	104.8
Runner's World (12X)	33.9	44.2	103.4	93.3
Salt Water Sportsman	136.0	116.0	456.3	404.4
Sierra (6X)	45.2	42.9	79.7	82.2
Shooting Times	30.5	34.6	120.0	110.9
Ski (8X) A.	33.2	36.4	293.4	252.2
Skiing (7X) A.	81.3	52.8	263.1	203.3
Skin Diver	114.1	90.4	318.6	293.8
Southern Outdoors (9X)	85.6	68.5	226.7	165.9
Southern Saltwater(8X)	41.6	33.1	122.4	65.6
Sport	35.7	41.4	117.8	106.2
Sports Afield	85.4	85.2	230.8	309.6
Tennis	101.1	63.3	192.8	170.9
Waterski (8X)	95.6	60.0	47.2	40.5
Western Outdoors (10X)	75.5	53.4	177.8	140.8
Wildfowl (6X)	—	—	14.8	8.9
Wing & Shot (6X)	12.7	8.6	28.2	20.5
World Tennis	90.2	23.4	161.6	58.3
Total Group	**2,307.9**	**1,886.8**	**6,458.4**	**5,672.3**
% change	**22.3%**		**13.9%**	
Science/electronic/mech				
Discover	40.4	46.2	117.7	139.0
Family & Home Office Computing	43.6	48.3	133.1	155.3
Omni	61.0	57.0	165.9	162.3
Personal Computing	247.4	124.0	730.0	375.3
Popular Mechanics	101.3	87.5	235.2	251.7
Popular Science	85.7	69.2	280.3	268.4
Scientific American	29.2	33.4	103.6	105.2
Spectrum	57.0	57.4	202.8	206.8
Total Group	**665.6**	**522.9**	**1,968.6**	**1,663.8**
% change	**27.3%**		**18.3%**	
Women/fashion/service				
Bride's Magazine (6X) A.	—	—	703.6	581.9
Cosmopolitan A.	186.8	221.0	514.5	564.2
Elle Magazine	269.5	215.6	481.5	442.6
Essence	73.0	73.0	209.0	203.0
Family Circle (17X) A.	120.3	169.6	366.3	331.7
Glamour	222.6	221.4	469.0	[illegible]01.1
Good Housekeeping A.	125.2	134.6	334.3	[illegible]3.5
Harper's Bazaar	166.8	233.9	339.7	[illegible].6
Health	47.7	43.9	135.4	[illegible]2.9
Ladies' Home Jrnl.	117.6	111.4	306.8	278.6
Mademoiselle	178.3	204.3	351.7	390.1
McCall's	87.3	97.5	230.1	271.6
Military Lifestyle	49.0	45.6	132.9	139.9
Modern Bride (6X)	—	—	555.7	575.0
Ms.	30.0	31.3	95.8	105.7
New Woman	91.5	83.7	232.8	215.6
Parents Magazine A.	92.9	113.7	272.6	267.1
Redbook	126.4	100.5	288.2	268.8
Savvy	44.2	36.3	128.7	102.7
Self	124.8	105.2	278.8	259.2
Seventeen	183.3	184.6	294.7	346.2
Shape	80.1	84.6	198.2	204.4
Soap Opera Digest (26X)	20.2	15.2	58.0	43.8
Soap Opera Update	9.3	—	29.0	—
Teen Magazine	47.2	48.5	114.2	130.2
True Story A.	51.4	49.5	143.6	137.8
Vogue	435.6	395.9	832.4	816.6
W Magazine	164.1	161.8	403.9	413.8
Weight Watchers	39.0	34.9	113.2	100.7
Woman (10X)	43.0	33.5	82.3	63.5
Woman's Day (16X) A.	199.4	172.1	379.7	383.0
Women's Sports & Fitness	—	—	—	—
Workbasket	29.5	39.4	87.9	104.5
Working Mother	67.9	90.4	149.3	161.2
Working Woman	103.3	96.9	262.7	253.2
Total Group	**3,627.1**	**3,649.4**	**9,576.2**	**9,537.5**
% change	**-0.6%**		**0.4%**	
Bus./national				
Barron's	189.0	253.7	542.0	636.1
Black Enterprise	46.2	39.4	218.6	188.4
Bus. Week (52X) A.	327.0	397.3	823.8	847.4
Bus. Month	35.8	33.5	88.1	77.8
Financial World (26X)	55.1	60.5	147.5	173.7
Forbes (26X)	220.5	209.6	602.3	590.1
Fortune (26X)	254.6	227.6	629.7	495.1
Frequent Flyer	53.1	47.1	156.3	145.4
Futures	96.2	80.9	193.0	177.0
Income Opportunities	93.1	87.9	208.1	185.7
Industry Week (25X) A.	75.5	77.6	197.4	197.7
Nation's Bus. (12X) A.	22.4	22.0	64.4	64.1
Personal Investor (6X)	—	—	—	—
Venture	50.0	67.6	151.5	195.7
Total Group	**1,518.3**	**1,604.8**	**4,022.6**	**3,974.1**
% change	**-5.4%**		**1.2%**	
Bus./regional				
Advantage-Nashville's Bus. Mo.	55.0	35.0	169.0	146.0
Arizona Bus. Gazette (52X)	76.4	65.7	207.0	184.7
Baltimore Bus. Jrnl.	90.0	112.6	228.3	224.8
Boston Bus. Jrnl. (52X)	131.8	147.3	366.5	346.8
Bus. First of Buffalo	62.0	173.8	164.8	393.3
Bus. First of Columbus	100.7	126.9	200.1	290.6
Bus. Jrnl.-Milwaukee	114.8	139.1	383.8	337.5
Bus. Jrnl.-Sacramento	—	—	—	—
Bus. North Carolina	33.3	44.5	95.5	108.5
Capital Dist. Bus. Review (52X)	93.5	96.5	221.7	231.9
Caribbean Bus.	156.0	155.0	323.0	354.0
Cincinnati Bus. Courier	104.3	120.1	309.3	307.3
Corporate Report Kansas City	14.8	19.6	44.2	50.5
Corporate Report Minnesota	69.0	86.0	203.0	213.0
Crain's Chicago Bus. (52X)	138.0	169.0	392.1	415.0
Crain's Cleveland Bus. (52X)	60.9	64.7	170.3	141.9
Crain's Detroit Bus. (52X)	72.5	92.8	213.4	205.1
Crain's New York Bus. (52X)	48.0	35.0	123.0	75.0
Florida Trend (13X)	66.5	66.9	178.8	212.3
Georgia Trend	53.5	67.1	156.1	203.5
Grand Rapids Bus. Jrnl.	44.1	53.0	146.1	125.3
Hawaii Bus.	40.3	39.3	108.0	119.0
Houston Bus. Jrnl. (52X)	77.7	89.2	227.0	147.7
Indianapolis Bus.Jrnl. (52X)	—	—	—	—
Kansas City Bus.Jrnl.	77.3	110.2	210.8	293.7
Los Angeles Bus. Jrnl.(55X)	—	—	—	—
Manhattan Inc.	65.2	77.1	153.5	200.9
New England Bus. (20X) A.	90.3	76.2	178.3	157.3
Pacific Bus. News (52X)	105.6	138.6	302.2	315.3
Philadelphia Bus. Jrnl. (52X)	152.0	172.2	432.7	389.1
Pittsburgh Bus. Times	97.0	123.6	293.2	284.9
Providence Bus. News	69.7	64.5	203.7	154.5
Regardie's/Washington	134.0	128.0	405.0	385.0
San Diego Bus. Jrnl. (52X)	—	—	—	—
San Jose Bus. Jrnl.	184.0	—	517.0	—
South Florida Bus. Jrnl.	93.3	125.9	223.7	286.4
St. Louis Bus. Jrnl. (52X)	99.7	135.8	298.4	350.8
Texas Bus.	23.2	34.9	73.2	97.4
Warfields Monthly Baltimore	52.3	58.0	170.8	179.6
Total Group	**2,946.5**	**3,224.0**	**8,093.4**	**7,928.5**
% change	**-8.6%**		**2.1%**	
National Sunday magazines				
Parade (52X)	49.0	52.1	158.0	154.3
USA Weekend (52X)	50.0	46.0	147.5	121.6
Vista Magazine	11.7	10.5	39.1	26.0
Total	**110.7**	**108.6**	**344.6**	**301.9**
% change	**1.9%**		**14.1%**	
Newspaper Sunday magazines				
Boston Globe	—	—	—	—
Chicago Tribune	153.2	128.3	303.6	273.1
Cleveland Plain Dealer	79.4	68.7	174.5	134.8
Columbus Dispat	45.2	48.2	75.2	106.5
Detroit News	68.0	78.0	174.0	189.0
L.A. Times	81.6	47.2	188.1	134.2
Louisville Courier-Jrnl.	—	—	—	—
Miami Herald	—	—	—	—
New York Times Magazine	436.6	567.5	938.9	955.6
Philadelphia Inquirer	101.8	84.2	209.7	179.0
Seattle Times	77.0	71.0	171.0	140.0
St. Louis Post Dispatch	65.7	99.0	210.3	178.0
Toledo Blade Magazine	31.1	43.1	88.9	106.9
Washington Post	150.7	185.6	308.9	380.6
Total Group	**1,290.3**	**1,420.8**	**2,843.1**	**2,779.7**
% change	**-9.2%**		**2.3%**	
Weeklies/bi-weeklies				
The Advocate (26X)	129.2	187.7	420.9	417.4
Army Times Military Group:				
Air Force Times (52X)	147.0	177.9	455.4	464.4
Army Times (52X)	140.9	170.2	432.1	449.6
Navy Times (52X)	160.8	194.7	501.9	508.5
The Blood-Horse (52X)	246.4	276.5	1,141.8	1,417.0
Capper's (26X)	30.7	40.2	84.3	116.8
Commonweal (22X)	5.8	6.6	21.2	18.8
Golf World (43X)	96.3	83.0	332.5	254.0
Grit (52X) A.	25.4	30.0	96.1	98.7
National Jrnl. (50X)	57.3	44.3	166.0	146.2
National Review (25X)	29.9	38.6	96.0	90.5
New Republic (48X)	32.9	43.5	112.9	97.9
New York Magazine (50X)	241.7	223.4	622.9	631.3
New Yorker	196.8	235.1	515.1	555.6
Newsweek (52X) A.	169.5	236.6	542.9	564.6
People (52X)	268.1	312.0	744.3	734.4
Rolling Stone (25X)	183.1	141.5	376.7	312.3
Sporting News (52X)	52.0	32.9	144.1	140.3
Sports Illustrated(52X)A.	211.1	221.4	759.9	598.2
Time (52X) A.	192.5	245.0	560.2	564.7
Travelhost (52X) C.	3,011.5	2,985.0	8,599.0	8,520.0
TV Guide (52X) A.	276.1	297.3	1,004.1	994.7
Us Magazine (26X)	50.2	40.9	131.5	100.1
U.S. News & World Rpt (52X)A.	141.1	165.8	414.6	361.7
Total Group	**6,116.5**	**6,430.0**	**18,276.3**	**18,157.7**
% change	**-4.9%**		**0.7%**	

ADVERTISING AGE has switched to a new monitoring system. All data in linage reports will reflect the previous month's advertising.

(X) represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions.

B. Sectional linage included but not prorated to circulation of regional editions.

C. Combined unduplicated regional ads.

All figures represented in this table are supplied by the magazines.

ADVERTISING AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

Industry ethics are alive

Coast to coast, survey shows consistent results

When the Advertising Club of New York asked its members to complete a survey on the ethics of certain business practices, ADVERTISING AGE, with the adclub's permission, asked its readers the same questions.

The idea was to compare advertiser, agency, media and "other" responses from the East, Midwest, South and West on issues that ranged from stealing clients to giving payoffs. The 256 replies, tabulated in the accompanying chart, demonstrated that no geographic area is uniquely unethical. Nor was any particular segment of the advertising business noteworthy for its variation from the ethical norm.

Still, there were some interesting differences.

For instance, of all the categories of responses, Eastern advertisers considered more of the business practices to be unethical than any other group (a whopping 68%).

By region, 59% of the Midwest respondents repudiated the scenarios (such as hiring away an account supervisor and his account) as unethical, while 54% in the South condemned them. The disapproval rate in the East was 57%, in the West 58%.

When the results were averaged by profession, 41% of advertisers overall found the scenarios to be ethical.

Forty-four percent of media respondents said the situations were ethical. Ad agencies and "others" fell in between at 43%.

How to explain the position of advertisers? Is it that they simply enjoy the easy high-mindedness that comes from being the boss?

That's impossible to say, but keep in mind that while advertisers don't have to compete for agency dollars, agencies, the media and everyone else must compete for advertiser dollars.

Many business practices, however, such as the one described in Question #1, received fairly universal acceptance.

Most readers agreed that it's ethical to hire away the "Rolavision" account supervisor from XYZ Advertising to help pitch Rolavision's competitor.

Meanwhile, most readers found the practice in Question #2 unethical: They wouldn't pay a $20,000 finder's fee to a friend who recommended their agency to someone seeking an agency.

What if that friend is a consultant being paid by a client and he still asked for a finder's fee? Unethical, said everyone, with advertisers (75%) and respondents from the West (69%) the most against it.

Question #4, which basically wondered whether it's ethical to advertise realistic war toys, received a general go right ahead—though several respondents noted that they personally wouldn't do it.

Westerners and Southerners polarized on this issue, with 63% of Western region respondents approving the war toy pitch, compared with 93% in the South.

Question #12, however, which asked whether it's ethical to advertise food that's cheap because it's "slightly off," got a repulsed and resounding no from almost everyone.

Several readers noted on their returned forms that though they might consider certain practices to be ethical, they personally wouldn't follow them—for business reasons.

Voicing the minority opinion, one reader wrote, "Why not—if the food's not unlawful?"

The majority agreed that the actions in Question #5—examining the competition's materials when received accidently—aren't ethical—and even less ethical in Question #6, which the materials are viewed on the sly. The South was the region most offended by this behavior, with only 3% condoning the action.

Questions #7 and #8 revealed at least as much about sexism as they did about ethics. The first asked whether, when pitching a very narrow-minded client, it was ethical to exclude the most competent account supervisor simply because she's a young woman. Only advertisers found this an ethical decision, with 51% giving it their OK. "Others" found it least (36%) ethical.

Question #8 set forth exactly the same scenario—except that this time the excluded account supervisor was a middle-age black man. Advertisers, agencies and "others" found this scenario even more objectionable.

Only the media (59%) found it more unethical to bypass a woman than a black man (55%).

This pair of questions also highlighted a big regional difference. Southerners were far more likely to find the exclusion of a woman or a black man to be ethical (54%) than their Eastern counterparts, who thoroughly condemned these practices.

Only 34% of the Eastern respondents found excluding a woman ethical, and even fewer (31%) approved of excluding the black executive.

Most respondents didn't object to Question #9, where a new agency employee brings along one of his accounts, though advertisers were the least enthusiastic about this decision.

And, as expected, advertisers were the most upset by the seamy scenario in Question #10, where a friend is sleeping with the secretary of the marketing VP at the airline you're pitching. Half found it ethical, half didn't. The other professions found it less objectionable, and in the East, 59% of the respondents approved.

But almost everyone agreed that the even seamier circumstances in Question #11, where the friend wanted a consulting fee, made the situation completely unethical. It was unanimously condemned among advertisers and Southerners.

Several readers noted that though they might consider certain practices to be ethical, they personally wouldn't follow them—for business reasons.

For instance, one Midwestern agency respondent wrote that he wouldn't hire away another agency's account supervisor who promised to bring along his account because "If he did it to them he might do it to me."

A Pennsylvania graphics agency owner wrote, "As for romancing 'narrow-minded' clients and those who sell 'off food,' the decisions aren't so much unethical as just plain poor business practice. Those clients are quite likely to treat an agency with an equal lack of respect. Why ask for trouble?"#

Breaking down ethics responses

1. You are competing with three other agencies for the Magnasonic Consumer Electronics business. Its chief competitor is Rolavision, handled by XYZ Advertising. XYZ's account supervisor on Rolavision has interviewed with you recently for a job. You hire him, specifically to help with the Magnasonic pitch.

	Ethical	**Unethical**
Agency	75%	25%
Advertiser	74%	26%
Media	78%	22%
Other	64%	36%

2. A good friend of yours calls and says an associate of his is looking for a new advertising agency. His associate knows little about advertising and has asked for his advice. He offers to recommend your company provided he will be paid a finder's fee of $20,000 if you land the business. You agree.

	Ethical	**Unethical**
Agency	35%	65%
Advertiser	26%	74%
Media	26%	74%
Other	39%	61%

3. Same as Question 2, but your friend is in the business of consulting for clients looking for new advertising agencies, and he is being paid a fee by his client.

	Ethical	**Unethical**
Agency	44%	56%
Advertiser	22%	78%
Media	35%	65%
Other	52%	48%

4. Your agency is one of four semifinalists asked to participate in a competition for a new-product assignment from a major toy marketer. While the agency has had experience in marketing to children, this assignment would be your agency's first in the toy category—and with a leading manufacturer. During a final briefing your prospective client discloses that the "new product" is a compatible set of war toys complete with pseudo-ammunition, guns, etc. Your agency decides that it will accept the assignment if it is awarded to them.

	Ethical	**Unethical**
Agency	75%	25%
Advertiser	86%	14%
Media	73%	27%
Other	88%	12%

5. You and two other agencies are in the final stages of a competition. Part of your pitch has to do with recommending and supporting a new marketing strategy. Late one evening, a few days before the scheduled presentation, you are proofing your slides at a slide supply house. By accident, you are handed a fairly complete set of slides put together for one of your competitors. You have enough time to examine and get the gist of it before returning the set to the supplier, who is embarrassed at his mistake. When you return to the office, you make significant changes in the way your agency presents itself so as to attack your competitor's recommended strategy in a direct and forceful manner without, of course, revealing to anyone that you have information on your competitor's actual recommendations.

	Ethical	**Unethical**
Agency	46%	54%
Advertiser	44%	56%
Media	48%	52%
Other	37%	63%

6. Same as Question 5, except your competitor's slides are in a file folder on the worktable next to you. You have to wait for the supplier to leave the room before you peek at them.

	Ethical	**Unethical**
Agency	4%	96%
Advertiser	6%	94%
Media	13%	87%
Other	11%	89%

7. You've been invited to compete for the business of a retail chain that has headquarters in the Southeast. The chain is run autocratically by its 75-year-old founder. Every member of his senior management team is white, male and more than 40 years old. In past discussions, you've come away with a clear impression that they are narrow-minded, too. As it happens, a few months ago your agency lost the business of a large New York retail chain. You did excellent work for the chain, and the account supervisor who knows all about the business still works for you but has been without an assignment for more than three months. The problem is, the account supervisor is a 35-year-old woman. You decide not to use her in your presentation.

	Ethical	**Unethical**
Agency	40%	60%
Advertiser	51%	49%
Media	41%	59%
Other	36%	54%

8. Same as Question 7, except that your account supervisor is male, 45 years old and black. You decide not to include him in the presentation.

	Ethical	**Unethical**
Agency	38%	62%
Advertiser	49%	51%
Media	45%	55%
Other	31%	69%

9. Your agency is looking to hire a senior account management person. You interview a management supervisor who promises to bring with him one of the accounts he is responsible for at his current agency if you hire him at the salary he is asking. You hire him, and the account comes to you.

	Ethical	**Unethical**
Agency	84%	16%
Advertiser	63%	37%
Media	87%	13%
Other	73%	27%

10. You and three other agencies are in a competition for a major airline account. As luck would have it, a good friend of yours is sleeping with the secretary for the airline's marketing VP. She's very indiscreet and tells your friend all about the exciting things going back and forth at her company during the review, including the individual views of the members of the airline's agency selection committee. Your friend gives you feedback on all your meetings with the airline.

	Ethical	**Unethical**
Agency	56%	44%
Advertiser	50%	50%
Media	65%	35%
Other	54%	46%

11. Same as Question 10, except your friend asks for a consulting fee, with a bonus if you get the business.

	Ethical	**Unethical**
Agency	7%	93%
Advertiser	0%	100%
Media	4%	96%
Other	9%	91%

12. Your agency is being considered by a group of restaurants that offers "good tasting" food at low prices. They ask your company to develop a better "price" story since they will soon be cutting their prices even further. When the agency delves into the reasons why the company can continue to serve the same "good tasting" food at even lower prices, it learns that the group has found a supplier of slightly "off" food. While the food is not yet spoiled, it is close to that stage and requires significant additional seasonings and preservatives. Your agency accepts the assignment.

	Ethical	**Unethical**
Agency	15%	85%
Advertiser	12%	88%
Media	13%	87%
Other	27%	73%

This questionnaire was created for the Center for Communications, a New York-based group that brings together students and professors with professionals in the communications fields to share practical information rather than theory.

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NEWSPAPER

A rtising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

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Court battle: IBM called in for testimony

By GARY LEVIN and JON LAFAYETTE

IBM Corp. executives have been asked to give live testimony this week in the court fight between breakaway agency Lord, Einstein, O'Neill & Partners and WPP Group.

The two other former Lord Geller, Federico, Einstein clients that have moved business to Lord Einstein—WNBC-TV and *The New Yorker*—also have been subpoenaed for depositions and possibly live testimony for this week's court proceedings.

See Lord Einstein's suit (P. 92) and new WPP buy (P. 93).

In those proceedings, WPP will try to prove the breakaway executives solicited Lord Geller clients before leaving to form the new shop, backed by Young & Rubicam.

Two IBM executives already have filed depositions. On April 22, lawyers took depositions from Darby Coker, who had been advertising director for IBM's Information Systems group before being transferred in February, and John King, director of advertising operations for IBM Corporate Advertising Programs.

This marks the first time clients have been drawn directly into proceedings of the most controversial court case to hit the agency business in more than 30 years.

But the court proceedings haven't discouraged other advertisers from approaching Lord Einstein, as WPP Group Chief Executive Martin Sorrell had hoped.

Saab-Scania of America braved the legal mess last week to move its $25 million-to-$30 million import car account to the new agency, from Ally & Gargano, New York.

Saab became the first Lord Einstein account that wasn't previously at Lord Geller, and it provides a major boost to the fledgling agency.

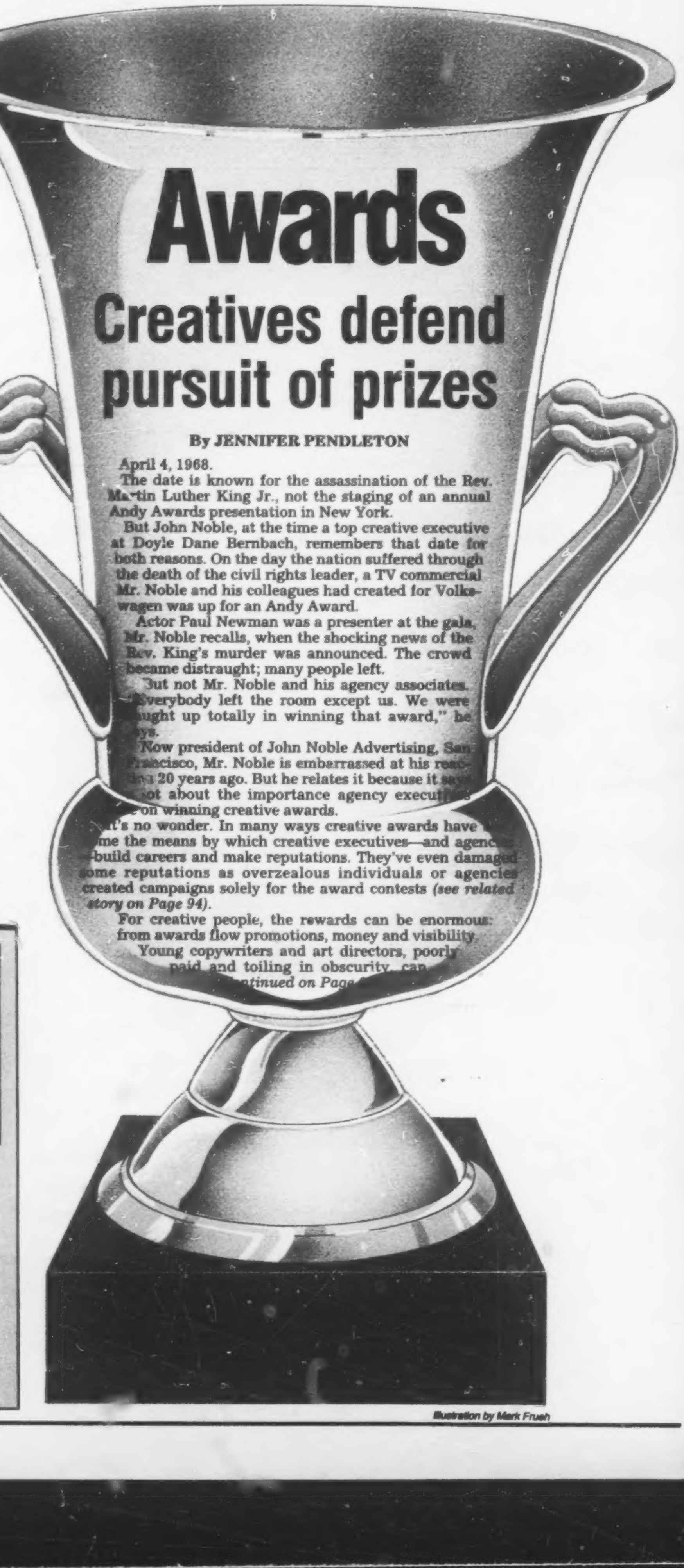
"It's more than billings and more than a big account," said Lord Einstein Chairman-CEO Richard Lord. "It's [the fact] that weeks after leaving Lord Geller, we have an auto account. And the fact that it's an auto account makes a good statement, because that's been our frustration for the last five years."

He was referring to Ford Motor Co. conflict problems when Lord Geller was owned by J. Walter Thompson Co. and, later, WPP Group, which acquired JWT and Lord Geller last year.

Last week, Lord Einstein filed a countersuit alleging that WPP's Mr. Sorrell "is now out for vengeance." The countersuit charges WPP with "hounding" the breakaway executives and states: "Intimidation—that is what Sorrell's case is all about."

At this week's hearings on

(Continued on Page 93)



Awards

Creatives defend pursuit of prizes

By JENNIFER PENDLETON

April 4, 1968.

The date is known for the assassination of the Rev. Martin Luther King Jr., not the staging of an annual Andy Awards presentation in New York.

But John Noble, at the time a top creative executive at Doyle Dane Bernbach, remembers that date for both reasons. On the day the nation suffered through the death of the civil rights leader, a TV commercial Mr. Noble and his colleagues had created for Volkswagen was up for an Andy Award.

Actor Paul Newman was a presenter at the gala, Mr. Noble recalls, when the shocking news of the Rev. King's murder was announced. The crowd became distraught; many people left.

But not Mr. Noble and his agency associates. "Everybody left the room except us. We were caught up totally in winning that award," he says.

Now president of John Noble Advertising, San Francisco, Mr. Noble is emberrassed at his reaction 20 years ago. But he relates it because it says a lot about the importance agency executives place on winning creative awards.

It's no wonder. In many ways creative awards have become the means by which creative executives—and agencies—build careers and make reputations. They've even damaged some reputations as overzealous individuals or agencies created campaigns solely for the award contests *(see related story on Page 94)*.

For creative people, the rewards can be enormous: from awards flow promotions, money and visibility.

Young copywriters and art directors, poorly paid and toiling in obscurity, can

(Continued on Page

Illustration by Mark Frueh

Last Minute News

Louisiana ad tax surfaces

BATON ROUGE, LA.—State Rep. John Travis (D., Jackson) last week rocked Louisiana's ad industry by introducing a bill imposing a 4.5% tax on ad services as well as time and space. The legislation was a surprise because of a 1987 law specifically exempting advertising from a services tax. Florida last year enacted a 5% tax on advertising and other services but later repealed it. Louisiana is looking at a services tax to help offset an expected $700 million deficit. Industry sources believe the Legislature will reject the bill. Gov. Charles "Buddy" Roemer in the past has denounced an ad tax. Public hearings are expected after the Legislature's May 3-9 recess.

'Cosby' rerun sale near

NEW YORK—General Foods, Procter & Gamble and an unnamed TV syndication company are said to be close to an agreement for buying all national spot time

(Continued on Page 8)

Will Merrill Lynch miss Larry Speakes? Page 6

Should Leona Helmsley lie low in ads? Page 91

©1987 Anthony Savignano/Ron Galella, Ltd.

Northwest: Blame Philip Morris, too

An Advertising Age roundup

It's not just R.J. Reynolds Tobacco Co. but also rival Philip Morris Cos. that caused Northwest Airlines to pull its no-smoking advertising from Saatchi & Saatchi DFS Compton last week.

Northwest VP-Marketing A.B. "Sky" Magary attributed the move to "continuing and unrelenting pressure" on the airline and the agency in a "vilification campaign" by the two tobacco companies.

Philip Morris applied the most pressure on Northwest, Mr. Magary claimed. He said PM barraged the airline with disruptive phone calls to its reservation system and sent more than 6,900 mailgrams protesting the smoking ban on the airline's flights.

The reassignment of the $5 million no-smoking campaign to Kolesar & Hartwell, Minneapolis, came three weeks after RJR Nabisco pulled Nabisco cookie and candy brands from S&S DFS after the Northwest effort broke.

Northwest said it was trying to spare S&S DFS more pressure by distancing the New York agency from the spots. Mr. Magary said S&S hadn't requested the action but had accepted Northwest's suggestion. "We suggested that perhaps we should do this to solve problems they were facing, but it was our decision," he said.

Asked why Northwest would move the account after S&S already had lost the RJR Nabisco business, Mr. Magary hinted a Saatchi agency was in danger of losing more business.

Philip Morris could exert pressure on Saatchi-owned Backer Spielvogel Bates, which handles PM cigarettes and its Miller Brewing Co. subsidiary.

BSB executives, however, denied that PM had expressed any discomfort with the agency because of the Northwest campaign.

"We are extremely disappointed that a reactionary faction of the tobacco industry continues to put literally dozens of Saatchi & Saatchi professional careers in jeopardy," Mr. Magary said in the airline's official statement.

Mr. Magary said Northwest will continue to use the spots developed by S&S DFS. Kolesar & Hartwell, which handles the airline's trade and cargo advertising, will handle further media buying and any new commercials.

Sources said it was unlikely that Northwest's move would placate RJR Nabisco and open the door to a reconciliation with Saatchi. Some observers believe RJR Nabisco will keep up the pressure on the ageney until all of Northwest's $50 million business is gone from Saatchi & Saatchi. The agency continues to handle some of RJR's international business.

"All I know is that it appears to only be the tip of the iceberg," Mr. Magary said. "If S&S wants to talk about it, it is up to them. It is fair to say the pressure has been continuing and unrelenting."

Sources said RJR could decide as early as this week how it will reassign the brands S&S DFS had handled, including Oreos, Fig Newtons and LifeSavers. Front-runners are said to be agencies already affiliated with RJR: FCB/Leber Katz Partners and Lowe Marschalk. There are reports that LM's parent, Interpublic Group of Cos., is trying to steer some of the business to another one of its agencies, Lintas:Worldwide, as well.

Northwest's Mr. Magary said the mailgrams he had seen, sent to employees and suppliers, were at the urging of "top management at Philip Morris." The mailgrams were signed by PM USA President Frank Resnick.

PM declined to comment on Northwest's accusations.#

Ira Teinowitz in Chicago and Jon Lafayette, Gary Levin and Judann Dagnoli in New York contributed to this story.

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Gillette sharpens its global strategy

By PATRICK McGEEHAN

ANDOVER, MASS.—Beleaguered Gillette Co., which so far has survived attacks on its independence, is planning a new global marketing strategy for many of its products.

The first new global product, launched simultaneously in North America and western Europe, will be a "revolutionary" shaving system, said Derwyn Phillips, vice chairman, Gillette North Atlantic, speaking at the company's annual meeting last week.

The product, which remains a mystery even though it's been talked about for months (AA, Aug. 24), will be introduced with nearly identical packaging and advertising in all markets.

The launch will take place late next year, followed by rollouts in other markets, probably including Japan and Australia, Mr. Phillips said.

Global marketing is part of what Mr. Phillips described as "our mission to become the premier global marketer of quality, added-value personal-care and personal-use products."

In 1984, Gillette took a hard look at its 800 products in more than 200 countries with an eye toward coordinating its marketing efforts regionally, and then globally. Now international is getting even more scrutiny as the company benefits from the dollar's decline overseas.

Ironically, it was Gillette's strong international capabilities that first made the company an attractive takeover candidate to Revlon Group Chairman Ronald Perelman two years ago.

Now, before Gillette's manage-

(Continued on Page 93)

Waxenberg to head 'GH'

Hearst shuffles

By PATRICK REILLY

NEW YORK—The top-level shuffle that put Alan Waxenberg in charge of *Good Housekeeping* last week gives the Hearst Magazines book a publisher with strengths in merchandising and "value-added marketing" at a time of intense ad-rate competion.

A. Waxenberg

Hearst Exec VP-Group Publishing Director Claeys Bahrenburg put former Time Inc. publishing executive Daniel Zucchi in Mr. Waxenberg's former slot as publisher of Hearst's *Redbook*.

The moves are the first top business-side management changes made by Mr. Bahrenburg since he took over *GH*, *Redbook* and five other Hearst titles last July. *GH* is the biggest title—in ad pages and revenue—reporting to Mr. Bahrenburg.

The shift of Mr. Waxenberg, 53, to *GH*, replacing Hearst veteran Louis Porterfield, 60, who's retiring, is part of a strategy to resist the ad-rate discounting that has swept the Seven Sisters women's service publishing field.

"Under Alan, *Good Housekeeping* will get a lot more visibility and articulation of its assets," Mr. Bahrenberg said. "He's strong in the marketing and promotion area.

"It's gotten so competitive that in the next five years there just may be fewer of the Sisters around. With the heavy discounting contin-

(Continued on Page 93)

Gap Inc. cuts short its foray into 'Trips'

SAN BRUNO, CALIF.—Gap Inc.'s Banana Republic last week folded *Trips* magazine after publishing only one issue. But the publishing rights could wind up in the hands of another magazine publisher, possibly a foreign one.

A source within Gap said they "expect Gap to sell the magazine should an offer be made."

A story on *Trips*, which won critical praise for its gritty, freewheeling look at travel and tourism, appears in ADVERTISING AGE's Special Report *(Page S-2)*.

The story went to press before last week's announcement.#

Burger King makes gains in awareness

By SCOTT HUME

The good news for Burger King Corp. is that new agency N W Ayer's controversial "We do it like you'd do it" campaign almost made the top 10 in unaided recall in last month's adWatch survey.

The bad news is that Burger King's share of "first mentions"—the first spots respondents cite when asked which fast-food advertising comes to mind—declined in March compared with the February survey.

To give it its due, Burger King's new advertising finished 11th when the 1,000 adults polled were asked to name the first advertising that came to mind from all they had heard, seen or read in the previous 30 days.

That's much better than in the February survey, when previous agency J. Walter Thompson USA's "Best food for fast times" advertising tied for 35th place in unaided recall.

But after the protracted search for a new agency and after all the hoopla that attended its unveiling of Ayer's creative and its return to the flame-broiling positioning, Burger King certainly hoped for a better, faster reception.

It also hoped for better results when consumers were asked which fast-food advertising they recalled. They couldn't have expected to outpoll McDonald's Corp. No other chain has done that in the six years the monthly adWatch survey has been conducted.

True to form, McDonald's placed first with 45.4% of first mentions in the March survey, compared with 43.5% in February.

New York-based Ayer's "We do it like you'd do it" campaign came to mind first for 12.4% of respondents, compared with a 13.3% share for "Best food" in February. Despite the initial blitz of 60-second commercials that accompanied the campaign's Feb. 29 debut, reaction to the new campaign seems to be "What new campaign?"

Burger King this month already has retooled the effort, kicking it into a higher gear with commercials claiming its Whopper is preferred over McDonald's Big Mac in national taste tests.

Perhaps so, but in national advertising recall tests, Burger King still is No. 2.

Wendy's International's "Hamburger A" campaign remained No. 3 in March with 8.3% of first mentions, compared with a 9% share in February.

What did make the top 10 in unaided recall (in other words, regardless of product category) again last month was political advertising, which rose to the No. 5 spot from No. 10 in February.

Back in the No. 1 slot last month was the California Raisin Advisory Board, whose advertising now has ranked among the 10 best-recalled for 18 consecutive months. February's best-recalled advertising—for Coca-Cola Co.—dropped to the No. 7 spot last month.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind overall and in specific product categories.

In another significant change, Apple Computer's advertising suffered its first awareness decline in several months. In March, Apple got 29 [illegible] of first mentions in the computer category, compared with a 32.1% share in February.

Despite the addition of Alan Alda, IBM Corp.'s advertising wasn't a heavy beneficiary of that slippage. Big Blue received 17.7% of first mentions in March, vs. 17.2% in February.

Radio Shack was third with 2.4% last month, compared with 2.6% the previous month.#

For more information or data, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in March

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 3/88	2/88	Advertiser	Agency
1	2	California raisins	Foote, Cone & Belding
2	5	Pepsi-Cola	BBDO Worldwide
3	6	McDonald's	Leo Burnett USA
4	8	Ford	J. Walter Thompson USA
5	10	Political ads	Various
6	3	Chevrolet	Lintas:Campbell-Ewald
7	1	Coca-Cola	McCann-Erickson
8*	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
8*	—	Want ads/classified	Various
10	9	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates

* indicates a tie

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Schoenfeld, Chapman & Pearl Inc.

New Products/Brand Leveraging Consultants

Photographer saw role for 'guy in jammies'

B&H ads to change?

By JUDANN DAGNOLI

If you notice some subtle changes in Benson & Hedges advertising, don't think the "For people who like to smoke" campaign is, well, going up in smoke.

The most talked-about cigarette ad campaign in recent years is undergoing some creative reinterpretation.

Denis Piel, the Australian photographer and director who shot most of the pictures used in the 18-month-old campaign created by Wells, Rich, Greene, New York, is no longer working on the account.

Sources close to the campaign said another photographer is taking pictures for client approval.

Mr. Piel won't say why he isn't working on the campaign anymore, but he did say "the direction [of the campaign] is probably changing. . . . We [Mr. Piel and the agency] got to a point where we disagreed. . . . What I was doing and what they wanted was something else."

WRG executives said the campaign is only being "refreshed" with "new pools" of photos and no changes in the B&H ads are under way.

Mr. Piel did shed some light on the mystery behind the photos. When he shot the ads, he had definite roles in mind for each subject. "I tried to give everyone a role or let them create them," he said.

Much of the advertising has been based on how the subjects related to each other. Mr. Piel first cast some, for example, as siblings. But if they interacted better as lovers, that's what they became.

As for the mysterious man in pajamas, the ad that has drawn the most attention, Mr. Piel said his interpretation is that someone sick at home comes out from his bedroom, curious about noise in another room. The noise, he discovers, is his family and friends having brunch.

Cast with models, actors and some "real people," said Mr. Piel, the ads were shot all over, including Aspen, Colo.; Florida; Los Angeles; New York; and San Francisco.

Dick Hopple, WRG Worldwide president, noted that more than one photographer was used for the 35 shots in the campaign, but he refused to name the others.

The agency "never had any intention of shooting with just Piel," Mr. Hopple said, noting that new work will also be shot by more than one photographer.

It's unlikely the ads will change much, since the advertising has achieved its goal: It's being noticed.

The attention-getting campaign represents a turnaround for WRG, which almost lost Philip Morris Cos.' $55 million-plus B&H account in 1986. Back then, brand sales had shrunk by about $100 million, due to an image problem created by an aging consumer base.

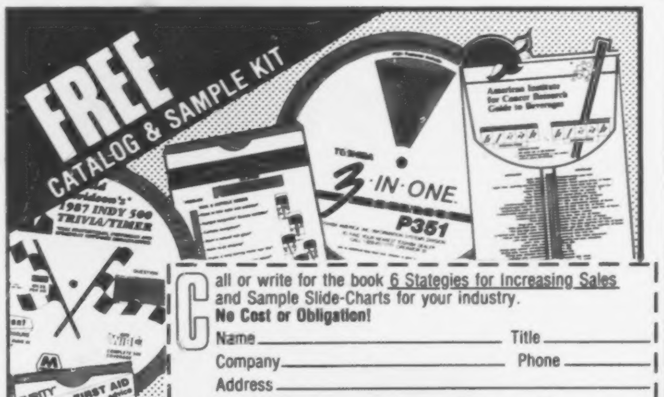
WRG held onto the assignment, promising to attract younger, upscale smokers, an enormous challenge in the declining high-quality cigarette segment.

Although PM didn't discuss specific results of the campaign, it's believed the advertising has partly succeeded in that goal.

No one at the agency wanted to interpret the campaign's photographic series, saying its appeal is that people create their own stories behind the pictures. "There is no strict interpretation," Mr. Hopple said.

Mr. Piel said he was contacted two years ago to start the project. Working directly with WRG Chairman-CEO Mary Wells Lawrence, Vice Chairman Charlie Moss and Exec VP-Creative Director Ron Albrecht, he was asked to "explore ideas of when people smoke."

Mr. Piel said he shot his photos with a "Big Chill" effect in mind.#



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AA revises report

ADVERTISING AGE's 1988 Agency Income Report will contain a significant change in the way media allocations by the Top 500 agencies are reported. The questionnaire's media breakout section will include a new listing, Sunday Magazines (Nationally Syndicated & Independent).

AA Editor Fred Danzig said the clarification is designed to remove ambiguities that resulted when only magazine spending and supplement spending breakouts were requested. The ambiguities concerned allocations to Sunday magazines by agencies responding to the questionnaire.#

Data bank — Travel Marketing

Trends in advertising expenditures for major travel categories: 1982-1986

(in millions)

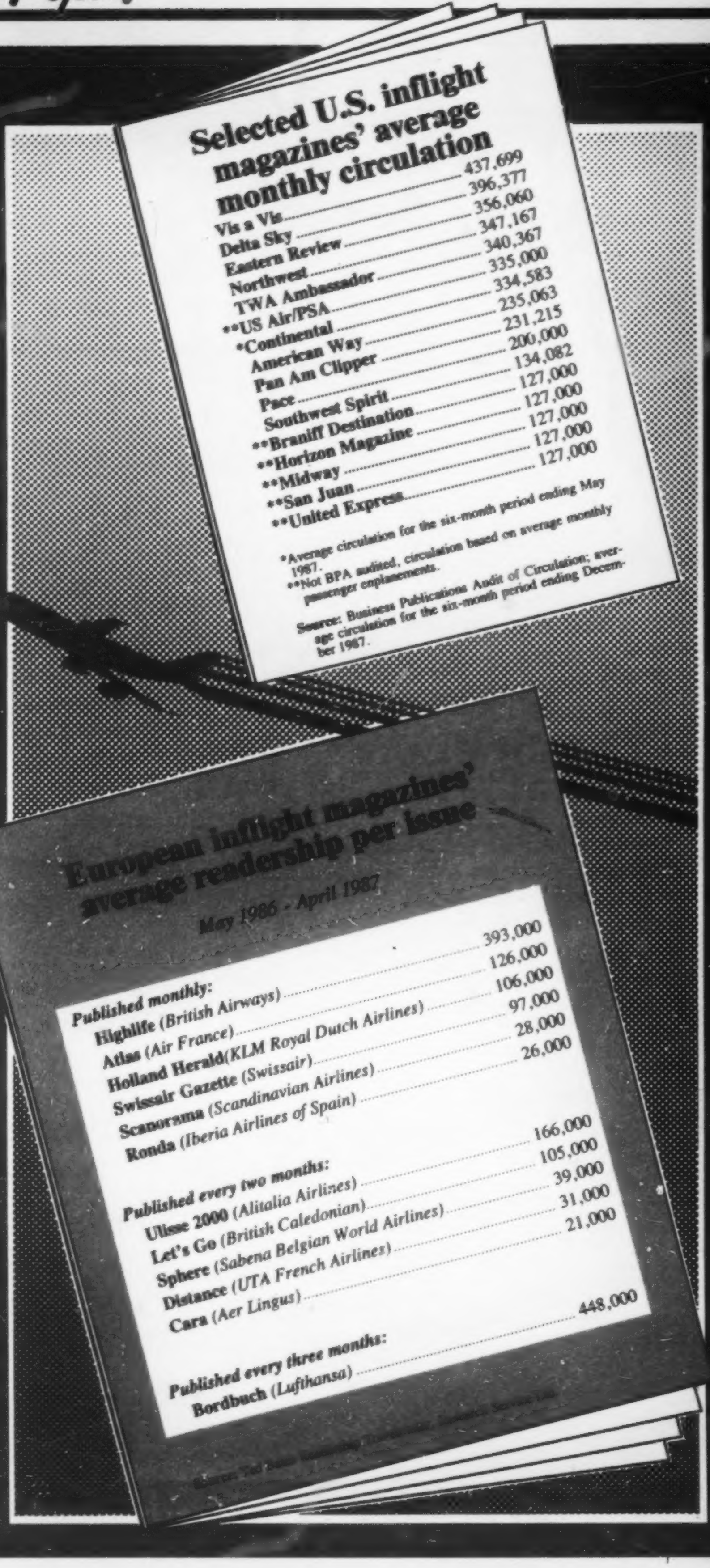
	1982	1983	1984	1985	1986
Airlines					
U.S. flag	$420.4	$457.4	$526.7	$579.8	$624.9
Foreign flag	53.7	60.8	72.5	75.1	95.0
Total	**474.1**	**518.2**	**599.2**	**654.9**	**719.9**
Cruise lines	74.2	90.7	110.3	126.4	127.3
Domestic destinations					
States (of USA)	31.0	27.5	39.9	51.3	66.9
Other	17.3	24.3	28.9	29.7	33.9
Total	**48.3**	**51.8**	**68.8**	**81.0**	**100.8**
Foreign destinations					
Foreign countries	36.6	37.2	57.2	52.6	67.0
Canadian provinces	7.8	8.9	9.9	10.5	10.4
Other	1.3	2.3	3.8	1.7	2.1
Total	**45.7**	**48.4**	**70.9**	**64.8**	**79.5**
Grand total	642.4	709.1	849.1	927.1	1,027.7
Annual % increase	**19**	**10**	**20**	**9**	**11**

Source: Ogilvy & Mather: Trends in Travel & Tourism Advertising Expenditures

Media distribution for travel & tourism advertising: 1982-1986

	1982	1983	1984	1985	1986
U.S States					
Magazines	32%	31%	29%	27%	27%
Newspapers	13	17	15	14	17
Outdoor	1	1	1	2	1
Radio	10	10	14	13	11
Television	44	41	41	44	44
Foreign countries					
Magazines	45	44	40	37	31
Newspapers	39	38	24	30	25
Outdoor	-	-	-	-	6
Radio	4	4	8	8	2
Television	12	14	28	25	36
U.S. & foreign flag airlines					
Magazines	6	6	7	8	7
Newspapers	45	45	42	43	45
Outdoor	3	3	3	2	2
Radio	19	18	17	8	19
Television	27	28	31	29	27
Cruise lines					
Magazines	11	12	12	15	16
Newspapers	80	81	80	72	71
Outdoor	-	-	-	1	-
Radio	1	1	1	2	1
Television	8	6	7	10	12

Source: Ogilvy & Mather: Trends in Travel & Tourism Advertising Expenditures



Selected U.S. inflight magazines' average monthly circulation

Magazine	Circulation
Vis a Vis	437,699
Delta Sky	396,377
Eastern Review	356,060
Northwest	347,167
TWA Ambassador	340,367
****US Air/PSA**	335,000
***Continental**	334,583
American Way	235,063
Pan Am Clipper	231,215
Pace	200,000
Southwest Spirit	134,082
****Braniff Destination**	127,000
****Horizon Magazine**	127,000
****Midway**	127,000
****San Juan**	127,000
****United Express**	127,000

*Average circulation for the six-month period ending May 1987.

**Not BPA audited, circulation based on average monthly passenger enplanements.

Source: Business Publications Audit of Circulation; average circulation for the six-month period ending December 1987.

European inflight magazines' average readership per issue

May 1986 - April 1987

Magazine	Readership
Published monthly:	
Highlife *(British Airways)*	393,000
Atlas *(Air France)*	126,000
Holland Herald*(KLM Royal Dutch Airlines)*	106,000
Swissair Gazette *(Swissair)*	97,000
Scanorama *(Scandinavian Airlines)*	28,000
Ronda *(Iberia Airlines of Spain)*	26,000
Published every two months:	
Ulisse 2000 *(Alitalia Airlines)*	166,000
Let's Go *(British Caledonian)*	105,000
Sphere *(Sabena Belgian World Airlines)*	39,000
Distance *(UTA French Airlines)*	31,000
Cara *(Aer Lingus)*	21,000
Published every three months:	
Bordbuch *(Lufthansa)*	448,000

Source: [illegible]

Magazines

(Continued from Page S-2)

seriously lacking. Then, after pointing out severe pollution in Rio de Janeiro, the ad agency representing Varig Brazilian Airlines pulled its ads.

One of the touchiest bits of reporting came in *CNT's* February issue in a report on 22 cruise liners that failed their public health tests. On the list of failures was Royal Viking Line's "Royal Viking Sea." Only seven pages away stood a spread ad from Royal Viking.

Neither Royal Viking nor any other cruise line has pulled its ads, and Mr. Galotti claims "heads of cruise lines heralded what we were doing. It was newsworthy."

T&L's Mr. Berrien says the Royal Viking article should "make advertisers a little nervous." He adds, "I don't see how they will be able to build travel ad pages with their acerbic journalistic approach."

Mr. Galotti justifies *Conde Nast's Traveler's* hard-headed approach, and takes direct aim at *Travel & Leisure* and other travel magazines. "We have stirred things up and elevated the level of travel publishing," says Mr. Galotti. "I've watched the competition, and we've raised the expertise."

But *Travel & Leisure's* Mr. Berrien says Conde Nast has nothing on his magazine, and points to Editor Pamela Fiori's recently published reservations about Tahiti as a travelers' paradise.

"She says it's not a paradise but then she moves on. She's objective without trashing the place," says Mr. Berrien. "We haven't been looking at the travel world with rose-colored glasses. We wouldn't have survived this long if we were snowing people." ■

Channel

(Continued from Page S-8)

ad programs together. We even do our own video productions. We produced 140 videos for Travel Channel clients last year."

The Travel Channel produces anything an advertiser might need to promote its product, be it a travelogue or in-studio commercial. Production costs for a three-to-five minute video are about $10,000, while ad rates vary between $300 to $950, depending on daypart and length of commercial. Two-minute videos can cost as much as $1,900 to air during prime time.

Latest advertisers to sign on include MasterCard International, Japan Air Lines, Sears, Roebuck & Co. for its Discover Card, and Walt Disney World Co.

The next step, according to Mr. Browsh, is to improve the programming. It currently programs a mix of travel information and entertainment shows with offers of travel bargains.

"We won't get something like 'National Geographic' but we'd like to do things like that," Mr. Browsh says. ■

MARKETING TO HISPANICS

Perspectivas

By Ed Fitch

STATION BREAKS

■ First quarter figures end any speculation about the value of Hallmark Cards' decision to get into Spanish-language broadcasting.

Sales revenue at **Univision Station Group** was up more than 20% in first quarter, 1988, "performing as we had predicted," said Bill Stiles, who is managing **Univision Holdings** while the pieces of the acquisition fall into place.

"To be honest, we do not have our hands completely around the network yet in terms of monitoring expenses and revenues, but we expect it to be close to that [20%] figure as well," he said.

The network also has boosted its penetration to 83% of U.S. Hispanic households by adding three affiliates in Mexican border markets.

XEWT, Tijuana; **XHBC**, Mexicali, and **XHAB**, Matamoros—the network's first VHF affiliates—reach San Diego; Yuma, Ariz., and McAllen-Brownsville, Texas, respectively. The stations will carry 32½ hours of network programming and add 317,500 Mexican households to Univision's almost 4.7 million U.S. household coverage.

■ **Telemundo Group** keeps racking up new affiliates. Having closed its acquisition of **KTMD-TV,** Houston, the network should have an Albuquerque affiliate by June, one in Dallas by November and another in San Antonio by yearend.

■ **Katz Hispanic Radio** has performed the first analysis of radio station formats. Based on the 81 stations rated by **Arbitron** last fall, the leading format is contemporary international hits, featured on 43% of stations. Ranchera/nortena follows with 19%, ranchera/contemporary with 12%, top 40 Spanish with 9% and Spanish news/contemporary music with 5%.

Ranchera/nortena pulled the highest listening time among adults, however, with an average of 24½ hours weekly. Contemporary international hits followed with 23¼ hours, top 40 Spanish with almost 21½ hours, ranchera/contemporary and Spanish news/talk with almost 13¼ hours, and Chicano news/contemporary music with 12⅓ hours.

■ Cinco de Mayo, celebrating Mexico's independence from France, is less than two weeks away and the Los Angeles TV stations are designing local events to win attendees and attract sponsors.

"This isn't centralized like [Miami's] Calle Ocho. There will probably be about 20 separate celebrations spread out all over the city," said Jon Yasuda, national sales manager at **KMEX-TV**.

On May 1 KMEX will orchestrate a concert in Huntington Park, adding another element to the Macy's-like performing parade it got off the ground last year. It will air the parade live and broadcast the concert a week later when rival **KVEA-TV** has scheduled its own festivities at Plaza Olvera in downtown Los Angeles. KVEA will engineer civic ceremonies on May 5, followed by entertainment from noon to 10 p.m. on May 7 and 8; a one-hour special will air on May 14 over all **Telemundo Group** stations.

KVEA is expecting 150,000 attendees over the three days, the same number KMEX expects to attend the parade. Mr. Yasuda projects 75,000 may attend the concert.

For $25,000, KMEX sponsors receive four 30-second spots during parade and concert broadcasts, opening and closing billboards, street signage, sampling booths and mentions in promotional TV, radio and print ads. KVEA is charging $15,000 for sampling sites, stage signage, opening and closing billboards, broadcast spots and a 10-day promotional spot schedule.

KMEX has signed up **Amtrak, California Lottery, Carnation Co.'s** Evaporated milk, **Frito-Lay, Mars Inc.'s** Kudos, **Pacific Bell** and **Pet Inc.'s** Ac'cent, Old El Paso and Underwood ham. KVEA's national sponsors include **AT&T, PepsiCo, Procter & Gamble's** Pringle's and **Standard Brands Paint Co.**

Pepsi is the primary sponsor, said Leticia Garcia, KVEA's manager-advertising and promotions. "They are tying in with the national giveaway of an Oldsmobile and $5,000. The local bottler is going to give away five sets of five prizes."

■ **Galavision, Univisa's** cable service, broke a new campaign this month to help affiliates boost subscriptions. "It's much slicker, more complete," said Maite Saralegui, director-PR and advertising.

Created in-house, the effort includes print ad slicks, transit and outdoor boards, premium items and point-of-purchase materials that affiliates can customize, and is supported by a national radio campaign.

MARKET TOUR

FRESNO PASSES THE MARKET TEST

Tucked far away from other major Hispanic markets in the center of California, Fresno is finding that isolation is putting it on the map as a major Hispanic test market.

"Fresno really is emerging as a test market," said Isaac Lasky, VP-Hispanic marketing, W.B. Doner & Co, which is using Fresno to test the Mexican-oriented version of Campbell Soup Co.'s Casera product line through its Vlasic Foods subsidiary.

The primary reason is "There's really no impact from other Spanish-language media markets," Mr. Lasky said.

Fresno also skews demographically toward middle America in both the Spanish and general markets. Fresno's 410,300 Hispanics represent national Hispanic education, employment and assimilation levels, said Ray Carrasco, general manager of local KFTV-TV. The market also has an unusually strong retail and business presence for an agricultural market.

In sum, the things that make it a good general test market make it a good Spanish test market.

This thinking has not been lost on KFTV, which created a trade campaign that featured the headline, "Fresno: the great test market."

Fresno's role as a test market has been a business boon. "Before, it didn't amount to anything, and now it's a significant factor for the station," Mr. Carrasco said.

KFTV accommodates test programs by creating merchandising tie-ins with local retailers. The station cooked up an idea for the Casera test, building a studio kitchen and producing a half-hour show that it may syndicate nationally.

Fresno's biggest drawing card may be its affordability. "It gives marketers an opportunity to test at about half the usual price," Mr. Carrasco said. "Media costs run about 40% of the cost of Miami," another popular test market.

Charlie Walsh, senior account exec at Bermudez & Associates, Beverly Hills, Calif., selected Fresno to test Stroh Brewery Co.'s Stroh's beer.

"I don't have anything to say that's not good in terms of your basic advertiser who wants to test any number of product categories," he said.

But a marketer should look at the product carefully to make certain it is testing the segment it wants.

"Fresno is atypical of larger California Hispanic markets in that there's not as great a dependency on Spanish," Mr. Walsh said. "If you look at the phone book, the preponderance of Hispanic surnames is amazing, but they could be third generation. It's more like a Texas market than a California market."

According to Strategy Research Corp., Miami, 30.2% of the Fresno Area of Dominant Influence is Hispanic. Of this group, 50% speak Spanish at home, and 13% are bilingual.

"On first glance, it looks like test-market heaven," Mr. Walsh said. "But it can be disconcerting when you have all those Spanish surnames but not a corresponding percentage of Spanish-dominant Hispanics."

Another factor is Mexican-Americans comprise 95% of the local Hispanic market. Although this helps marketers test products and campaigns geared toward that segment—Mexican-Americans account for 57.6% of U.S. Hispanics—Fresno tests may not represent preferences among Cuban-Americans and Puerto Ricans.

Companies may use this to their advantage. Testing in Fresno should allow Campbell to see how Casera, which has a long history in the Caribbean, will be received by Mexican-Americans.

To what degree Fresno's test-market qualities translate into a bigger picture depend on the product category and the targeted Hispanic segment.

Despite his reservations, Mr. Walsh said the Stroh's test achieved its objectives. "Fresno has a lot of positive attributes, and we got a good read," he said. "But I'd certainly look at it closely in the future."

■ Other findings of **Strategy Research Corp.'s** analysis of the **San Antonio** ADI (AA, March 28), show Hispanics total 943,000, or 48.4% of the population—a 6% increase in the number of Hispanics since 1987. The 254,400 Hispanic households represent $4.6 billion in buying power.

Corrections: **Sosa & Associates** handles **Coca-Cola Co.; Univision's** San Antonio affiliate is **KWEX-TV** (AA, March 28, P. 50).

Success is spoken here—but only in Spanish

The results were too good to be believed.

While Stroh Brewery Co.'s "Stroh's is spoken here" campaign was taking a beating in the general market, the company's Spanish-language test in Fresno was ringing up solid gains in both brand and advertising awareness.

"The numbers were so good, we sent them back to research to have them rechecked," said Bonnie Garcia, Stroh's national manager-Hispanic market development.

"The Spanish executions translated into better audience recall, while the mainstream campaign did not," said Ed Benfield, the brewer's director-marketing research. "We had a serious recall problem on the Anglo campaign."

Specifically, the Bermudez & Associates-created Spanish-language campaign, which used the same theme as the Lowe Marschalk-created general-market effort, boosted unaided brand awareness by 15.6 points and unaided ad awareness by 13 points.

It would have been hard to drop, however. "We started at about zero," Ms. Garcia said.

Aquí se habla
Stroh's

NUMBERS GAME

[illegible]

DRIVING HOME A POINT ABOUT ADS

Univision has released its full R.L. Polk & Co.-conducted report on "Spanish USA's New Car & Truck Market—1987 Model Year" (AA, Jan. 25).

Hispanics spent $5.6 billion on 1987 cars and trucks, up 7.7% from the 1986 model year.

All domestic car makes—with the exception of Ford division, which rose a respectable 1.2 share points—suffered share losses from 1986 to 1987. Ford has been the only domestic nameplate to carry a consistent Spanish-language network TV schedule from year to year.

Buick division dropped its campaign about a year ago and fell off the Top 10 list. Chevrolet division's last network buy ended in December 1986; it tumbled 2½ share points. Oldsmobile reduced its activity from network to spot; it lost 2 share points.

The domestic to watch, said Peter Tate, Univision's Detroit-based sales manager, is Lincoln-Mercury division, which is sponsoring "Sabado Gigante" throughout 1988. The division is providing Mexican-built Tracers as giveaway prizes on the network's No. 1 rated show.

Tracking Chevrolet also should provide insight on the advertising-sales correlation. The division returned to the small screen today, launching a schedule on Univision sports and general programming.

The imports kicked in as the domestics stalled. Hyundai cruised to an 8.2% share of the Hispanic car

(Continued on Page 66)

Domestics stall
Share of Hispanic car market

	1987	1986
1. Chevrolet	12.6%	15.1%
2. Ford	12.1	10.9
3. Nissan	9.4	9.6
4. Hyundai	8.2	-
5. Toyota	7.8	6.8
6. Honda	7.6	6.8
7. Pontiac	5.7	6.5
8. Oldsmobile	4.9	6.9
9. Chrysler-Plymouth	4.6	5.4
10. Lincoln-Mercury	3.9	4.0

Source: R.L. Polk & Co.

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NOTHING SELLS TO THE SPANISH MARKET LIKE SPANISH RADIO ... PUNTO!

Caballero

MARKETING TO HISPANICS

Perspectivas

(Continued from Page 64)

market in its first full model year. Nissan was the only import car in the Top 10 list to decline, losing 0.2 share points.

"I think Toyota stuck it to Nissan by being so aggressive last year," said Philip Wilkinson, Univision's West Coast sales manager. "Nissan is doing some dealer group advertising, but it's minimal, while Toyota continues to expand."

■ The debate continues over how to measure Spanish-language radio audiences, centering on the **Spanish Radio Advisory Council's** recommendations to use telephone surveys. The council, which recently was folded into an **Advertising Research Federation** subcommittee, included client company and ad agency media execs and Spanish-language radio representatives.

Station owners assailed the guidelines, which were based on the findings of a media-funded SRAC pilot study, at a March ARF subcommittee meeting.

"It's like you went through two years of labor to have a child and then they called it a bastard and didn't want to take the baby home," said one SRAC member.

"No one said let's chuck this thing, just that it was based on questionable data," said Mack Tichenor, president, **Tichenor Media Systems**.

A good sign is that the two sides are talking.

Station owners specifically charged that recent reports of higher Hispanic phone ownership are based on faulty U.S. Census data.

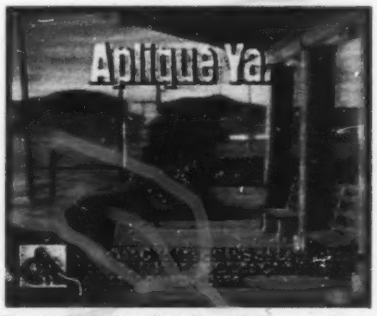
The owners also say those who do not have phones are less acculturated, more Spanish-language dominant and bigger consumers of Spanish-language media.

"If 30% don't own phones and are spread evenly over all kinds of Hispanics, it wouldn't bother us. But we suspect those who don't have phones have similar demographics and listening habits, which would distort the findings," said Herb Levin, senior VP, **WADO-AM**.

"SRAC research demonstrates that the phone does not get different kinds of people, it gets different results," countered Abbott Wool, senior VP-media director, **Cadwell Davis Partners**, and SRAC's former chairman.

The station owners said the SRAC study resampled too few people to effectively compare methodologies.

"It was large enough to act as a directional guide," said Monica Roslow, director-research, **Conill Advertising**.



The train is leaving the station on May 4 and all would-be citizens had better be on board, advises a recent INS ad.

The follow-up contact indicated a clear discrepancy, but it did not determine which listening level was accurate.

Because some respondents said they were of Puerto Rican origin when interviewed in person and later admitted to being Mexican when resampled via telephone, the SRAC suggested that phone responses tend to be more truthful.

Mr. Tichenor said a question on radio habits could not be compared with one on origin that has legal implications.

"If phone ownership is 80% and those with unlisted phones mirror those with listed numbers and research shows people tell the truth over the phone but not in person, I'll say they're right. But I'm not prepared to do that yet," he said.

Those favoring the phone knock door-to-door as having an interviewer bias, lack of control and density sampling problems. "These things argue against it," said Betty Ann Morse, VP-media research director, **D'Arcy Masius Benton & Bowles**.

Katz Hispanic Radio compared recent New York radio market surveys and found that in-home-generated cumulative audience levels were 493% and 655% higher than diary and phone-generated levels, respectively.

Numbers like these have made agencies very uncomfortable with the door-to-door survey. But they also rap the other studies.

Tina Williamson, **GSD&M's** senior VP, associate media director, who said she is not using the door-to-door results, calls the other methodologies erratic. "The bottom line is there is not a believable Spanish radio ratings service today," she said.

Mr. Levin said the New York in-home numbers are believable.

"In a market of 1.8 million Hispanics, it's not hard to believe that 70% are Spanish-dominant and that 70% of them listen to Spanish radio."

Spanish radio executives aren't unilaterally opposed to the findings. Despite having some doubts over the methodology, Eduardo Caballero, president of **Caballero Spanish Media**, said, "We're taking a big chance by telling people representing **Procter & Gamble Co.**, **Bristol-Myers** and **McDonald's Corp.** that we don't agree with their recommendations. The methodology has to be right first for the client."

Meg Bernot, VP, media director, **Publicidad Siboney**, said she thought the stations would not pursue research that agencies will not accept. "Although we used to think phone-based studies would create problems, based on the pilot study and proprietary studies we feel comfortable with them now."

The approved methodology will become the standard, and all parties are espousing a cautious approach. "If we're going to pay for it and be bound by it, we have every right to ask these questions," Mr. Levin said, a stance no one faults.

The SRAC suggested a door-to-door component be included in any final methodology to answer some of the lingering questions.

"The mixed does have some appeal. But there has got to be acceptance on both sides," Mr. Tichenor said.

■ Illegal aliens have less than two weeks to apply for citizenship under the amnesty program, and Greg Leo, director of congressional and public affairs, **Immigration and Naturalization Service**, says the department's ad effort is closing strong.

The campaign's second phase, which started Jan. 15, has brought everything together at the local level, he said. Supporting a national Spanish-language TV and radio ad effort, created by **La Agencia de Orci & Asociados** and tagged "Don't get left behind," INS offices created local outreach programs to spread the word that the program was ending.

Mr. Leo said he will not know if the INS reached its goal of 2 million applications until the program ends; about 1.5 million applications had been received as of early last week.

"We hit a trough around Christmas. But week by week, the numbers of applications are picking up dramatically," he said.

ON THE AIR

■ **KVEA-TV**, Glendale, Calif., has developed an "Oprah"-like one-hour talk show called "Cara a Cara" and hosted by news anchor Maria Laria.

"Focus groups indicated that people wanted to see a forum-style program they could participate in," said Bruce Burke, PR coordinator.

The show will appear on **Telemundo Group** stations in Houston, San Francisco and San Diego; it will air at noon daily, bumping Telemundo's "Dia a Dia" to 5 p.m.

Telemundo is being more flexible in scheduling, having tried and discarded programming blocks that pushed West Coast programming out of traditional time slots. "They did best when they counterprogrammed their movie against our novela," said Danny Villanueva, **KMEX-TV** general manager.

"We moved 'Dia a Dia' because it seemed like a good counterprogramming move and a good news lead-in," said Don Raider, Telemundo's exec VP-chief operating officer. "We're checkerboarding primarily music and variety shows in New York and Miami and returning the movie to West Coast stations in the time slot that worked best for them."

The experimentation was caused in part by a paucity of movies. That should change shortly as the network just made a deal with **Madera Films**, and is close to signing another with an unnamed supplier.

The network also signed a deal for two *novela* projects with **Televisa**—the programming arm of **Univisa**, **Univision's** former parent company—and has held discussions with **Barry & Enright/Paloma** for game shows and possibly two comedy strips.

"The suppliers are coming out of the woodwork," Mr. Raider said.

■ **Univision** does its Bert Parks' impersonation, following its April 17 airing of the Miss Venezuela beauty pageant with Miss South America on May 22.

The network also introduced two new Mexican-produced sitcoms. "El Doctor Candido Perez" and "Tres Generaciones" are airing at 10:30 p.m. (ET) on Mondays and Fridays, respectively.

Univision's election coverage, "Destino '88," continues with primary contest analysis through June 7—including a pre-primary poll of the crucial June California primary; live coverage of both party conventions, and election night coverage. "Temas y Debates," the network's public affairs program, is featuring seven election-year segments. "Power of the Hispanic Vote," a 30-minute special, also is planned.

A second **Teresa Rodriguez** special, analyzing acculturation of U.S. Hispanics, will air on May 14.

■ Save the hoorays for Hollywood. Initial attempts by the major networks to tap into the Spanish-speaking audiences seem to have faltered.

ABC canned "Juarez," a one-hour drama series created by **Columbia Pictures Television**, before it aired. **CBS** followed suit, pulling "Trial and Error," another Columbia Pictures project after a few episodes.

"Trial and Error," simulcast on Spanish-language radio stations in Los Angeles, Chicago, Houston and San Antonio, never cleared in Miami or New York because CBS insisted stations carry English-language spots.

PRODUCT AND ACCOUNT ACTIVITY

Polaroid Corp., Cambridge, Mass., is about to heighten its exposure in the Hispanic market.

After conducting a flurry of focus groups, the company is ready to "run before we walk," said Fil Fernandez, marketing program manager-Hispanic marketing. "Rather than spend endless months devising a marketing plan, we decided we had better implement things.

"Our main intent is to reintroduce Polaroid to them because many are not aware of the new technology," he says. "Ideally we want every Hispanic to hold a Polaroid and see the difference in quality."

Polaroid has joined with **Procter & Gamble's** Pampers in a "cutest baby" promotion, where each parent receives a Polaroid proof. It also will sponsor a segment on **Univision's** "Sabado Gigante," beginning in the third quarter. An element of the sponsorship involves a sweepstakes campaign—featuring a grand prize trip to Spain—where families enter by submitting Polaroid photos.

Polaroid will use both the baby promotion and "Sabado" sweepstakes to build a database and begin-direct mail efforts. Spanish-language brochures and point of purchase materials also will be placed at retail.

An image-oriented TV campaign focusing on the quality and benefits of instant photography is scheduled to break this summer. A print component will be placed in ***Hispanic Business*** and ***Vista*** magazines. **Conill Advertising**, New York, is Polaroid's Hispanic agency.

The company sees the Hispanic market as a strong source of continuing film and accessory sales. "It's a beautiful market for us. Hispanics take more pictures because of larger families, family unity and more celebrations and holidays," Mr. Fernandez said. "They also really respond to the product's simplicity and instant gratification."

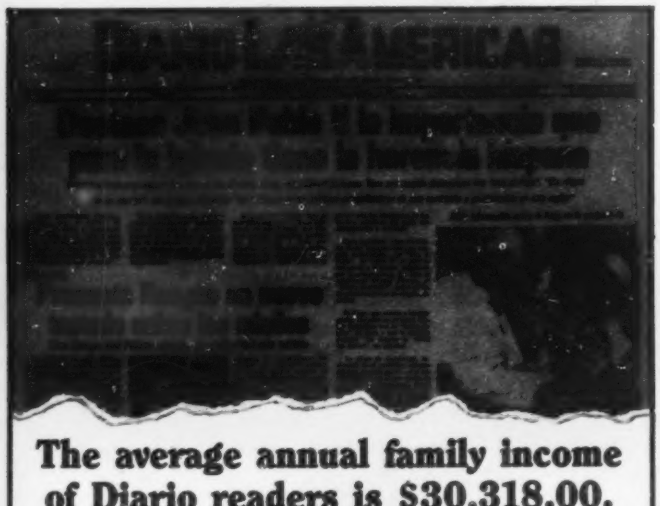
■ **E&J Gallo Winery**, Modesto, Calif., is testing two commercials for its Bartles & Jaymes coolers in a limited number of markets as part of a pilot project. "It is premature to say we're introducing the product to the national market," said a company source. **Marti, Flores, Prieto & Wachtel**, San Juan, Puerto Rico, handles.

■ **S.C. Johnson & Son**, Racine, Wis., is bringing Future floor wax into the Miami market in what is being called a "mini-rollout." Effort is backed by TV, radio and promotions created by **San Jose & Associates**, Chicago.

■ **G. Heileman Brewing Co.**, La Crosse, Wis., which is moving to shore up its regional brands, has assigned Hispanic marketing responsibility for Lone Star Beer to **Montemayor & Asociados**, San Antonio. A radio and outdoor campaign breaks this week in Corpus Christi, San Antonio and the Rio Grande Valley.

■ **AVCO Finance,** Irvine, Calif., named **The Hispanic Group,** Culver City, its first Hispanic agency. Concentrating first on Southern California, the effort will involve direct mail and broadcast ads.

■ Roundup: **Pace Foods** named **Marketing Mercadeo** its first Hispanic agency of record for its picante sauce; **Toyota Motor Sales USA** to **Conill Advertising** as first Hispanic agency of record (AA, April 11). **Fantastic Sam's** assignment to **La Agencia de Orci** (AA, April 18).



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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

IAA World Congress Coverage begins on Page 62

The winners

Staff photo by Mary Hanley

Agency and client executives toast Leo Burnett Co.'s selection as ADVERTISING AGE Agency of the Year. Pictured are (from l.) Ted Bell, president, Leo Burnett USA; Roy Bergold Jr., VP-advertising, McDonald's Corp.; Robert Nolan, vice chairman, Leo Burnett USA; Richard Fizdale, president, Leo Burnett Co.; Jack Smith, vice chairman, Leo Burnett Co.; John Ruhaak, VP-advertising, United Airlines; Jack Kraft, vice chairman, Leo Burnett Co.; and Charles Pierce, associate advertising manager, Procter & Gamble Co.

Burnett stars again

By SCOTT HUME

CHICAGO—Recently a panel of creative directors here was asked what they were seeing that they thought encouraging.

"The work and the creative ferment at Leo Burnett," said Tatham-Laird & Kudner Senior Partner Neil Vanover. "It's surprising to see how much life there can be at an agency that old, that big and with clients that large."

Others on the panel echoed the sentiment, suggesting that Burnett's example meant there was no excuse for any other agency not to produce great work.

It was a surprising consensus, even here, where Leo Burnett USA's $1.55 billion in 1987 billings—three times that of the next largest shop—commands enormous respect.

But here and elsewhere, respect for Burnett's financial success hasn't always been accompanied by equal respect for its creative product.

That changed last year, and the editors of ADVERTISING AGE have recognized the change by naming Leo Burnett Co. as Agency of the Year for 1987, its second such honor.

The agency received the award April 26 at the AD AGE Awards Dinner at the Chicago Hilton & Towers.

The awards gala, hosted by comedian Jay Leno, also featured winners of best ads in various media, AA's Star Presenter award, best ad music awards, best sales-promotion agency award and the announcement of the

(Continued on Page 38)

Other winners:

Michael Fox Star Presenter. P. 48
Promo power wins for two. P. 52
Media: print, radio, TV. P. 56, 58
Best music rings bell. P. 58

Ad Tax II: Fight moves to Louisiana

By STEVEN W. COLFORD

The ad-tax fight is back, only this time it's in Louisiana.

New legislation introduced in the state resembles the ill-fated Florida tax and could affect national advertising.

Although the bill isn't given good odds for passing, advertising industry groups already have organized opposing forces in the state (AA, April 25).

The proposed legislation would tax creative services as well as media placement and, according to a preliminary analysis by a veteran Baton Rouge lobbyist, would try to tax both national and in-state advertising.

C.J. Blache, the lobbyist, said national advertising would be affected because of the bill's reference to a "state sales and use tax on the service of furnishing advertising services, space or time."

A sales tax would apply to in-state advertising, sources say, but a use tax could be applied to advertising originat-

(Continued on Page 101)

Last Minute News

Lintas buys Muir, frustrates Sorrell

NEW YORK—Muir Cornelius Moore has agreed to be bought by Interpublic Group of Cos.' Lintas:Worldwide. It was one of three big independent sales-promotion shops bought by major agencies last week. The Lintas acquisition appeared to be a big disappointment to WPP Group Chief Executive Martin Sorrell, who reportedly sought the $80 million agency because it handles sales promotion for IBM Corp. William Muir, chairman-ceo of MCM, said he decided to accept Interpublic's offer because "they looked on this as more than a financial deal. We look at this as quality going to quality." He added that Interpublic executives were accessible, as opposed to dealing with "someone calling from over Albania in a plane." In other moves, Saatchi & Saatchi Co., London, agreed to buy Creative Displays, Chicago, for a price that could go as high as $7 million. Ketchum Communications, Pittsburgh, acquired William A. Robinson Inc., Northbrook, Ill.

Lord Einstein, O'Rielly talk

NEW YORK—Lord Einstein O'Neill & Partners is talking to Curvin O'Rielly about working on its new Saab-Scania of America account. Mr. O'Rielly recently left O'Rielly O'Brien Clow/RSCG, where he was partner-creative director. He also had worked on the Saab account at pre-

(Continued on Page 8)

Where's the boom?

Ad spending limps along

An Advertising Age roundup

This was the year ad spending was supposed to soar, right? The Olympics and presidential elections would offset concerns about the economy, right?

Not so far.

Expectations for 1988 have been blindsided up to now by a drastic shortfall in political ad spending, uncertainty in the retail market and changes in banking and on Wall Street. The pessimists have picked up speed.

Characterizing overall ad spending as "a shade disappointing," Charles Crane, a Prudential-Bache Securities analyst, nevertheless believes "it's still early to be making major adjustments in forecasts. The second quarter will

(Continued on Page 100)

Newspaper meeting hears bad news and good—P. 101

Ford sticks to JWT

Agency has friends in Mexico

By RAYMOND SERAFIN

In what one agency official called a "cliff-hanger," J. Walter Thompson Co. beat off the latest threat to its $5 million-to-$7 million Ford Motor Co. Mexican business last week and now may be in a position to gain some new Ford work in the Asia-Pacific region.

Panamericana/Ogilvy & Mather and Young & Rubicam also pitched for the account, but Doug McClure, Ford corporate advertising and marketing strategy director, said the decision was based on a recommendation by local management.

"Everyone presented well," said William Power, chairman-ceo of Y&R, Detroit, and worldwide director for the agency's Ford accounts. "It's tough when you go into a review where the local management is content with the incumbent. That means you have to win by a knockout."

Patterson moves into ceo post at JWT USA—P. 99

The decision in Mexico ends one of the toughest fights for a major account there in recent years. It took place with every party knowing that in three reviews for Ford Latin American business in recent months, JWT lost the Venezuela and Brazilian business and kept the Argentine account.

One former senior Ford executive in Mexico said the local Ford management was happy with JWT but reviewed others' work on orders from Detroit.

Mr. McClure indicated Ford is considering an agency review in Australia, New Zealand and Taiwan. Taiwan is handled by locally based United Advertising Co.; Australia and New Zealand are handled by DDB Needham Worldwide.

In that context, the realignment of

(Continued on Page 99)

K/D/P siphons talent from Levine agency to boost N.Y. office

By JON LAFAYETTE

NEW YORK—An award-winning creative team hired away from Levine, Huntley, Schmidt & Beaver will spearhead Los Angeles-based Keye/Donna/Pearlstein's New York invasion.

Tod Seisser, 30, and Jay Taub, 37, senior VPs-creative directors at Levine Huntley, will join K/D/P here on May 16 as vice chairmen-creative directors.

K/D/P has maintained a service office here for its Suzuki of America Automotive Corp. account. The new full-service office, whose location hasn't been decided, will handle creative and media assignments from Suzuki dealer groups and handle the agency's network TV buying in addition to seeking new business. Those assignments will carry total billings of more than $10 million, K/D/P said.

The 19-year-old, $80 million agency becomes the third major West Coast shop to journey East in recent years, following in the footsteps of Chiat/Day, Venice, Calif., and Hal Riney & Partners, San Francisco.

President-CEO Leonard Pearlstein said he planned to spend half his time in the New York office and expected Chairman Paul Keye also to spend a good amount of time here. Mr. Pearlstein plans to send some Los Angeles staffers to New York immediately to help set up shop. The agency will also be seeking a key account-service executive.

Mr. Pearlstein said K/D/P didn't need to open a New York office. "It was a matter of opportunity," he said. "As competitive as New York can be, and as difficult as it can be, there is still a shortage of terrific work, and we know how to do some of that."

Allan Beaver, Levine Huntley vice chairman-director of creative services, said he expected to hire replacements for Messrs. Seisser and Taub in the next few weeks. "I wish them well," Mr. Beaver said. "You can't keep good people forever."

Messrs. Seisser and Taub joined Levine Huntley in 1983 from Della Femina, Travisano & Partners. At Levine Huntley, they created campaigns for Citizen Watch Co. of America, Guinness Import Co.'s Kronenbourg beer, Maidenform and Seagram Chateau & Estate Wines' Perrier-Jouet champagne.

"The past five years have been incredibly productive for Tod and me," Mr. Taub said. "The people we worked with made our jobs tremendously special. I'm going to miss them very much."#

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Ceo 'super group' meets

Leadership clout

By STEVEN W. COLFORD

A small group of key industry officials are intent on forming a "ceos-only" group to wield their collective clout against government attacks on advertising.

The new, controversial Leadership Council on Advertising Issues, which met for the first time last week in Boca Raton, Fla., shows no sign of backing off in the face of questioning from other industry groups.

K. Roman

R. Brack

The leading doubters, the three ad industry associations, are forming a parallel "super group," the Council for Commercial Freedom, with the same goals.

In Florida, the top corporate executives involved with the Leadership Council developed a sweeping charter to combat ad bans, ad taxes and other threats to advertising.

The Leadership Council will "outline strategy and mobilize all appropriate resources necessary to affect any advertising issue of principle at all levels of government."

The names attached to the Leadership Council mission statement were those of Ogilvy Group Vice Chairman Ken Roman, Time Inc. Magazine Group President Reginald Brack and General Foods Corp. Chairman-CEO Philip Smith.

About two dozen people are estimated to have attended the Florida meeting; the group included top executives from American Express Co., Leo Burnett Co., Mars Inc. and Jos. E. Seagram & Sons.

Procter & Gamble Co. Chairman John Smale, an early supporter of the Leadership Council, wasn't present, meeting participants said, nor was any other P&G executive.

The turnout was less than some insiders had expected, and there was speculation that attendance had been dampened by news stories highlighting the involvement of tobacco giant Philip Morris Cos. and the chilly reaction to the Leadership Council by other ad industry association executives.

One attendee said the Leadership Council "seems to have a strong strategic thrust and power behind it that the others don't—ceos."

Ad taxes and bans were priority concerns at the meeting, said attendees, who agreed to speak on condition of anonymity.

But the group also discussed the fear that Congress might examine the tax deductibility of ad costs.

The Leadership Council does have its detractors.

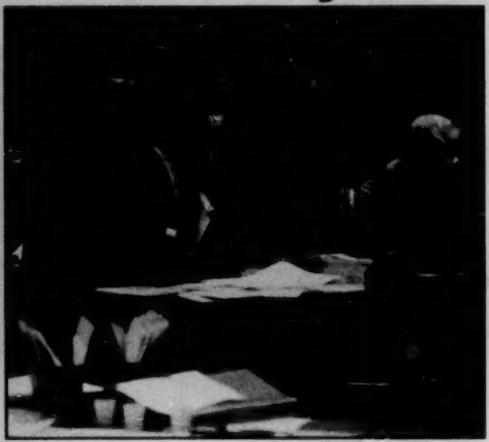
"We'll have to wait and see if there's enough room [for two councils]," said American Advertising Federation President Howard Bell.

Association of National Advertisers President DeWitt Helm Jr. said, "Only time will tell if there is duplication, but in my judgment the answer to that is yes."#

Photo by Doug Goodman

Charges fly

Testimony cites pressure by Sorrell



Lord Einstein executives Bruce Albert (l.) and Richard Lord confer outside Judge Herman Cahn's court while lawyers from all sides listen intently after last week's session.

By JON LAFAYETTE
and GARY LEVIN

NEW YORK—WPP Group Chief Executive Martin Sorrell undermined Lord, Geller, Federico, Einstein by alienating staffers and, indirectly, clients, including IBM Corp., witnesses testified last week.

Defense witnesses in a suit brought by WPP against former Lord Geller executives said last week that Mr. Sorrell's relationship with former Lord Geller Chairman-CEO Richard Lord caused great concern at IBM, by far the agency's most important client.

Those testifying also said Mr. Sorrell's threats to close Lord Geller helped drive some employees to Lord Einstein O'Neill & Partners, the new agency formed by Mr. Lord and five associates who broke away.

Mr. Sorrell is expected to testify this week or next. He earlier gave a deposition to attorneys in the case.

On cross-examination, witnesses refused to support WPP's contentions that client and employees and been solicited before the breakaway. Lord Einstein executives also disputed the allegation that they conspired to hurt LGFE.

The proceedings before acting New York state Supreme Court Judge Herman Cahn will determine the limits of a temporary injunction requested by WPP in advance of a jury trial.

That injunction now prohibits Lord Einstein from accepting more business from past or current Lord Geller clients, and WPP is asking that it be extended. Lord Einstein's lawyers and one client acknowledged that the order is hurting.

"There may come a time when we'll ask the judge to lift the stay," said Thomas Schwarz of Skadden, Arps, Slate, Meagher & Flom. The stay "serves no purpose because [the

(Continued on Page 100)

Lost: 150 agency jobs at 10 largest U.S. shops

By JON LAFAYETTE
and GARY LEVIN

There's no sign of relief in the big squeeze on jobs at the nation's largest ad agencies.

Seven of the 10 largest U.S. agency employers trimmed a combined 504 positions last fall and winter, according to an ADVERTISING AGE survey of employment trends.

The total jobs increase reported by the other three agencies—Leo Burnett USA; Foote, Cone & Belding; and McCann-Erickson Worldwide—was 354.

The changes represent the effects of won and lost accounts; the closing, purchase or sale of offices; and the trend toward leaner staffing.

The pace of job cutbacks slowed to a net drop of 150 positions in the fall-winter period compared with a decline of 1,041 posts in the first three quarters of 1987.

Kenneth Olshan, chairman of Wells, Rich, Greene/Worldwide, said he doesn't think agency employment will expand for quite a while.

JOB WATCH

Focus on Minneapolis-Page 80

"It's all in the hands of the clients," Mr. Olshan said. "A lot depends on the billings and the commission rate."

Saatchi & Saatchi DFS reported only minor job cuts but faces the prospect of about 100 layoffs following the loss of $80 million in Nabisco Brands billings. Agency President Peter McSpadden said he sees the pressure on job rolls continuing.

"Ad spending's not growing while salaries and overhead are," he said. "Everybody's trimmed down."

Even "optimists" are guarded.

At D'Arcy Masius Benton & Bowles, where more than 50 positions were trimmed last fall and winter, Chairman-CEO John Bowen said the downward jobs spiral "may have reached a bottom."

The ratio of employees to revenue is low, he said, adding, "I don't see the ratio going up, but it can't get much lower."

DMB&B is hiring this spring, Mr.

(Continued on Page 97)

Who's tightening up staff

The advertising job count in the U.S. at the top 10 ad agencies—measured by employment—totaled 21,058 in March, down 150 positions, or 0.7%, from last November. McCann-Erickson joined the list; DDB Needham Worldwide dropped off. *Source*: The agencies cited.

	March '88 (except where noted)	Nov. '87	% chg
Young & Rubicam[1]	3,050	3,100	−1.6%
Foote, Cone & Belding	2,744	2,636*	+4.1%
Ogilvy & Mather U.S.[2]	2,398	2,451*	−2.2%
Leo Burnett USA	2,035	1,901	+7%
Grey Advertising	2,009	2,165	−7.2%
J. Walter Thompson USA	1,902	2,080	−8.6%
McCann-Erickson	1,765	1,653	+6.8%
Bozell, Jacobs, Kenyon & Eckhardt	1,758**	1,764	−0.3%
Saatchi & Saatchi DFS	1,700	1,705	−0.3%
D'Arcy Masius Benton & Bowles	1,697	1,753	−3.2%

Employment totals reflect advertising and advertising support jobs at general agencies plus direct-marketing units and sales promotion units. Positions at PR/corporate communications, Yellow Pages and recruitment subsidiaries are excluded.

[1] Excludes joint ventures.

[2] The O&M U.S. Oct. 1, 1987, results are restated from those originally reported (AA, Nov. 16).

* As of 10/1/87 ** As of 2/1/88

Food marketers find good things come in new packaging

By JULIE LIESSE ERICKSON

Sometimes it's neither the sizzle nor the steak that sells—it's the packaging.

Food marketers are discovering that innovative new packaging can not only boost product sales by appealing to consumers but can do away with the need for paying store slotting allowances by also capturing retailers' interest.

Significantly, some marketers have decided against passing along the cost of packaging "gimmickry" to consumers, but to write it off as part of marketing and promotional expenses.

"With advertising getting more expensive and shelf space scarce, you can get a lot for the buck out of a packaging change like this," said Richard Gerstman, of Gerstman & Meyers, a New York-based package designer. "One package can offer a competitive

(Continued on Page 101)

Peel Seal
GUYS
Original
Potato Chips

Resealable packages are better than slotting allowances for some marketers.

World News Roundup

RIJSWIJK, NETHERLANDS—Soviet TV station Moscow 1 began a trial broadcast to 23,000 cable subscribers here. The Russian-language channel features ballet and nature films.

MADRID—The Spanish Association of the Blind's lottery picked Alas/Bates for its estimated $10 million account. Contrapunto previously handled.

LONDON—British Rail picked Lowe Howard-Spink here for a new $7 million corporate image campaign.

SYDNEY—A 20% sales tax on all radio and TV commercial productions in Australia will be imposed starting June 1, despite the Advertising Federation of Australia's many efforts to prevent the tax.

LONDON—Robert Maxwell's Bishops Gate Investment Trust, a subsidiary of Maxwell Communication Corp., made its first investment in advertising by buying Ogilvy & Mather's 4.8% stake in Davidson Pearce here.

LUXEMBOURG—The European Court of Justice here ordered the Dutch government to lift "discriminating" restrictions on advertising messages aimed at Dutch consumers via English-language satellite broadcasters such as Sky Channel.

BUENOS AIRES—A ban on cross-media ownership may be lifted if the Congress agrees. The bill also provides for privatizing two state-owned TV channels and two radio stations.

Curtis pushes Finesse with $50M restage

By LAURIE FREEMAN

Helene Curtis Industries today reintroduces its 6-year-old Finesse haircare line with an estimated $50 million print, TV and promotional campaign—the largest product restaging in its history.

The budget surpasses the $14 million in advertising and $26 million in promotion Curtis spent last year to introduce Salon Selectives, a salon-style haircare line (AA, March 23, 1987).

The Finesse restaging is aimed at improving the company's leadership position in the highly competitive, mature $3.96 billion category. Curtis is the No. 2 haircare marketer, with a 13.8% share of the shampoo segment and a 23% conditioner share.

Procter & Gamble Co. has 29% of the shampoo market and 16% of conditioners, said Diana Temple, analyst with Salomon Bros.

Saatchi & Saatchi DFS Compton, New York, is handling the two-part Finesse campaign.

The introductory TV effort, breaking tonight, is meant to draw attention to product improvements; the second part, starting five weeks from now, will be more image-

(Continued on Page 101)

Special Report

Promotion 'carnival' gets serious

By Len Strazewski

Goofy sweepstakes and contests, cheap plastic toys and giveaway deals—a carnival of cheap premiums and incentives—were designed with the hope that they would entice consumers to choose one product over another.

In the last 10 years, industry observers say, the carnival has changed into a war room. Strategic planning and research have replaced hopes and guesses—and most promotional programs are no longer unsophisticated—or cheap.

The sales promotion marketplace has grown to more than $100 billion, according to industry estimates, with consumer promotions alone totaling more than $25 billion. Within the consumer promotion category, manufacturers spent about $13.7 billion on sales incentive programs in 1987, according to a survey conducted by *Incentive Marketing* magazine, up 6.4% from 1986. The publication predicts a 8.6% increase this year.

As competition for consumer attention continues to grow, sales promotion experts confirm that manufacturers are spending more on incentives and other promotional activities, but are spending more carefully. They are replacing national promotions with regional campaigns and eliminating toys and gimmicks in favor of "value-added" premiums and product items that reflect the quality of the promoted products.

"Marketers are not just buying premiums anymore," explains Joseph P. Flanagan, president-director of sales promotion for Chicago-based Foote, Cone & Belding Communications' Impact division and president of the national Council of Sales Promotion Agencies. "Everyone is thinking more strategically, targeting promotions to specific consumer audiences and developing more sophisticated strat-

(Continued on Page S-2)

Len Strazewski is a Chicago-based free lancer and frequent contributor to Special Reports.

Promotion 'carnival' serious

(Continued from Page S-1)

egies."

Sales promotion budgets are up 10% to 12% this year, he says, and companies are demanding more expertise from their sales promotion agencies and expecting their promotional agencies to work with their general agencies in a consolidated marketing effort. However, trade promotion spending is down as marketers switch their attention to consumer premiums and incentives "where they can see the impact of their dollars," Mr. Flanagan says.

According to the tenth annual Survey of Promotional Practices conducted by Stamford, Conn.-based Donnelley Marketing, a division of Dun & Bradstreet Corp., package-goods marketers spent 25.5% of their 1987 promotional budgets on consumer promotions, up slightly from 1986. Trade promotion spending declined to 39.3% of the whole from 39.8% and media advertising spending increased to 35.2% of the whole from 34.8% in 1986.

The survey showed that most consumer promotion techniques including premium offers, new-product sampling, direct couponing and money-back offers exhibited increases in usage among respondents between 1986 and 1987. Sweepstakes and contests, sales incentive mainstays for many years, seem to be on a serious decline, according to the survey. Sweepstakes fell from 72% in 1986 to 66% in 1987; contests declined from 40% to 38% last year.

"What we are really seeing here is the impact of research and technology," explains Richard Vincent, Donnelley director of marketing services. "Manufacturers are seeking the most lucrative portions of their market and then using the techniques that can specifically reach those consumers. That's where the real battleground is today."

Mr. Vincent says package-goods marketers are beginning to take advantage of the huge consumer databases that his company and others have developed over years of direct mail and total market coverage couponing and sampling.

The Donnelley database, for example, covers more than 79 million households or about 90% of the U.S. consumer market, according to Mr. Vincent.

"By using the database, manufacturers can target promotional activities as closely as they like: to specific ZIP codes, neighborhoods, households or even specific individuals within the households," he says.

As a result, manufacturers are choosing the kinds of promotional activities that work best when targeted well, such as coupons and product sampling.

Mr. Vincent also notes that the availability of good consumer data also has led manufacturers to become more regional in their marketing, focusing their efforts in on specific market areas, or in some cases, specific chains of stores.

"Marketers are now working with store management to develop specific demographic and psychographic profiles of their customers and then building promotions that specifically target those customers," he says.

Jeff McElnea, president of Einson Freeman, Paramus, N.J., agrees. "Manufacturers are beginning to run different promotions for different regions and different kinds of stores, depending upon consumer profiles," he says.

PepsiCo, for example, has three separate concurrent retail promotions handled by Einson Freeman, he says. With Dublin, Calif.-based Lucky Stores, Pepsi is running a promotional cash giveaway game with prizes ranging from $100,000 to free Pepsi. The target is a more general consumer.

Pepsi also is running a promotion with Clearwater, Fla.-based drugstore chain Eckerd Drug Co. that targets fe-

(Continued on Page S-11)

Long-term trend of allocations to media advertising

Showing three-year reports for each survey

	Percent of total promotional dollars in each year											
	'76 %	'77 %	'78 %	'79 %	'80 %	'81 %	'82 %	'83 %	'84 %	'85 %	'86 %	'87 %
10th annual survey										36	35	35
9th annual survey									36	34	34	
8th annual survey								35	34	35		
7th annual survey							35	35	36			
6th annual survey						41	39	40				
5th annual survey					45	45	45					
4th annual survey				44	43	44						
3rd annual survey			44	41	40							
2nd annual survey		41	40	40								
1st annual survey	42	42	42									

Sources: Donnelley Marketing annual surveys for 1978 to 1987.

Long-term trend of allocations to consumer promotion

Showing three-year reports for each survey

	Percent of total promotional dollars in each year											
	'76 %	'77 %	'78 %	'79 %	'80 %	'81 %	'82 %	'83 %	'84 %	'85 %	'86 %	'87 %
10th annual survey										23	25	26
9th annual survey									27	28	29	
8th annual survey								27	30	30		
7th annual survey							23	26	27			
6th annual survey						20	24	26				
5th annual survey					22	25	26					
4th annual survey				19	22	23						
3rd annual survey			20	23	25							
2nd annual survey		20	22	25								
1st annual survey	19	21	24									

Sources: Donnelley Marketing annual surveys for 1978 to 1987.

Long-term trend of allocations to trade promotion

Showing three-year reports for each survey

	Percent of total promotional dollars in each year											
	'76 %	'77 %	'78 %	'79 %	'80 %	'81 %	'82 %	'83 %	'84 %	'85 %	'86 %	'87 %
10th annual survey										41	40	39
9th annual survey									37	38	37	
8th annual survey								38	36	35		
7th annual survey							41	39	37			
6th annual survey						39	38	34				
5th annual survey					33	30	29					
4th annual survey				37	35	33						
3rd annual survey			37	36	35							
2nd annual survey		39	38	35								
1st annual survey	39	37	34									

Sources: Donnelley Marketing annual surveys for 1978 to 1987.

Data bank — Premiums & Incentives

[illegible]

($ thousands)

	1986 [illegible]	Percent [illegible]	1987 [illegible]	Percent [illegible]	1987 expenditures [illegible]
Sales incentives	$ 3,484,645	6.7%	$ 3,784,395	8.6%	$ 4,464,731
Merchandise	2,628,691	6.5	2,836,442	7.9	3,247,336
Travel	855,954	7.5	947,953	10.7	1,217,395
Dealer incentives	$ 2,346,799	5.3	$ 2,451,766	4.5	$ 2,538,066
Merchandise	1,532,474	5.2	1,612,521	5.2	1,660,814
Travel	814,325	5.6	839,245	3.1	877,252
Merchandise total	$ 4,161,165	6.0	$ 4,448,963	6.9	$ 4,908,150
Travel total	$ 1,670,279	6.5	$ 1,787,198	7.0	$ 2,094,647
Trade total	$ 5,831,444	6.2	$ 6,236,161	6.9	$ 7,002,797
Business gifts	$ 1,211,722	2.7	$ 1,293,247	6.7	$ 1,486,945
Consumer premiums					
Product promotion:	$ 3,685,931	1.6	$ 3,925,162	6.5	$ 3,925,162
• Mail-in offers	1,864,186	2.0	1,988,071	6.6	1,988,071
• Direct premiums	1,821,745	1.1	1,937,091	6.3	1,937,091
Retail promotion:	$ 2,411,000	−2.3	$ 2,512,990	4.2	$ 1,552,656
• Sweepstakes, games	(Tabulated		185,946		185,946
• Direct, trading stamps	differently		1,366,710		1,366,710
• Trade incentives, gifts	in 1986)		960,334		*
Consumer total	$ 6,096,931	—	$ 6,438,152	5.6	$ 5,477,818
Total usage	$13,140,097	2.9	$13,967,560	6.3	$13,967,560

[illegible]

Source: Incentive Marketing

Types of consumer promotions

Five year comparison of usage levels

Type of promotion	Percent of respondents in each year 1987	1986	1985	1984	1983
1. Couponing consumer direct	96%	91%	93%	95%	93%
2. Money back offers/cash refunds	87	85	85	81	83
3. Premium offers	74	58	79	82	82
4. Sampling new products	71	64	77	62	61
5. Cents-off promotions	69	70	78	64	66
6. Sweepstakes	66	72	77	73	78
7. Sampling established products	65	57	76	36	47
8. Couponing in retailers' ads	57	45	56	40	46
9. Pre-priced shippers	56	58	70	49	45
10. Contests	38	40	55	29	45

Source: Donnelley Marketing annual surveys for pr[illegible] practices for 1983, 1984, 1985, 1986, and 1987.

Promotion 'carnival'

(Continued from Page S-2)

male heads of households. It features a Soap Opera Trivia game and the prize is a trip to Hollywood.

With the Central Islip, New York-based Waldbaum supermarket chain, the soft-drink company is not using a game at all, but cross-promoting with other products and offering weekly specials that include Pepsi.

"Instead of running a single national promotion, marketers are building arsenals of prefabricated promotional events for different types of retailers and regions," Mr. McElnea says.

As part of the emphasis on retail promotion, promotional delivery systems also are changing. More marketers are switching to point-of-purchase promotions and in-store or on-pack couponing, according to a survey by Summary Scan!, a division of the Advertising Checking Bureau in Chicago.

Summary Scan! monitors package-goods couponing and

(Continued on Page S-12)

Every corner covered

When the Premium & Incentive Show first opened at the old 71st Regimental Armory at the corner of 34th Street and Park Avenue in New York in 1939, it was the first time promotion exhibitors had gathered in one place. The premiums displayed by no more than 50 exhibitors were largely confined to low-price ad specialties.

The introduction of radio into American homes had popularized sponsor premiums. A listener could send for Texas Ranger western equipment or Irene Weicker "Singing Lady" sheet music. Kids drank Ovaltine from Orphan Annie mugs and listened to Jack Armstrong, the "All-American boy," promote Wheaties.

World War II intervened, but the show—now produced by Thalheim Expositions—was reinstated in 1946 on the same site with 80 exhibitors. By the time the show moved to the site of the old Astor Hotel on Broadway in 1950, the number of exhibitors had tripled.

During the early 1950s, Superman came to TV and sparked a promotion boom. In post-war America advertisers began experimenting with home party systems. Children's premiums reflected changing lifestyles. Wheaties offered license plates and Sealtest offered cartoon characters on cottage cheese glasses.

During the 1960s the use of motivational marketing grew rapidly. In 1961 the show moved to the New York Coliseum where 400 exhibitors displayed a variety of involvement devices. Mobil moved into the premium area and found success running regionally oriented premiums. The use of supermarket register receipts and trade stamps grew in popularity. Esso introduced a game called Tigerino, a variation on an instant-win game. After 25 years at the Coliseum, the number of exhibitors almost quadrupled.

The show moved again when the new Javits Convention Center opened in 1986. Close to 2,000 exhibitors, about 200,000 products and more than 33,000 buyers are expected at this year's golden anniversary show beginning today. According to Jay Thalheim, chairman of Thalheim Expositions, Manhasset, N.Y., almost every name consumer product is represented. "There isn't a company that doesn't utilize an effective incentive program." says Mr. Thalheim. "You can't name a business today that doesn't have some type of incentive program."

—*Amy Zipkin*

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Promotion 'carnival'

(Continued from Page S-11)
promotional activities in stores and major media for marketer clients.

"Manufacturers have come to realize that newspapers have become saturated as a marketing medium," says Summary Scan! Director Kermit Myers. "There are only so many FSIs that can be stuffed into a newspaper before they become lost. As a result, manufacturers are re-examining other media, such as point-of-purchase displays and packaging."

There has been an increased use of packaging as a medium for promotion, Mr. Myers says. "Manufacturers are now taking full advantage of their packaging to entice consumers. On any given day five years ago, Summary Scan! was finding 500 packages in the average grocery store with next-purchase coupons, sweepstakes offers, rebates and other promotions. Now we find more than 1,000. With so many consumers making purchasing decisions after they enter the store, the battle for their attention has intensified."

Mr. Myers also notes a dramatic increase in what he called "real value" incentives, including cents-off coupons, coupons in packaging and product bonus packs (offering more of the promoted product). These kinds of promotions accounted for 47.8% of all in-store promotions, an increase of 40% from 1986 according to the study. Another category of in-store promotion, introducing products as "new and improved," continues to be the most common promotion in stores, but also seems to be on the decline. These dropped from 37.2% of all in-store promotions in 1986 to 28.8% in 1987.

"This decline is significant, particularly in view of the number of new products that are introduced each year," Mr. Myers says. "It could signal an attempt by manufacturers to solve the credibility problem."

Marketers also are making changes at the trade promotion levels. Spurred by the documentable success of consumer promotions, manufacturers are re-evaluating their trade promotion budgets and programs and instituting controls that guarantee that the trade promotion funds translate into consumer incentives.

Although many experts believe that manufacturers are actually cutting back on trade spending and rechanneling the funds directly to chains of retailers, Bob Brown, chief executive officer of SPAR, the trade promotion tracking agency in Tarrytown, N.Y., says trade spending is about the same as previous years—about $20 billion. However, he says manufacturers are putting more restrictions on trade spending and demanding evidence of performance for continued funding.

"In the past, trade promotion was rather simple—discounts off invoice. Then, the savings was supposed to be passed on to consumers as a sales incentive," he explains. "But, by even a conservative estimate, at least half of that spending never made it to consumers."

Today, many manufacturers are linking their trade spending to specific marketing programs and demanding performance as measured by increased orders or penetration into new retail outlets, before committing their full budgets.

"Manufacturers are still willing to spend in the trade side, but they want to see the money being used; $10 billion a year is a lot of money to waste," Mr. Brown says.

Munchies

(Continued from Page S-5)
Food Marketing Institute show in May and the Consumer Electronics Show in June. The Fuji exhibits also included a sample display—a pre-pack shipper with 60 videocassettes, take-one pad and a header that offered consumers "$20 Free Nestle Candy When You Buy Fuji Videocassettes." Like Fuji, Nestle used sell-sheets to promote the program to its sales force.

Brian Miller, product manager-consumer video products, Fuji Photo Film USA, says, "We've done tie-ins before and think they're really a good way to go."

Through their combined efforts, Mr. Miller explains, "we managed to place POP in 12,000 outlets. The promotion gave us something different in the marketplace . . . We wanted to create a promotion that would offer real value to consumers. We think a tie-in has a more lingering effect on consumers than rebates, which, in our industry, have become less of a promotion tool and more of a condition of doing business."

A spokesperson for Nestle says the tie-in with Fuji videocassettes provided Nestle with an opportunity to team up with a quality product and extend its association as a theatrical candy to one associated with watching films at home.

Mr. Kallet says the promotion resulted in overwhelming trade acceptance and a level of floor-display placements that was well above average. "Significant redemption levels also indicated strong consumer pick-up," he says.

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F-P, P&G connect

'It was important to build increased awareness of Fun With Food without sacrificing an [item] a toy retailer could sell'

(Continued from Page S-5)
manager and now senior manager-business planning and development; Peter Hall, Fun With Food assistant marketing manager; and Ed Powderly, senior marketing manager. The initial proposal was presented to Edward Liebzeit, manager of P&G's sales merchandising department.

Fisher-Price executives suggested a tie-in with P&G's Fall Baking Bonanza, an event it runs every fall to promote its Duncan Hines and Crisco products. The focal point of the promotion would be a unique Fisher-Price consumer premium, which would be offered free with proofs of purchase from selected P&G brands.

This custom-made Fun With Food Baking Set, valued at $10 retail, would include Duncan Hines and Crisco toy packages along with cooking utensils, toy cupcakes with removable "frosting," and other colorful items designed to introduce consumers to Fun With Food.

This promotion was launched in September 1987 and ran through November—in time to influence consumers' holiday gift purchases. The Fun With Food Baking Set was offered free by mail to consumers with five proofs of purchase from Crisco and Duncan Hines products, plus $2 postage and handling.

In selecting an appropriate premium, Mr. Davidzik notes, "It was important to promote our product line and build increased awareness of Fun With Food without sacrificing an [item] that a toy retailer could sell. It was also important to provide Procter & Gamble with something special that no one else had."

Included in the baking set box was an in-pack rebate form that consumers could use to save $2 on the purchase of a Fisher-Price top-of-the-line Fun With Food Kitchen Center, or $3 on any four of 18 Fun With Food products (ranging from Bacon & Eggs and Burger Deluxe foods to a Whistling Tea Kettle Set and Golden Glow Toaster Oven).

Consumers were introduced to the promotion through announcements in Quad/Marketing free standing inserts, which reached a circulation of more than 48 million on Sept. 27. The Fun With Food offer was showcased on the insert's front cover, along with another Fisher-Price/P&G tie-in, which offered free Fisher-Price Children's Educational Flash Cards to the first 500,000 consumers who mailed in proofs of purchase from any two Tide, Dawn or Cascade products.

The Fun With Food promotion was further supported by TV spots for Crisco and Duncan Hines that called attention to the Baking Set premium. The TV spots, created by P&G agency N W Ayer, ran September and October.

In addition, Fisher-Price supported its Fun With Food product launch with a multimillion dollar TV campaign created by Backer Spielvogel Bates along with print advertising in women's magazines. In a marketing environment where most toys do not last more than a year or two, Mr. Davidzik says that Fisher-Price aimed to achieve long-term growth in the highly competitive preschool basics category by advertising the Fisher-Price brand name and positioning its food toys and accessories as "realistic, safe, imagination, stimulating and creative."

Fisher-Price introduced the P&G tie-in to the toy trade with an oversize box emblazoned with the words "An offer with strings attached" on the cover. When retailers opened the box, they found a Fisher-Price apron imprinted with the Fun With Food logo. The box also contained a photo of the Fun With Food Gift Set "ingredients" placed on a kitchen table next to actual Crisco and Duncan Hines products.

The trade premium box was delivered with a sample of the consumer premium to toy retailers, whose outlets run from toy supermarkets and mass merchandisers to department, discount, catalog and toy stores.

P&G used the Fisher-Price Fun with Food Kitchen Centers as dealer loaders/in-store sweepstakes prizes to encourage retailers to build large grocery displays. More than 12,000 supermarket displays featured the Fun With Food Kitchen Center.

Fisher-Price's marketing research department reported that after the promotion, awareness of Fisher-Price as a marketer of kitchen toys increased by 18% and awareness of the Fun With Food brand name increased by 15%.

Mr. Davidzik says that all parties involved were pleased with the response. Requests for the free Fun With Food Baking Set premium exceeded original projections by over one-third. The toy trade benefited from additional retail exposure in a high-traffic environment and the chance to encourage consumers to sample the experience of Fun With Food without having to sacrifice actual product sales for the premium promotion.

Managing editor Cecelia Reed coordinated this report on Premiums & Incentives.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Grocery Marketing.**

Chewing the fat

Thompson rejuvenates diet gum

By PATRICIA WINTERS

Thompson Medical Co. has repackaged and repositioned its oldest diet product, Slim-Mint gum, and next week will break the first new advertising on the brand in 20 years.

The new spot, backed by about $6 million in network TV spending, uses a campy style and the popular 1960s song "Rescue Me."

In the opening scene, a young businesswoman is speaking on the phone in her office when a dessert cart overflowing with cakes appears from out of nowhere. In all the scenes, dieters control themselves with a stick of Slim-Mint.

Grey Advertising, New York, which became a Thompson agency last year, handles.

The campaign is dramatically different from Thompson's longstanding "Control your appetite" campaign for diet-aid leader Dexatrim diet pills.

"The act of taking diet pills involves a serious, rational, somewhat emotional decision," said Kelly Kaplan, Thompson senior product manager. "Gum is a lot less threatening, and we can be a bit more playful."

Ms. Kaplan said the company is considering a print campaign, too.

Thompson also aims to expand its leadership position in the $185 million diet-aid category, which has seen sudden growth and new competition. Thompson holds more than a 50% market share with its Dexatrim and Slim-Fast meal replacement brands.

> *"Gum is a lot less threatening [than diet pills], and we can be a bit more playful."*
>
> **—Kelly Kaplan**
> **Thompson Medical Co.**

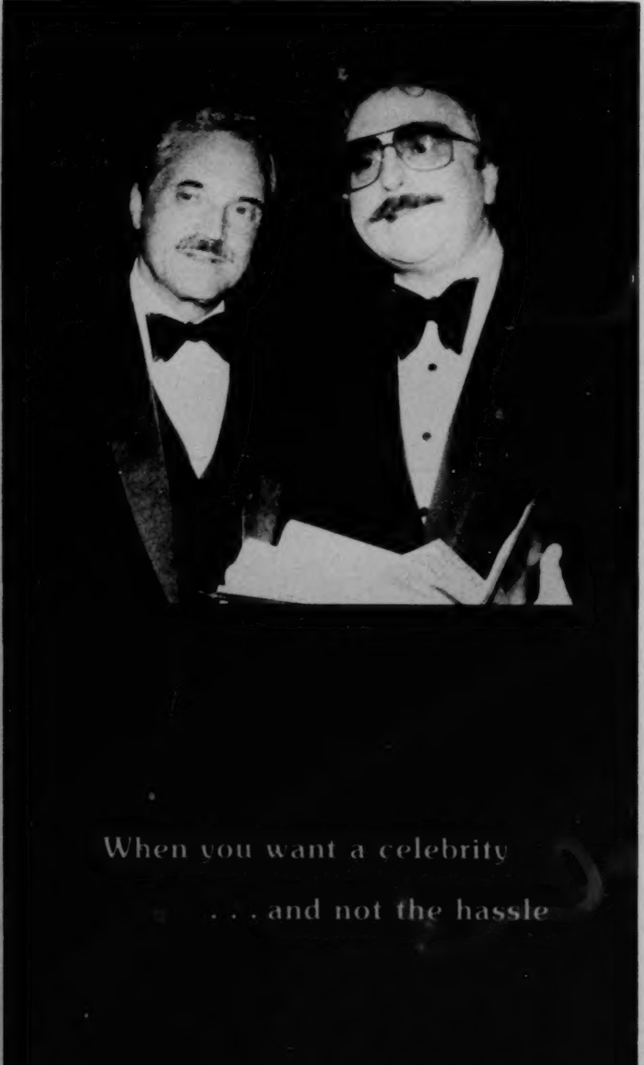
Slim-Mint will compete directly with Plough Inc.'s Stay Trim gum, introduced in August. The unit of Schering-Plough Corp. is backing Stay Trim, which comes in three flavors, with a $12 million campaign from Della Femina, Travisano & Partners.

Stay Trim is said to have gained $5 million to $8 million in sales since January, and Plough says the product "has exceeded its expectations."

Easy and convenient products such as gum and meal replacements are seen as the future of the category, Ms. Kaplan said. For instance, the Slim-Fast meal replacement is so successful that Thompson is considering line extensions.

In addition to new emphasis on Slim-Mint and Slim-Fast, also handled by Grey, Thompson recently began airing new network TV spots for Dexatrim, via Laurence, Charles, Free & Lawson.

The spots still use testimonials from people who have lost weight with Dexatrim, but they also stress a study showing the pills don't cause nervousness or jitters. Ms. Kaplan said that's important since many people don't use diet aids because of negative publicity about drugs like phenylpropanalamine, the active ingredient in Dexatrim.#



Ad jobs

(Continued from Page 3)

Bowen noted, to staff the newly won Paramount Pictures Corp. and Denny's restaurant accounts.

Agency executives are also concerned that these leaner agencies may not be producing high-quality advertising.

"I think it's having an impact on the work," one agency chief said. The critical test is whether any change in the quality of the advertising produced affects sales.

The number of top 10 agency employers reporting job declines—seven—in the November-to-March period is the same as in a similar AD AGE survey covering job trends during the first nine months of 1987 (AA, Nov. 16).

Reported job count drops were biggest at J. Walter Thompson USA (178), reflecting in part the loss of its $200 million Burger King Corp. account, and Grey Advertising (156), reflecting the sale of the Chicago office to GGK, Basel, Switzerland. They were followed by DMB&B (56); Ogilvy & Mather U.S. (53); Young & Rubicam (50); Bozell, Jacobs, Kenyon & Eckhardt (6); and Saatchi & Saatchi DFS (5).

Reported job count gains were led by Burnett (134), which was followed by McCann (112) and FCB (108).

Moving up in the new survey's rankings are Burnett, to the fourth-largest employer of advertising workers from sixth in last year's survey; McCann, which joined the top 10 in seventh place after its acquisition of Geers Gross, New York, last November; and Saatchi & Saatchi DFS, which moved to ninth from 10th.

Moving down were O&M, to third from second (reflecting in part restated employment figures for 1987); Grey, to fifth from fourth; JWT, to sixth from fifth; and DMB&B to 10th from ninth. DDB Needham Worldwide, which ranked as the ninth-largest pool of advertising and advertising support jobs in last year's survey, fell out of the top 10 based on Jan. 1 job count figures it supplied and AA estimates of subsequent further trims that dropped its job total to about 1,580 in March from 1,705 last October.#

For the Record

WCRS GROUP, London, has received the French finance minister's approval to buy a 50% interest in SGGMD, Paris, the leading European independent media-buying group. The transaction includes an initial payment of $121 million. Saatchi & Saatchi Co. had unsuccessfully sought a majority stake in SGGMD.

INTERPUBLIC GROUP OF COS., New York, reported that first-quarter net income rose 21.4% to $6.66 million from a year ago. Gross income rose 19.9% to $242.8 million.

PROCTER & GAMBLE CO. announced third-quarter net income jumped 39.8% to $263 million while sales rose 15% to $4.86 billion compared with one year earlier. For the nine months ended March 31, net income rose 35% to $880 million while sales increased nearly 12% to $14.36 billion. Separately, P&G is running a limited-time national promotion for its new Posh Puffs facial tissues supported by couponing and point-of-purchase. N W Ayer, New York, handles.

ARBY'S this month starts offering "Daylight Savings Deal" promotions that cut prices after 5 p.m. to increase dinner business. The chain also is introducing Curly Fries. Newspaper, point-of-purchase, radio and TV support. W.B. Doner & Co., Baltimore, handles.

THE FEDERAL TRADE COMMISSION last week ordered Volkwagen of America to place prescribed ads in national magazines about an arbitration program to handle complaints. The program is for owners of 1974-79 Audis and VWs with oil consumption-related problems.

COCA-COLA BOTTLING CO. OF CHICAGO last week began a local radio campaign promoting Coca-Cola as a morning beverage, the first major Northern market in which the company has tested the pitch. McCann-Erickson, New York, created the 60-second spots; Montgomery Zuckerman Davis, Chicago, handled media buying.

WPP GROUP, London, has bought EWA, a data-base management company. The deal involves an initial payment of $9 million plus subsequent payments that could bring the total price to as much as $41.3 million.

AMERICAN ASSOCIATION OF YELLOW PAGES PUBLISHERS and **National Yellow Pages Service Association** plan to merge into the Yellow Pages Publishers Association. The groups' boards are expected to vote on the merger proposal by mid-May.

THE U.S. FOOD & DRUG ADMINISTRATION is expected to decide by yearend whether to allow nutritional labeling on grocery store shelves. An agency official said the FDA will review experiments it's done with possible package-labeling alternatives before making any changes.

SAATCHI & SAATCHI CO., London, bought National Research Group, a Los Angeles-based supplier of market research services to the movie industry, for up to $10.3 million, including an initial payment of $2.3 million.

LORILLARD last week sold its chewing tobacco and little cigar brands for $67.5 million to National Tobacco Co., a majority of which reportedly is owned by Shearson Lehman Hutton. Brands included in the sale all are handled by Saatchi & Saatchi DFS Compton, New York.

CHICAGO SUN-TIMES last week failed in its initial bid to block rival *Chicago Tribune* from printing the winning numbers in a *Sun-Times* contest. An Illinois circuit judge said the contest is a newsworthy event.

PABST BREWING CO. has dropped its libel suit against *The Seattle Times*, with both sides agreeing to pay their own legal costs. The suit followed a July 1987 editorial cartoon showing a beer can with the label "Hanford" and Olympia beer's slogan "It's the water." The cartoon followed stories about ground water contamination near the Hanford nuclear reservation.

THE DEMOCRATIC NATIONAL Convention Committee has hired Smith-Hemion, a Hollywood, Calif., production company, to produce and stage its convention in Atlanta July 18-21.

NEW CAMPAIGNS: **Marriott Corp.** this month breaks a $1.5 million magazine campaign for its 18 resorts in Barbados, Bermuda and the U.S. Fitzgerald & Co., Atlanta, handles. . . . **BMW of North America** shows off its luxury 7-series models in commercials that broke last week via Ammirati & Puris, New York. . . . **Airwick Industries** last week broke a national TV campaign for new Soft Scent from Carpet Fresh. Drossman Lehmann Marino, New York, handles. . . . **DoveBar International's** TV campaign for its original and new 4-ounce ice cream bars is running in 10 spot markets. Leo Burnett USA, Chicago, handles, though DoveBar expects to move the account later this year. . . . **Grandy's**, a 200-unit restaurant chain in 20 states, breaks a new TV campaign today via the Richards Group, Dallas.

ACCOUNT ACTIVITY: **Softsoap Enterprises Co.**, Chaska, Minn., is reviewing Twin Cities agencies for project work on Softsoap liquid soap. Industry sources say shops in the pitch include Colle & McVoy, Bloomington, Minn., and Lacey LaMaster Nelson Farmer, Minneapolis. Bozell, Jacobs, Kenyon & Eckhardt remains agency of record on the estimated $1 million-plus account. . . . **Coca-Cola Foods**, Houston, to **Anderson/Rothstein**, San Francisco, from Lowe Marschalk, Houston, now defunct, for its foodservice products group account. . . . **Pebble Beach Corp.**, Pebble Beach, Calif., to **J. Walter Thompson USA**, Detroit, as first agency for its resort facilities. . . . **Jos. E. Seagram & Sons**, New York, to Wells, Rich, Greene's **The Image Group**, from DDB Needham Worldwide for its Jameson Premium Irish whiskey. WRG already handles Herradura tequila and an undisclosed product in test.

WORTH NOTING: **David Ogilvy**, 76, retired founder of Ogilvy & Mather, cited ill health in withdrawing as a speaker at the World Federation of Advertisers meeting in London next month (AA, April 25). . . . **R. Wesley McDonough**, VP-advertising, Hills Department Stores, Canton, Mass., was named Advertising Retailer of the Year by the International Mass Retail Association. . . . **MCA** and **King World Productions** will contribute $10 million each for a joint venture to produce broadcast network, cable network and first-run syndication TV series. . . . **Cahners Publishing Co.** will publish a quarterly Chinese edition of *Electronic Business* in a joint venture with the Chinese Technology Information Institute. . . . **Kraft** is testing Kraft 100% Natural String Cheese in Seattle. Leo Burnett USA, Chicago, handles.

NOTE

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Dentsu's creative leaders, including President Gohei Kogure (seated left), celebrate AA's award as well as being the world's largest agency *(foreign agency income survey starts on Page 62).*

Diverse Dentsu

Eclectic creativity earns AA honor

By DAVID KILBURN

A white cat swings along a pair of parallel bars. "Please remember this number when you see a cat on a horizontal bar," says an announcer in a 15-second spot promoting Nippon Telegraph & Telephone's toll-free number. Another spot showing a dog climbing a tree reminds, "Please remember . . . when you see a dog climbing a tree."

A well-known male illustrator dressed in the height of fashion sits on a toilet. "God, I beg you, I'm scared of pain," he says in a commercial for SmithKline Sumiyaku's G4 hemorrhoid remedy.

A boy waits apprehensively in a dentist's chair clutching his Yomiuri Giants baseball cap and whispering the team's theme song to boost his courage. As he eyes the strange instruments, he remembers his mother telling him to brush his teeth with Lion's Clinica toothpaste. He is relieved when the dentist proclaims, "They look just fine. You must be brushing them every day."

TOKYO—This eclectic collection of images and unexpected touches of humor from the 1,800 TV commercials Dentsu created last year helped propel the agency past 61 other entries to capture the title of ADVERTISING AGE's International Agency of the Year for 1987.

Best known for its mammoth size—accounting for almost 24% of all advertising billings in Japan—and its media clout—with 40% of prime-time television buying in Tokyo—Dentsu has been redefining and integrating its wide spectrum of

(Continued on Page 60)

Saturn plans agency pay tied to sales

By RAYMOND SERAFIN and GARY LEVIN

Saturn Corp. officials have asked the three finalists in its $80 million agency review to come up with a compensation package tied to the new automotive company's performance.

That compensation system could then serve as a model for paying agencies working on the entire line of products at parent General Motors Corp.

The finalists—N W Ayer; Hill, Holliday, Connors, Cosmopulos; and Hal Riney & Partners—on April 29 submitted written proposals on compensation and on their organization and staffing of the account.

Those issues originally were to be dealt with during this week's final presentations, but Saturn officials changed their minds and asked for the information beforehand.

Phil Guarascio, GM's corporate director of advertising services and a member of the committee picking the Saturn agency, has been a consistent advocate of tying agency compensation to some measure of performance.

Saturn is charged by GM with finding economical ways to make and market cars.

GM has said it considers Saturn a laboratory for developing new manufacturing and marketing strategies. That suggests that the compensation formula used at Saturn could eventually serve as the basis for paying other agencies.

Initially, agency compensation is expected to be on a retainer basis, because no advertising will run immediately.

Agency officials declined to discuss what they've submitted, citing confidentiality agreements

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Last Minute News

RJR Nabisco cuts agencies

ATLANTA—RJR Nabisco cut Bozell, Jacobs, Kenyon & Eckhardt, New York, and Tatham-Laird & Kudner, Chicago, from its agency roster in a further consolidation, as it prepares for the reassignment of its $80 million in cookie and candy spending pulled from Saatchi & Saatchi DFS Compton, New York (AA, April 11). BJK&E lost $18 million in Planters peanuts and Canadian cereal assignments; TLK lost about $10 million in business. The shifts are designed to give the company "greater clout" with fewer suppliers. FCB/Leber Katz Partners, New York, and agencies owned by Interpublic Group of Cos. are expected to be the prime beneficiaries of the realignment, said to reward R.J. Reynolds Tobacco Co. shops and penalize those with any divisional conflicts. FCB and Interpublic's McCann-Erickson, New York, handle Reynolds' major cigarette brands. Long, Haymes & Carr, Winston-Salem, N.C., and Young & Rubicam, New York, also handle tobacco prod-

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◀ **Roger Smith: Call him troubled at GM. —Page 48**

Who's got the best jammie-man story? ▶ —Page 102

U.S., foreign buyers sought for McGraw titles

Trade books on block

By PATRICK REILLY

McGraw-Hill Publications Co. is actively seeking both domestic and foreign buyers for some of its trade magazines, industry sources say.

The move comes just two months after the publisher sold off its once-pacesetting *Electronics* and only weeks after the $712 million acquisition of Diamandis Communications Inc. by France's Hachette SA.

The magazines reportedly on the block are *Chemical Engineering, Chemical Week, Modern Plastics, Modern Plastics International* and *Textile World*—all part of McGraw-Hill's Process Industries Group. One source said the plastics books are profitable, the chemical books aren't profitable and the textile book is profitable off and on.

McGraw-Hill executives deliberately packaged the possible sale as a group to include both profitable and unprofitable books.

There's no indication that McGraw-Hill will part with its major trade magazines, such as *Architectural Record, Byte* and *Engineering News-Record*; or its consumer business title, *Business Week*. Those books represent the core of the company's business.

A McGraw-Hill spokeswoman wouldn't comment on whether the company is seeking buyers for some of its magazines.

Electronics was sold in March to VNU Business Publications, the U.S. arm of Dutch publisher Verenigd Bezit VNU.

Two weeks ago, Cahners Publishing Co., owned by British-based Reed International, paid a reported $42 million for Communications/Today Ltd., a North Carolina-based publisher of trade magazines for the furniture and home textile industries.

"The buying activity [in trade publications] is high now," said James Boddorf, exec VP at Veronis, Suhler & Associates and formerly exec VP responsible for acquisitions at McGraw-Hill. "For-

(Continued on Page 100)

More LGFE exits

Agency loses top broadcast exec

By **JON LAFAYETTE**
and **GARY LEVIN**

NEW YORK—Lord, Geller, Federico, Einstein took another blow last week when Jean-Claude Kaufmann, senior VP-director of broadcast production, said he will leave for a similar post at Bozell, Jacobs, Kenyon & Eckhardt.

At the same time, two other employees caught in limbo were freed to join Dick Lord's breakaway shop, Lord Einstein O'Neill & Partners.

The two had been prohibited from moving by a temporary restraining order from acting New York state Supreme Court Judge Herman Cahn, but they retained their own counsel to contest that, and Lord Geller then permitted them to leave.

There are no prohibitions placed on Lord Geller people moving to other agencies, however, and Mr. Kaufmann, 44, is the agency's most significant loss of late.

Will they settle?—P. 100

On May 31, he will become BJK&E's director of TV production, a new position. Among other accomplishments, Mr. Kaufmann won a Clio and numerous other awards for his work on Coca-Cola Co.'s commercial starring former football pro "Mean" Joe Greene.

Mr. Kaufmann said his departure was motivated by a desire for a broader role at a larger agency rather than dissatisfaction with the ongoing legal battle at Lord Geller.

"It's an opportunity to go to a place where I feel I can flourish and be involved in making a major effort to improve the creative," he said, adding that Lord Geller has "a limited number of accounts doing TV."

At Lord Geller, Mr. Kaufmann coordinated production of the agency's entire TV and radio commercial output and supervised a 20-

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Highlights

NEWS

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The TV version of "USA Today" is seeking prime-time prices for fringe programming.

24 Michelob dumps Light spots
Research showing consumers were barely aware of Michelob Light commercials prompted Anheuser-Busch to drop its "Light up the night" effort.

36 3M brands team up
3M is planning its biggest promotion ever—with the Summer Olympics as the focal point.

40 Listerine touts ADA seal
Warner-Lambert Co. is boosting its campaign claiming Listerine helps prevent gingivitis.

42 And now, a word from the potatoes
Rice-A-Roni is putting an animated potato family in the starring role of its new TV campaign.

75 Ties that bind can break, too
Despite nearly half a century of togetherness, the ties between JWT and Ford are weakening.

78 Videotel making its plug
U.S. Videotel is readying a marketing push to become a major factor in a blossoming industry.

80 Doner big with Caddys
W.B. Doner & Co. was the big winner at Detroit's 14th annual Caddy Awards show.

93 Airwick rolls Carpet Fresh ads
Airwick's campaign for new Soft Scent Carpet Fresh for Pets is a bad home movie. On purpose.

98 Uniroyal to polish image
Uniroyal likely will join its rivals in creating distinct, national images for brand-name tires.

INTERNATIONAL

62 Japan has yen for the top
The dollar's fall helped many agencies based outside the U.S. boost their standing in the world's top 50 agency rankings, but of the 1,000 agencies in AD AGE's foreign agency income survey, Dentsu benefited the most.

AD REVIEW: Corona takes the road less traveled. P. 104.

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SPECIAL REPORT: Grocery Marketing profiles Vons, headed by CEO Roger Stangeland, starting after P. 52.

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Ayer, Army pursue truce to end battle over account loss

By **JANET MEYERS**

WASHINGTON—The long and bitter legal battle between N W Ayer and the U.S. Army may soon be over.

Lawyers for both sides confirmed last week that they're trying to negotiate an out-of-court settlement of a lawsuit filed against the Army by Ayer after it lost the Army account in 1986.

The attorneys hope to reach an agreement by May 20. If the case isn't settled by then, Ayer will press the lawsuit in U.S. Claims Court here, Ayer attorneys said.

New York-based Ayer created the successful "Be all you can be" campaign for the Army but lost the account amid Army allegations of misconduct by the agency, including bid rigging and overbilling.

Ayer denies any wrongdoing and claims it was unjustly suspended from government work near the close of the Army review. That effectively barred it from the account.

Ayer's suit, filed in late 1986, seeks the $7 million to $10 million in profits the agency says it would have earned from a new five-year advertising contract granted by the Army.

Young & Rubicam got the contract, but Ayer says it would have won the account review if it hadn't been suspended from doing business with the government.

Ayer's suit also seeks reimbursement of $525,000 in expenses it says it incurred from participating in the review before the agency was suspended.

Attorneys wouldn't disclose possible settlement terms, but Ayer is said to be seeking, among other things, government assurance that it won't take any future legal action against the agency.

The government evidently has been loath to relinquish the freedom to file civil suits at some future date against Ayer, possibly to recover $600,000 in alleged overcharges on the Army account.

If the long-running settlement negotiations reach an impasse and the Ayer lawsuit is pressed, one of the issues will be whether the Army improperly used information from a federal grand jury investigation of Ayer to suspend the agency shortly before the Army granted the new ad contract. The grand jury probe should have been kept secret and separate from the military investigation, Ayer attorneys say.

At the time of Ayer's suspension, the government claimed it had new information about Ayer's alleged misconduct.

Court documents subsequently have disclosed that the U.S. Attorney's office in New York believed the grand jury would indict an Ayer public relations VP for alleged kickbacks.

Neither the grand jury probe nor the military investigation resulted in any indictments, however.

Ironically, the settlement, if reached by May 20, would come only three days before Ayer's 18-month suspension from government work is due to expire.#

States sue U.S. over air-fare ads

By **JENNIFER LAWRENCE**

Twenty-five state attorneys general filed suit May 6 against the U.S. Department of Transportation, charging a recent order on airline advertising was issued illegally.

The petition against the DOT and Transportation Secretary Jim Burnley was prompted by the March 10 DOT order that exempts airlines from including surcharges in the advertised air-fare total. Surcharge disclosure, however, must be made elsewhere in the ad.

The suit, filed in the U.S. Circuit Court of Appeals for the District of Columbia, is the first legal action stemming from the National Association of Attorneys General enforcement guidelines on air-fare advertising.

In the NAAG guidelines, adopted by more than 40 states, surcharges are required to be included in the advertised fare rather than listed separately. This standard is most relevant to international air fares, which usually carry a $23 surcharge listed in a footnote.

Andrea Levine, a New York assistant attorney general, said the NAAG surcharge provision was in line with DOT's standing rule that was in place before the March 10 order modified it.

"The DOT went home and wrote a new order, and that is not how the federal government operates when there's a dramatic change in federal policy," Ms. Levine said. "In my opinion, the order was an effort to prevent states from enforcing the NAAG guidelines."

Further, the DOT order opens the door to a deceptive ad practice by allowing ads to quote a "falsely low price," she said. "It's the big lead banner headline that draws people in. . . . Footnotes are not enough."

The attorneys general lawsuit claims the March 10 order was promulgated illegally because the DOT failed to comply with a law requiring advance publication in the Federal Register and an opportunity for public comment.

On March 2, B. Wayne Vance, DOT general counsel, wrote to seven state attorneys general, saying that states' attempts to regulate fare advertising was pre-empted by federal law. He warned that if states decided to enforce the surcharge provision, "formal legal action" would be considered.

Ironically, the states have struck the first legal blow.

One airline lawyer, who asked not to be named, was surprised by the states' lawsuit because it doesn't directly tackle the issue of federal pre-emption. "It seems the AGs would wait for a better issue than just whether the DOT followed procedure," the lawyer said.#

Cable readies fall attack

THE WRITERS GUILD STRIKES

Photo by Hal Fisher

"General Hospital" cast member Finola Hughes (l.) joins with Frances Reid of "Days of Our Lives" and fellow "GH" actors Norma Connelly, Ian Buchanan, Jennifer Anglin and Dwan Smith in a picket line in Los Angeles to protest the show's use of non-union writers.

Opportunity in net TV setbacks

By WAYNE WALLEY

Los Angeles—Cable TV is amassing a program and promotional arsenal for an all-out, multimillion-dollar assault on the Big 3 TV networks this fall.

Cable executives attending the National Cable Television Association's annual meeting here last week see Hollywood's current union woes and a likely delay of ABC, CBS and NBC's fall season as a timely opportunity to further erode the networks' audience.

CBS already has moved its fall start from Sept. 5 to Nov. 1 or later because of the 9-week-old Writers Guild of America strike (AA, May 2).

A prolonged walkout and the specter of a summer strike against entertainment companies by craft, transportation and unskilled production workers threaten to push this year's new TV season into next year.

The cable industry isn't likely to win the fall ratings war for some time, since cable reaches about 51% of the nation's TV households vs. the broadcast nets' virtual 100% coverage. But cable could make inroads in the ongoing battle for viewers.

"We plan to make sure the American public knows there will be a fall season, and it will be on cable TV," said Greg Moyer, VP-marketing and communications at the Discovery Channel. "We plan to take the lead with other cable networks in identifying our new product and making people aware of the programming. We have a real opportunity to get our product sampled before the Olympics start on NBC."

USA Network plans what could be a multimillion-dollar ad and promotional campaign for the Oct. 3 launch of "Miami Vice" and "Murder, She Wrote" reruns as the foundation of USA's new prime-time schedule.

Turner Broadcasting System has a multimillion-dollar budget to support the planned Oct. 3 launch of Ted Turner's new "super" basic cable channel, Turner Network Television.

ESPN plans a promotional blitz including a National Football League sweepstakes and various other programs for the second year of its NFL coverage.

Other services such as MTV: Music Television and the Learning Channel will have tune-

(Continued on Page 100)

Achenbaum puts his cards on the table

By CLEVELAND HORTON

Rancho Mirage, Calif.—Consultant Alvin Achenbaum surprised members of the Western States Advertising Agencies Association when he revealed to them for the first time his controversial method for determining agency compensation.

Photo by Arnold Adler

ALVIN ACHENBAUM

Concern about eroding agency commissions dominated informal discussions as senior agency executives convened outside Palm Springs for the association's 38th annual conference.

But when the chairman of Canter, Achenbaum, Associates formally addressed the group, he succeeded in silencing much of the criticism that his New York-based consultancy has endured for its rejection of the once-standard 15% agency commissions.

Recognizing the agency executives as a less-than-friendly audience, Mr. Achenbaum defended himself, saying, "You're going after the wrong culprit."

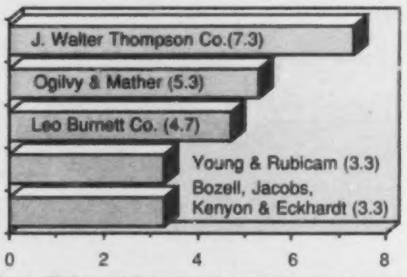
Agencies, with their cost-conscious clients, have acted to diminish the number of accounts generating the 15% billing com-

(Continued on Page 104)

First-quarter AgencyWatch

JWT hangs on to overall "best agency" title . . .

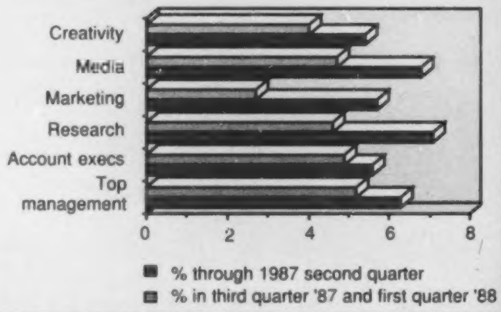
% of ad directors surveyed in first quarter 1988 who said these agencies were best:



Source: SRI Research Center. Nased on quarterly surveys, beginning in 1984, of 300 company ad directors in 20 largest U.S. markets.

. . . but shows weakness in specific traits

JWT's average score in following traits through second quarter 1987 vs. third quarter '87 combined with first quarter '88. (Score=% of ad directors naming JWT best in that trait.)



JWT keeps 'best' rep

By JOSEPH M. WINSKI

J. Walter Thompson Co. seems to be surviving the management turmoil, ownership change and account losses of the past 18 months with its overall reputation intact.

JWT continues to be named the best agency in the country by company advertising executives polled for Agency Watch, Advertising Age's quarterly survey of agency reputations.

In the latest survey, for the first quarter of 1988, 7.3% of 300 company ad directors answered JWT when asked, "Which ad agency, regardless of size, provides the best overall services and products to its clients?"

That score is a rebound from the agency's slight dip to 5.4% and second place behind Ogilvy & Mather Worldwide in the previous survey, for the third quarter last year.

JWT's latest score is on track with its average quarterly score of 7.4% in 1985, 7.5% in 1986 and 7.7% in 1987. (Last year's figure averages three quarters only, because there was no fourth-quarter survey.)

When respondents were asked which agencies were best in specific characteristics, however, the slippage first noted for JWT in the third quarter of last year (AA, Nov. 16) is still evident.

After consistently ranking first or second with an average score of nearly 6% in marketing, for example, JWT was named best at that by 3.3% in the third quarter last year—and by only 2% in the latest survey.

In the latest survey, the agency

(Continued on Page 99)

World News Roundup

London—**Swaddlers**, a U.K. manufacturer of house-brand diapers for supermarkets, awarded its $22 million June launch campaign for Togs, a new disposable diaper, to J. Walter Thompson Co.

Seoul—**Cigarette ads** will be allowed for the first time in South Korean media, but will be limited to men's magazines. Also, the government agreed to lowering taxes on U.S. and foreign cigarettes.

Vienna—**The Austrian Tourist Office** moved its estimated $7 million pan-European account to Demner & Merlicek. GGK, Zurich, previously handled the international account and Grey Advertising's Gould Cargill & Cie. here lost the local business.

Madrid—**The Spanish government** will quadruple its 1989 ad budget to about $6 million to attract more of the yearly 3.5 million U.S. tourists who visit Europe. Saatchi & Saatchi's Rumrill-Hoyt, Rochester, New York, handles.

Software systems head for FMI

Calculating markets

By JUDANN DAGNOLI
and JUDITH GRAHAM

The race is on in the food industry to see who's got the best computer software system for micro-marketing.

Several information systems will be displayed this week at the Food Marketing Institute's annual convention in Chicago, including products from such top suppliers as Dun & Bradstreet Corp., Information Resources Inc. and SAMI/Burke. One of the newest is being touted as the food manufacturer's best weapon against spiraling trade promotion costs, including slotting allowances.

Developed by a new company partially funded by General Foods Corp., this software data base gives food-products marketers more control over brand promotion when dealing with retailers, said Tom Morgan, chairman of Market Metrics, which is marketing the system in a joint venture with SAMI/Burke.

The system is said to locate the best individual stores for sampling programs, isolate neighborhoods in local markets for couponing, find regional areas that need beefed-up sales efforts and pinpoint narrow advertising targets.

A food company wanting to test

(Continued on Page 102)

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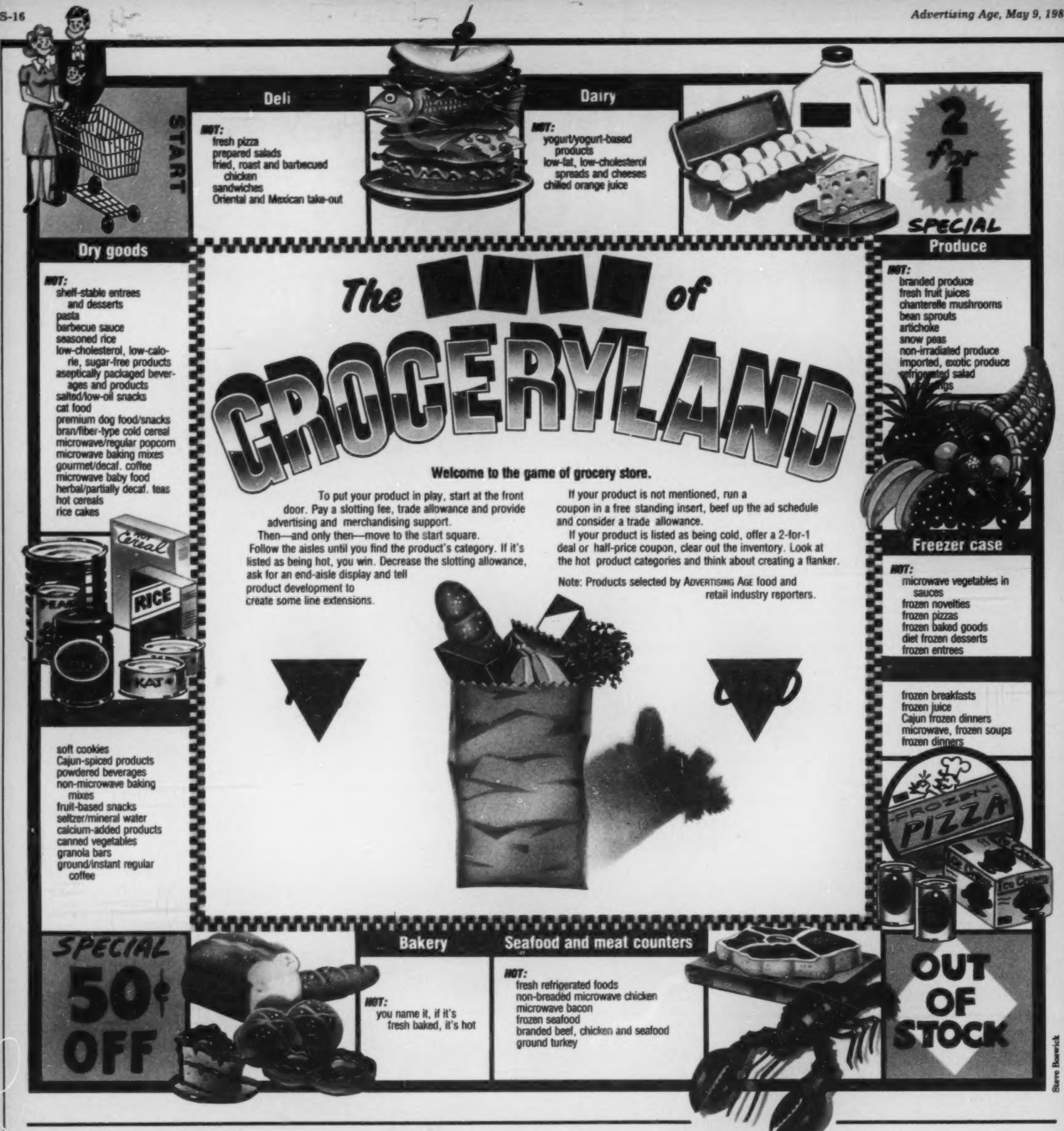


Deli

HOT:
- fresh pizza
- prepared salads
- fried, roast and barbecued chicken
- sandwiches
- Oriental and Mexican take-out

Dairy

HOT:
- yogurt/yogurt-based products
- low-fat, low-cholesterol spreads and cheeses
- chilled orange juice

Dry goods

HOT:
- shelf-stable entrees and desserts
- pasta
- barbecue sauce
- seasoned rice
- low-cholesterol, low-calorie, sugar-free products
- aseptically packaged beverages and products
- salted/low-oil snacks
- cat food
- premium dog food/snacks
- bran/fiber-type cold cereal
- microwave/regular popcorn
- microwave baking mixes
- gourmet/decaf. coffee
- microwave baby food
- herbal/partially decaf. teas
- hot cereals
- rice cakes

- soft cookies
- Cajun-spiced products
- powdered beverages
- non-microwave baking mixes
- fruit-based snacks
- seltzer/mineral water
- calcium-added products
- canned vegetables
- granola bars
- ground/instant regular coffee

Welcome to the game of grocery store.

To put your product in play, start at the front door. Pay a slotting fee, trade allowance and provide advertising and merchandising support.

Then—and only then—move to the start square. Follow the aisles until you find the product's category. If it's listed as being hot, you win. Decrease the slotting allowance, ask for an end-aisle display and tell product development to create some line extensions.

If your product is not mentioned, run a coupon in a free standing insert, beef up the ad schedule and consider a trade allowance.

If your product is listed as being cold, offer a 2-for-1 deal or half-price coupon, clear out the inventory. Look at the hot product categories and think about creating a flanker.

Note: Products selected by Advertising Age food and retail industry reporters.

Produce

HOT:
- branded produce
- fresh fruit juices
- chanterelle mushrooms
- bean sprouts
- artichoke
- snow peas
- non-irradiated produce
- imported, exotic produce
- refrigerated salad dressings

Freezer case

HOT:
- microwave vegetables in sauces
- frozen novelties
- frozen pizzas
- frozen baked goods
- diet frozen desserts
- frozen entrees

- frozen breakfasts
- frozen juice
- Cajun frozen dinners
- microwave, frozen soups
- frozen dinners

Bakery

HOT:
- you name it, if it's fresh baked, it's hot

Seafood and meat counters

HOT:
- fresh refrigerated foods
- non-breaded microwave chicken
- microwave bacon
- frozen seafood
- branded beef, chicken and seafood
- ground turkey

Steve Boswick

Scouts agree: It's hot if it's microwaveable

Fresh items, 1950s Americana, fast-food at retail all to grow

Call them the ultimate shopping animals. But when the folks at *New Product News* cruise the grocery aisles, they're not looking to fill their larders.

NPN staffers' primary function is to monitor new additions to the food chain. They do this by checking 70 trade publications, scouting free standing inserts and newspaper food sections from 40 markets, performing store checks in test markets and hitting trade shows.

Lynn Dornblaser, Chicago-based *NPN's* general manager, says one thing is clear for the coming year: "Anything microwaveable will continue to be very hot."

The reason is the microwave is heading for an estimated 80% household penetration by 2000. Last year 66% of homes had one, according to a National Family Opinion study. NPD Group reports that a standard oven was used to prepare only 15% of meals last year; only 47% required a stove top.

A 1987 Campbell Microwave Institute study reported that 50% of respondents wanted a special grocery section devoted to microwaveable products, and 52% wanted their favorite canned items to come in microwaveable packaging. Campbell Marketing Research also predicted that microwaveable-only products would generate $750 million in sales by 1990.

> ***With 80% of homes expected to have microwaves by 2000, the rush is on for special grocery sections and new packaging for favorite canned items***

Microwaves also have become a fixture in the workplace. With penetration estimated at 70%, there has been a big push in zappable lunch products like Dial's Lunch Bucket, Geo. A. Hormel Co.'s Dinty Moore meals and Campbell Soup Co.'s Souper Combo lines, Ms. Dornblaser says.

These product lines along with Del Monte's Vegetable Classics, Hormel's Top Shelf, New Traditions and Dinty Moore brand lines, Campbell's repackaged chunky—and reportedly some red label—soups, and General Foods' Culinova il-

(Continued on Page S-20)

Hot if it's microwaveable

(Continued from Page S-16)

lustrate other industry trends toward microwaveable, shelf stable and refrigerated products.

Retailers and producers are concerned with safety issues—nothing like a case of botulism to blunt sales and destroy consumer confidence.

But with freezer space at a premium and distribution costs that are about one-fourth those of frozen foods, both retailers and manufacturers have obvious interest in cultivating these areas.

"So far, there aren't that many shelf-stable entrees," Ms. Dornblaser says, "but they're real convenient in terms of both distribution and cooking." Hormel's expansion into more West Coast test markets is a sign that consumers are responding, she says.

In the refrigerated area, General Foods is testing its Culinova line, Carnation Co.'s Contadina Fresh Pasta & Cheese is racing to go national and Kraft Inc. will expand its test of the Chillery line of salads with entrees and side dishes. Fresh prepared foods are estimated to command anywhere from 10% to 15% of the $450 billion food market, according to the Food Industry Institute.

"The whole entree area will really grow," Ms. Dornblaser predicts. Although Culinova has been in test in New York for a year, the fact that it just added seven new flavors indicates it is performing well, she says.

"A related area is retailers getting increasingly into fresh-food preparation, and there are predictions they will be a real big competitor for entree and dinner dollars," she says. Although the costs to equip facilities and hire staffs may be high, the profitability is there because consumers will pay a premium for fresh-cooked products.

Foods that remind buyers of mama's home cookin' also are on the upswing. The new "ethnic" foods are dishes reminiscent of 1950s Americana—chili, macaroni and cheese, meat loaf, potatoes, corned beef hash, stews, chicken and biscuits, etc.—served in manhandler-size portions. "This seems to be an offshoot of the cocooning trend," Ms. Dornblaser says.

Some marketers seem to think cocooning will be carried to new extremes, packaging fast-food that can be bought at retail.

J.R. Simplot Co., best known for its frozen potato and vegetable products, is packaging hamburgers, cheeseburgers, french fries and even milk shakes that can be zapped to order in the comfort of one's microwave.

Hormel's New Traditions line also features a hamburger and cheeseburger. And now ConAgra and Golden Valley Microwave Foods will follow with microwaveable frozen french fries.

Related to this is the boom in hand-to-mouth foods, Ms. Dornblaser says. Oscar Mayer's Zappetites and Lunchables, ConAgra's Banquet Hot Bites and Rich Products' frozen, microwaveable french toast sticks exemplify this trend.

She also envisions other microwaveable breakfast and baking products, like Quaker Oats' Aunt Jemima, Campbell's Swanson and Pillsbury's Microwave lines, showing up at retail.

According to Selling Areas Marketing Inc., sales of microwaveable French toast and pancakes boomed 100% to $28.1 million from mid-1986 to mid-1987.

While nutrition-oriented, low-cal products still will pop up, she thinks low-cholesterol products are the next wave. "But because there is a wide variety of choices in health-oriented, reduced-calorie beverages, entrees, side dishes and snacks, consumers are turning toward indulgence. Now they can blow the calories they're saving in other areas on something big."

This indicates companies will be duking it out in the dessert arena. Led by brand extensions from companies like Pepperidge Farm and Haagen-Dazs Co., "anything that's more upscale, richer, chocolatier, gooier, really indulgent will be popular," Ms. Dornblaser says. Now she's talking.

—Ed Fitch

All it takes is a little culture

Biggest sales gainers, 1986 to 1987

	Tonnage gain	Total sales ($000,000)
1. **Misc. yogurt products**	205%	$9.6
2. **Misc. refrigerated juices**	119	105.0
3. **Frozen yogurt**	105	24.8
4. **Misc. snacks & dips**	45	180.4
5. **Misc. dough products**	34	42.9
6. **Frozen french toast & pancakes**	30	81.4
7. **Corn dogs**	24	49.2
8. **Misc. fruit juices**	23	8.4
Bottled water	23	347.8
10. **Frozen breakfasts**	22	198.7
Frozen Mexican dishes	22	249.9

Source: SAMI/Burke; for 52 weeks ending Nov. 6, 1987

Soup's on

Top product introducers

	Number of introductions 1985, 1986, 1987
1. **Campbell Soup Co.**	354
2. **General Foods**	326
3. **Lever Bros./Lipton**	260
4. **Kraft Inc.**	243
5. **RJR Nabisco**	231
6. **ConAgra**	216
7. **Nestle**	213
8. **General Mills**	197
9. **H.J. Heinz**	191
10. **Sara Lee**	184

Source: *New Product News*

Campbell's Kids busy

It seems Campbell Soup Co. can't keep a lid on new product ideas. The company is far and away the most prolific new product producer.

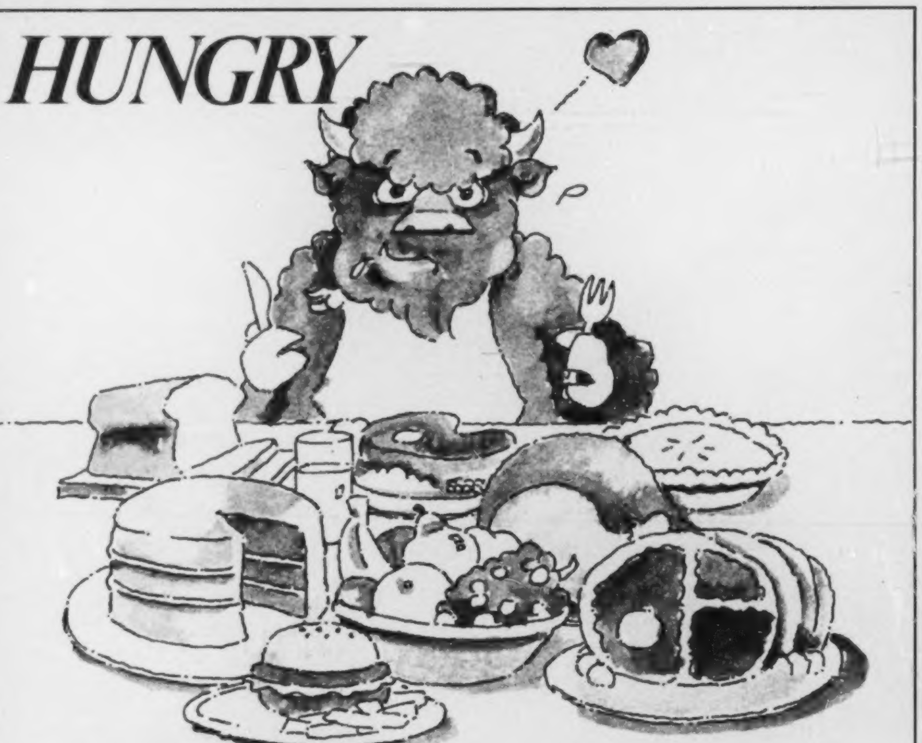
According to *New Product News*, Campbell has introduced a whopping 354 new food products—defined as any new food entry, including flavors, colors or varieties—in the past three years. Runner-up kudos go to General Foods Corp., which has sent 326 products into distribution during the same time period.

While Campbell was No. 1 last year with 126 product introductions, Kraft Inc. was a close second with 123. They were followed by GF's 119 introductions, and ConAgra, which made a dramatic jump from 47 new products in 1986 to 110 in 1987.

Among the top 20 new product introducers, IC-Pet, Ralston Purina Co. and PepsiCo made the most dramatic cuts from 1986 to 1987.

The top 20 spun out 3,567 new products from 1985 to 1987—225 more than the number put into distribution from 1980 to 1985. The quickened pace is attributed to both internal product development and corporate acquisitions.

An indication of the top 20 generators' impact on the grocery shelves: They accounted for 18.2% of all new product introductions in the past three years.



Buffalonians love to eat! That means grocery and food store expenditures represent a considerable sum of money.

In the two-county CMSA (Erie and Niagara) food store sales for 1986 were an estimated $1.7 billion — proof that this active market loves to eat! The median amount spent for groceries in an average week was $66 per household but 22% of adults in the market live in households that spend in excess of $100 per week.

The Buffalo News is the best way to reach these consumers. Over 655,000 adults in the CMSA read an average daily issue of The News — 759,000 on Sunday. If you want to reach Buffalo's food shoppers, The Buffalo News is the medium to choose.

Want to know more about this great food market? Call Hugh G. Monaghan, General Advertising Manager, at (716) 849-3422.

Sources: Belden, 1986; Sales and Marketing Management, 1987.

ON THE GO BUFFALO

THE BUFFALO NEWS
One News Plaza, P.O. Box 100 Buffalo, New York 14240

Food for Sport

CO-OPERATIVE ADVERTISING ASSOCIATES

Call Larry Rothstein, President
or Barry Bluestein, Vice President
at 201-368-1615
Co-operative Advertising Associates
Park 80 West, Plaza II
Saddle Brook, New Jersey 07662

Beverages. Snack Foods. Desserts. Ice Cream. These are just a few food product categories that can benefit from sports marketing. We're a five-year young, full service advertising agency with an expertise in sports marketing. Let us whip you up a sports marketing recipe that will make consumers hungry for your product.

Dentsu holds off Y&R again

An Advertising Age roundup

The dollar's fall compared with other currencies helped many agencies based outside the U.S. boost their standing in the world's top 50 agency rankings.

According to ADVERTISING AGE's 26th annual foreign agency income survey of 1,000 agencies in 71 countries, Dentsu perhaps benefited the most. The Tokyo-based agency, named AD AGE's International Agency of the Year *(see related story on Page 1)*, kept its spot as the world's largest agency, holding Young & Rubicam down at No. 2 for the second consecutive year.

Dentsu recorded 1987 gross income of $884.5 million on billings of $6.78 billion, up 29.9% and 27.5%, respectively, compared with 1986.

Billings at Dentsu, which also has significant real estate holdings, include about 30% from below-the-line business.

This includes such activities as sales promotion, sports and culture marketing, public relations, exhibits, expositions and market research. Earnings from real estate aren't included in billings figures.

Young & Rubicam remains No. 2 with gross income of $735.5 million and billings of $4.91 billion.

The AD AGE survey is based in U.S. dollars on a historic basis, which has thrown the winning edge back and forth between the U.S. and Japanese giants throughout this decade.

Dentsu benefited from the dollar's 16.1% decline against the yen in 1987.

However, when the 1987 average annual exchange rate for the Japanese yen is applied to the prior year, Dentsu's growth is cut back to 12% in gross income—from 29.9%—and 9.8% in billings, from 27.5%.

From 1973 to 1983, when the dollar was relatively weak, Dentsu ranked as the world's biggest agency.

FOREIGN AGENCY INCOME REPORT 1987

As the dollar gained strength in 1984, Y&R edged out Dentsu by a slim margin—only $11.6 million in gross income.

As the yen continued its slide, Dentsu slipped further to No. 3 in 1985.

Buoyed by the yen's tremendous strength, Dentsu has now held the top spot for two years.

Total non-U.S. gross income in 1987 hit $7.7 billion and billings totaled $54.1 billion. This compares with $6.5 billion in 1986 gross income and $45.1 billion in billings, in constant 1987 dollars.

A constant dollar factors out exchange-rate fluctuations by applying the average annual exchange rates for the current year to the previous year.

These totals exclude Argentina and Brazil for the comparative years because of the extreme fluctuations in currency and inflation rates.

This year, the weak dollar not only aided Japanese agencies but other non-U.S. agencies as well.

Four Japanese agencies exhibited considerable improvement—Hakuhodo moved from No. 12 last year to No. 10; Asatsu from No. 38 to No. 31; Yomiko from No. 41 to No. 34; and Asahi Advertising from No. 45 to No. 38.

French-based Roux, Seguela, Cayzac & Goudard moved up from No. 26 to No. 22, while Swiss-based agency group GGK went from No. 42 to No. 37.

Newcomers to the top 50 also came from outside the U.S. For example, France's BDDP Group and Backer Spielvogel Bates' Australian shop, George Patterson Pty., joined AA's list as Nos. 45 and 46, respectively.

Despite the lower dollar, some U.S.-based agencies did move up—though virtually all the moves came on the strength of their foreign contributions.

BBDO Worldwide climbed from No. 7 last year to No. 5, McCann-Erickson Worldwide moved up one notch from No. 8 to No. 7 and Leo Burnett Co. went up from No. 14 to No. 12.

Not all U.S.-based networks had such luck. D'Arcy Masius Benton & Bowles, which held the No. 10 position last year, dropped one spot.

DDB Needham Worldwide dropped five slots to No. 14 and Foote, Cone & Belding fell four positions to No. 15.

One key factor determining whether a U.S. agency moved up or down in the rankings was its performance in Europe—the fastest-growing region in the world.

For example, in Europe, Y&R grew by more than 34% in gross income and BBDO grew more than 19%, while DDB Needham and FCB grew hardly at all.

In other European results, O&M grew about 25%; McCann-Erickson, 29%; Grey Advertising, 53%; Lintas:Worldwide, 55%; and Burnett, 34%.

Tumultuous describes 1987 at J. Walter Thompson Co. After Martin Sorrell's WPP Group takeover of JWT Group, which prompted several clients to move business out of the agency, JWT moved down from No. 5 to No. 8.

Those maintaining last year's ranking include Saatchi & Saatchi Advertising Worldwide, at No. 3; Backer Spielvogel Bates Worldwide, at No. 4; Ogilvy & Mather Worldwide, at No. 6; and Grey Advertising, at No. 13.

Japan, buttressed by a strong presence on the top 50 chart, led all countries in total gross income with $2.3 billion, up 28.2% from 1986. Comparisons are of the same agencies reporting for both years.

The U.K. maintained its second position with $1.03 billion, up 31.2%.

France, No. 3, was represented by $765.3 million in billings, up 39.3%; No. 4 West Germany had $637.2 million, up 32.2%; and No. 5 Italy tallied $395.7 million, for the biggest growth among the top 10 nations at 47.9%.

Australia came in sixth with $314 million, up 16.4%, for the most "modest" growth among the countries.

That growth, in fact, dropped Australia a notch on the rankings to a fast-charging Italy.

Canada held on to seventh place with $251.2 million, up 24%; Spain continued in eighth at $195.9 million, up 41.7%; and Brazil held down the No. 9 spot with $183.8 million in billings. Sweden remained No. 10 with $158.4 million, up 44%.

Local currency in each of these countries showed gains against the dollar and ranged from a growth in the deutsch mark of 26.6% against the dollar to a 2.6% growth in the Australian dollar.

In the race for billings leadership among agency holding companies, Saatchi & Saatchi PLC again heads the list *(see chart, Page 74)*.

The U.K. holding company—with components including Saatchi, Backer Spielvogel Bates, Dorland and KHBB—claimed gross income of $1.68 billion on billings of $11.36 billion.

This is the second year that Saatchi has topped Interpublic Group of Cos., which is made up of Dailey & Associates, McCann-Erickson, Lintas:Worldwide and 70% of Lowe Marschalk. Interpublic claimed gross income of $992.9 billion on billings of $6.62 billion.

Repeating its 1986 performance, Omnicom Group, holding company for BBDO Worldwide and DDB Needham Worldwide, held on to its No. 3 spot.

The top 10 holding companies are rounded out by WPP Group, Ogilvy Group, Eurocom, WCRS/Belier Group, Lowe Howard-Spink & Bell, Alliance International and Mojo MDA International.#

World's top 50 agency groups

Rank '87	Rank '86	Agency	Gross income	Billings
1.	(1)	Dentsu Inc.	$884.5	$6.78 bill.
2.	(2)	Young & Rubicam [1]	735.5	4.91 bill.
3.	(3)	Saatchi & Saatchi Advertising Worldwide [2]	693.6	4.61 bill.
4.	(4)	Backer Spielvogel Bates Worldwide [3]	600.7	4.07 bill.
5.	(7)	BBDO Worldwide [4]	537.0	3.66 bill.
6.	(6)	Ogilvy & Mather Worldwide [5]	528.6	3.66 bill.
7.	(8)	McCann-Erickson Worldwide [6]	512.5	3.42 bill.
8.	(5)	J. Walter Thompson Co. [7]	483.0	3.22 bill.
9.	(15)	Lintas:Worldwide [8]	417.9	2.79 bill.
10.	(12)	Hakuhodo International	383.4	2.90 bill.
11.	(10)	D'Arcy Masius Benton & Bowles [9]	371.3	2.49 bill.
12.	(14)	Leo Burnett Co.	369.2	2.46 bill.
13.	(13)	Grey Advertising	369.2	2.46 bill.
14.	(9)	DDB Needham Worldwide [10]	358.5	2.60 bill.
15.	(11)	Foote, Cone & Belding Communications [11]	344.6	2.30 bill.
16.	(—)	WCRS/Belier [12]	230.2	1.63 bill.
17.	(—)	HDM [13]	204.0	1.38 bill.
18.	(16)	Bozell, Jacobs, Kenyon & Eckhardt	185.2	1.33 bill.
19.	(18)	N W Ayer	166.1	1.22 bill.
20.	(19)	Publicis International	164.3	1.09 bill.
21.	(—)	Lowe Group [14]	137.3	968.3
22.	(26)	Roux, Seguela, Cayzac & Goudard [15]	115.7	830.1
23.	(21)	Wells, Rich, Greene	114.0	765.0
24.	(24)	Tokyu Advertising Agency	113.9	826.8
25.	(22)	Dai-Ichi Kikaku	109.4	836.7
26.	(25)	Daiko Advertising	107.1	879.9
27.	(27)	Scali, McCabe, Sloves [16]	93.1	653.2
28.	(28)	Ketchum Communications	88.1	660.0
29.	(31)	Ogilvy & Mather Direct Response	84.0	560.0
30.	(33)	TBWA	79.0	545.0
31.	(38)	Asatsu Advertising	73.4	489.3
32.	(34)	Ross Roy Inc.	71.3	475.3
33.	([illegible]7)	I&S Corp. [17]	65.8	540.4
34.	(41)	Yomiko Advertising	64.7	477.3
35.	(36)	Campbell-Mithun	63.9	425.8
36.	(40)	Wunderman Worldwide	62.1	414.8
37.	(42)	GGK [18]	59.3	415.0
38.	(45)	Asahi Advertising	54.4	340.6
39.	(43)	Chiat/Day	52.5	350.0
40.	(—)	Mojo MDA [19]	52.5	348.0
41.	(—)	Dorland Worldwide	49.6	331.0
42.	(44)	Tracy-Locke	47.3	326.0
43.	(35)	Lowe Marschalk [20]	45.6	304.2
44.	(—)	Doremus & Co.	45.4	304.1
45.	(—)	BDDP Group [21]	44.6	297.6
46.	(—)	George Patterson Pty. [22]	44.3	295.3
47.	(48)	Hill, Holliday, Connors, Cosmopulos	43.4	289.6
48.	(—)	McCaffrey & McCall	42.1	308.9
49.	(47)	Laurence, Charles, Free & Lawson	41.5	302.0
50.	(46)	HBM/Creamer	40.9	272.0

NOTES: Dollars are in millions unless otherwise noted.

Included in agency figures are income and revenues from the following subsidiaries and affiliates:

[1] **Young & Rubicam**: HDM (33%); Wunderman Worldwide; Sudler & Hennessey; Stone & Adler; Creswell, Munsell, Fultz & Zirbel.

[2] **Saatchi & Saatchi Advertising Worldwide**: McCaffrey & McCall; Rumrill-Hoyt; Kiemtner Advertising, Cochrane Chase, Livingston & Co. The holding company, Saatchi & Saatchi PLC, London, reported world gross income of $1.68 billion on billings of $11.36 billion.

[3] **Backer Spielvogel Bates Worldwide**: Campbell-Mithun; AC&R/DHB&Bess; Kobs & Draft.

[4] **BBDO Worldwide**:Tracy-Locke; Doremus & Co.; Ingalls, Quinn & Johnson, MARCOA DR Group; Lavey/Wolff/Swift; Frank J. Corbett Inc.; Blair Advertising; Franklin Spier Inc.; Caravetta Allen Kimbrough/BBDO.

[5] **Ogilvy & Mather Worldwide**: Ogilvy & Mather Direct Response; Rolf Werner Rosenthal.

[6] **McCann-Erickson Worldwide**: Part of the Interpublic Group of Cos., New York, which reported world gross income of $992.9 million on billings of $6.62 billion.

[7] **J. Walter Thompson Co.**: Brouillard Communications. JWT Group was acquired in June 1987 by WPP Group PLC, London.

[8] **Lintas:Worldwide**: Part of the Interpublic Group of Cos. In October '87 SSC&B:Lintas and Campbell-Ewald were joined to form Lintas:Worldwide.

[9] **DMB&B**: Medicus Intercon International; Ted Colangelo Associates.

[10] **DDB Needham Worldwide**: Kallir, Philips, Ross; Bernard Hodes Advertising Group; Rapp & Collins USA; Kresser, Craig/D.I.K.

[11] **Foote, Cone & Belding Communications**: Lewis, Gilman & Kynett; Albert Frank-Guenther Law; Vicom/FCB.

[12] **WCRS/Belier**: Della Femina, Travisano & Partners; HBM/Creamer; Creamer Dickson Basford; Heller Breene; Robert A. Becker; Cohn & Wells. In September '87 London-based WCRS acquired 49% of Paris-based Groupe Belier, owned by Eurocom. Earlier in '87 WCRS acquired the Ball Partnership from the Ogilvy Group.

[13] **HDM**: HDM (Havas, Dentsu, Marsteller) is an equal partnership (33 1/3%) between Young & Rubicam, Tokyo-based Dentsu and Havas Conseil.

[14] **Lowe Group**: Lowe International; Allen Brady & Marsh; Laurence, Charles, Free & Lawson.

[15] **Roux, Seguela, Cayzac & Goudard**: includes offices in Austria, Belgium, France (Paris and regional), Germany, Netherlands, Italy, Spain, Sweden, Switzerland, U.K. and O'Rielly O'Brien Clow/RSCG in the U.S. Also, RSCG Export which does business in Africa, the Middle East and French Caribbean and Creative Business International.

[16] **Scali, McCabe, Sloves**: Martin Agency, Fallon McElligott.

[17] **I&S Corp.**: Formerly Dai-Ichi Advertising, Tokyo, which merged in 1986 with SPN Co., a communications and sales promotion company of the Seibu Saison Group.

[18] **GGK Holding**: A Basel, Switzerland-based agency group with offices in Austria, Germany, France, Netherlands, Spain, U.K., Italy and Brazil. Lois Pitts Gershon/GGK, New York, is also part of the group.

[19] **Mojo MDA**: 14 offices in Australia, New Zealand, Hong Kong, Singapore, U.K. and the U.S.

[20] **Lowe Marschalk**: Interpublic Group of Cos. holds 70% of LM; Lowe Howard-Spink & Bell PLC, London, the other 30%.

[21] **BDDP Group**: Boulet, Dru, Dupuy, Petit, Paris, lists nine regional agencies and 10 affiliated companies.

[22] **George Patterson Pty.**: Part of Backer Spielvogel Bates.

Compiled by Ilse Cermak

FOREIGN AGENCY INCOME REPORT

Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
ARGENTINA			Exchange rates: 0.400000/0.[illegible]00000 austral					
J. Walter Thompson Argentina	Buenos Aires	MJ	6,363	NA	42,442	NA	136	144
Casares Grey	Buenos Aires	NA	4,028	NA	26,866	NA	69	74
Gowland Publicidad	Buenos Aires	NA	3,331	NA	16,419	NA	85	80
Ortiz, Scopesi y Cia.	Buenos Aires	MN	2,794	NA	14,830	NA	118	90
Ricardo de Luca Publicidad	Buenos Aires	NA	2,740	NA	18,264	NA	100	100
David Ratto/BBDO	Buenos Aires	MN	2,130	NA	14,207	NA	59	65
Lautrec Publicidad	Buenos Aires	NE	2,095	NA	13,965	NA	73	80
Pragma/FCB	Buenos Aires	MN	1,770	NA	11,810	NA	70	55
Funes Straschnoy & Dreyfus	Buenos Aires	NA	1,696	NA	6,634	NA	45	45
Leo Burnett Co.	Buenos Aires	MJ	1,348	NA	8,990	NA	42	36
Young & Rubicam de Argentina	Buenos Aires	MJ	1,061	NA	7,077	NA	40	31
Lintas:Argentina	Buenos Aires	MJ	1,048	NA	6,992	NA	40	44
Ayer Vasquez	Buenos Aires	MN	928	NA	4,192	NA	43	35
H.G. Solanos y Asociados	Buenos Aires	NA	660	NA	3,080	NA	25	20
Yuste Publicidad	Buenos Aires	NA	554	NA	2,771	NA	41	45
Johnson/Benton & Bowles	Buenos Aires	MN	452	NA	2,500	NA	24	22
Rainuzzo Propaganda	Buenos Aires	NA	296	NA	1,680	NA	24	24
AUSTRALIA			Exchange rates: 0.694900/0.676900 Australian dollar					
George Patterson Pty.	Sydney	MJ	44,300	33.6	295,333	40.7	440	446
Clemenger BBDO	Melbourne	MN	33,335	13.6	222,349	21.2	NA	NA
Mojo MDA	Sydney	MJ	24,105	15.0	150,654	NA	281	346
DDB Needham Sydney	Sydney	MJ	23,151	44.1	154,340	44.0	140	4
Young & Rubicam Australia	Sydney	MJ	21,347	19.1	141,379	19.1	374	379
Ogilvy & Mather	Melbourne	MJ	16,108	(7.6)	107,443	(7.6)	306	364
Fortune Communication Holdings	Sydney	NA	15,719	1.4	95,267	(1.7)	229	340
McCann-Erickson	Sydney	MJ	15,021	(1.8)	100,190	(1.8)	258	277
D'Arcy Masius Benton & Bowles	Sydney	MJ	13,157	(10.1)	88,424	(3.6)	245	316
Neville Jeffress Advertising	Sydney	NA	11,650	28.2	77,665	28.2	NA	NA
Mattingly Group	Sydney	MJ	11,287	52.4	70,543	52.4	194	140
J. Walter Thompson Australia	Sydney	MJ	10,754	20.4	71,728	20.4	175	198
Leo Burnett Ltd.	Sydney	MJ	9,576	2.0	63,845	2.0	177	199
SSC&B:Lintas Australia	Sydney	MJ	9,176	9.8	61,207	6.6	132	153
SSB Advertising	Sydney	NA	8,870	(7.0)	55,437	(5.7)	118	173
Foote, Cone & Belding	Sydney	MJ	7,768	27.8	51,816	27.8	120	145
Saatchi & Saatchi Advertising	Sydney	MJ	5,900	10.6	39,331	13.4	61	67
Ball Partnership	Sydney	MJ	5,546	NA	36,992	NA	113	NA
Dancer Fitzgerald Sample Australia	Sydney	MJ	4,470	30.2	28,474	24.5	51	38
Forbes Macfie Hansen	Sydney	NA	4,023	13.2	26,823	13.2	35	41
Magnus Nankervis Curl	Sydney	NA	3,683	(21.1)	23,071	(0.9)	56	72
Connaghan & May Ayer	Sydney	MN	3,671	(6.6)	21,723	(4.6)	64	64
Grey Advertising NSW	Sydney	MJ	2,821	(14.2)	17,628	(19.6)	42	62
Tarrant Haysom & Manzie	Melbourne	NA	2,606	55.5	17,373	55.5	76	NA
Hertz Walpole	Sydney	MN	2,571	40.4	15,635	28.1	23	28
Dalziel, Harper & Grey	Melbourne	MN	2,213	33.5	11,663	5.5	44	39
Luscombe & Partners	Port Melbourne	NA	1,946	10.6	12,369	14.9	35	29
Thomson White & Partners	Melbourne	NA	1,529	(5.0)	15,288	(7.8)	NA	33
Scali, McCabe, Sloves	Melbourne	MJ	1,010	5.9	5,260	6.0	18	22
Geoff Niere Advertising	Melbourne	NA	598	14.7	4,169	23.2	11	10
Nexus Advertising Group	Sydney	NA	584	76.2	4,030	70.1	11	9
FCB/Shorter	Perth	MN	516	79.2	3,441	79.1	17	18
AUSTRIA			Exchange rates: 0.076500/0.063100 schilling					
GGK	Vienna/Salzburg	MJ	6,908	37.4	46,053	65.5	79	75
Demner & Merlicek	Vienna	NA	6,189	51.5	41,279	45.5	55	48
Lintas:Austria	Vienna	MJ	6,157	114.8	41,067	69.5	54	40
Werbeagentur Wirz	Vienna	MN	5,738	59.5	38,269	59.6	14	15
Ogilvy & Mather	Vienna	MJ	3,883	46.7	25,899	46.7	50	46
MMS Werbeagentur	Linz	NA	2,968	30.7	20,273	29.5	NA	NA
Die Sieber	Vienna	NE	2,907	25.2	21,420	44.5	26	26
Team/BBDO	Vienna	MJ	2,834	35.3	18,896	35.3	21	21
Young & Rubicam	Vienna	MJ	2,693	14.7	17,966	14.7	42	37
Ernst Haupt-Stummer	Vienna	NA	2,372	39.5	14,765	11.4	23	22
HDM Dorland Werbeagentur	Vienna	MN	2,310	60.0	14,841	62.0	14	12
Dr. Puttner & Ted Bates	Vienna	MJ	2,186	26.2	17,098	31.2	NA	24
R.W. Eggert	Vienna	MJ	2,150	43.7	14,306	43.3	NA	NA
RSCG-Jasch & Schramm	Vienna	MJ	2,004	68.1	12,699	52.5	20	18
Grey Austria	Vienna	MJ	1,920	29.5	12,852	29.9	27	27
D'Arcy Masius Benton & Bowles	Vienna	MJ	1,649	31.5	11,096	32.7	18	18
J. Walter Thompson	Vienna	MJ	1,624	17.5	10,831	17.5	22	25
Publicis Wien	Vienna	MJ	1,423	43.6	13,388	36.2	20	19
Publicitas	Vienna	NE	1,392	29.0	14,535	23.4	15	15
DDB Needham	Vienna	MJ	1,354	NA	5,814	NA	17	NA
Gould Cargill & Cie.	Vienna	MJ	1,293	(6.9)	8,568	(7.6)	22	21
Marketing Studio/FCB	Vienna	MN	1,071	19.5	7,144	19.5	14	17
Campbell-Ewald	Vienna	MJ	33	(50.6)	220	(50.6)	2	2

NOTES: All currency is given as U.S. dollars in thousands. Exchange rates are given for 1987 and 1986, respectively.

Compiled by Ilse Cermak

Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
BAHRAIN			Exchange rates: 2.650000/2.690000 dinar					
Fortune Promoseven Network	Manama	NA	4,765	(16.5)	31,766	(16.5)	75	70
Radius Advertising	Manama	NE	1,147	NA	7,651	NA	26	NA
Madco Bahrain	Manama	NA	820	24.2	3,700	23.3	15	12
BARBADOS			Exchange rates: 0.513300/0.537100 Barbados dollar					
Corbin Advertising	Bridgetown	MJ	553	15.0	3,697	15.0	18	18
BELGIUM			Exchange rates: 0.026[illegible]00/0.021500 Belgian franc					
Ted Bates S.A.	Brussels	MJ	11,144	46.6	56,826	38.2	120	94
HHD Ogilvy & Mather	Brussels	MJ	9,806	27.5	NA	NA	119	117
D'Arcy Masius Benton & Bowles	Brussels	MJ	9,264	59.1	71,149	83.8	128	118
Lintas:Belgium	Brussels	MJ	7,069	33.6	47,147	33.6	82	74
Lowe Troost	Brussels	MJ	5,627	26.0	37,530	26.0	73	64
HDM Dechy	Brussels	MJ	5,382	25.2	35,906	25.2	85	90
Young & Rubicam Belgium	Brussels	MJ	5,041	18.6	33,623	18.6	75	68
VVL/BBDO	Brussels	MJ	4,917	46.5	32,795	46.5	62	58
Partner	Brussels	NE	4,739	102.4	31,606	102.4	47	42
J. Walter Thompson	Brussels	MJ	4,720	36.0	31,484	36.0	51	63
Impact/FCB	Brussels	MJ	4,356	32.5	29,052	32.5	60	58
DDB Needham Worldwide	Brussels	MJ	4,165	29.6	27,768	29.5	55	54
Garbarski RSCG	Brussels	MJ	3,822	66.1	27,430	72.4	40	34
Publicis	Brussels	MJ	3,681	26.2	24,553	26.2	49	53
Leo Burnett Belgium	Brussels	MJ	3,568	51.5	23,790	51.5	43	39
L.V.H. Alliance	Brussels	MJ	3,132	43.2	20,877	43.2	52	48
Grey	Brussels	MJ	3,120	10.0	20,800	9.9	41	46
HDM Dechy International	Brussels	MJ	2,548	0.4	17,004	0.5	36	38
TBWA	Brussels	MJ	2,280	17.8	15,210	19.8	28	28
M&CW	Brussels	MJ	1,950	6.7	13,000	4.3	30	30
Moors-Bronselaer	Brussels	MJ	1,348	65.9	8,859	63.4	16	12
Three Points	Brussels	NA	1,206	27.5	8,047	28.2	19	19
Accent	Brussels	NA	928	30.0	6,786	35.5	NA	NA
Morael & Partners	Antwerp	MJ	917	143.7	6,116	143.7	10	7
GelderInterpartners	Brussels	NA	801	33.9	5,343	34.3	14	13
Katte Empain	Brussels	MJ	780	NA	5,200	NA	10	NA
MarkCom SA	Brussels	NA	775	31.0	5,538	32.1	16	18
Moussault Ayer	Antwerp	MJ	692	36.3	4,612	36.4	12	15
BERMUDA			Exchange rates: 1.000000/1.000000 Bermuda dollar					
Advertising Associates Compton	Hamilton	NE	1,240	135.3	8,241	118.2	23	22
BRAZIL			Exchange rates: 0.025500/0.025500 cruzado					
MPM Propaganda	Sao Paulo	NA	26,977	NA	107,910	NA	833	953
Salles/Inter-Americana	Sao Paulo	NE	24,225	NA	121,125	NA	499	508
Duailibi, Petit, Zaragoza	Sao Paulo	NA	20,840	NA	83,358	NA	352	350
J. Walter Thompson Publicidade	Sao Paulo	MJ	15,288	NA	101,971	NA	381	362
Standard, Ogilvy & Mather	Sao Paulo	MJ	14,075	NA	55,246	NA	391	389
McCann-Erickson	Sao Paulo	MJ	11,640	NA	77,641	NA	356	354
Fisher, Justus/Young & Rubicam	Sao Paulo	MJ	10,172	NA	67,846	NA	292	333
Norton Publicidade	Sao Paulo	NE	9,053	NA	36,210	NA	300	300
SSC&B:Lintas Brasil	Sao Paulo	MJ	7,591	NA	50,633	NA	152	152
SGB Publicidade	Sao Paulo	NE	7,396	NA	36,975	NA	170	190
Leo Burnett Publicidade	Sao Paulo	MJ	6,310	NA	42,071	NA	79	79
CBBA/PROPEG	Sao Paulo	MJ	6,000	NA	24,000	NA	NA	331
W/GGK	Sao Paulo	MJ	4,365	NA	28,239	NA	85	56
Expressao	Sao Paulo	NA	3,698	NA	14,790	NA	NA	120
Adag Servicos de Publicidade	Sao Paulo	NA	3,629	NA	18,143	NA	NA	62
Caio Domingues & Associados	Rio de Janeiro	NA	2,523	NA	8,047	NA	72	60
FCB/Siboney	Sao Paulo	MJ	2,461	NA	16,414	NA	71	61
GTM&C	Sao Paulo	MN	1,980	NA	11,311	NA	80	51
LS/BBDO	Sao Paulo	MN	1,935	NA	12,910	NA	NA	100
Scali, McCabe, Sloves Brazil	Sao Paulo	MJ	1,262	NA	4,980	NA	74	91
Esquire Publicidade	Rio de Janeiro	NA	1,202	NA	6,012	NA	NA	58
Promo, Ogilvy & Mather	Sao Paulo	MJ	612	NA	2,128	NA	30	50
Direct, Ogilvy & Mather	Sao Paulo	MJ	551	NA	1,824	NA	21	15
Alcantara Machado, Periscinoto	Sao Paulo	NA	NA	NA	NA	NA	NA	421
BRITAIN			Exchange rates: 1.576400/1.467800 pound					
Saatchi & Saatchi U.K.	London	MJ	114,494	23.6	763,293	23.8	NA	2,000
Ogilvy Group Holdings	London	MJ	64,118	30.9	414,631	31.4	978	938
J. Walter Thompson Co.	London	MJ	57,554	16.9	383,696	16.9	642	646
Grey Ltd.	London	MJ	54,985	82.8	366,639	83.7	522	338
Charles Barker Group	London	NA	52,407	26.2	347,906	34.9	776	772
McCann-Erickson U.K.	London	MJ	51,819	33.0	345,637	33.0	844	848
Dorland Advertising	London	MJ	49,657	18.7	331,044	18.7	518	589
Young & Rubicam Holdings	London	MJ	46,589	23.9	311,281	23.9	645	660
WCRS Group	London	NA	34,227	72.7	272,493	106.3	504	205
Boase Massimi Pollitt Partnership	London	NA	29,755	44.5	198,469	44.5	285	250
Lowe Howard-Spink Ltd.	London	MJ	27,694	31.4	189,893	26.8	252	201

NOTES: All currency is given as U.S. dollars in thousands. Exchange rates are given for 1987 and 1986, respectively.

Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
D'Arcy Masius Benton & Bowles	London	MJ	25,831	18.3	172,436	18.4	354	349
Collett Dickenson Pearce Intl.	London	NA	23,882	25.6	159,216	24.0	300	253
KHBB	London	MJ	21,694	62.9	144,635	62.9	NA	180
Ted Bates Holding Group	London	MJ	21,228	48.6	144,241	50.5	258	202
Lintas U.K.	London	MJ	19,669	29.4	131,191	11.6	255	184
Leo Burnett Ltd.	London	MJ	18,207	21.1	121,389	21.1	220	194
DDB Needham	London	MJ	17,375	15.3	115,834	(7.9)	242	206
Allen Brady & Marsh	London	MJ	17,375	39.1	115,834	39.1	162	170
Abbott Mead Vickers/SMS	London	NA	17,203	33.1	131,396	52.1	157	120
McCormick Publicis	London	MJ	16,576	28.7	110,506	28.7	190	175
Davidson Pearce	London	NA	16,257	6.5	129,572	6.9	197	210
Bartle Bogle Hegarty	London	NA	14,192	69.6	94,616	67.0	142	97
Foote, Cone & Belding	London	MJ	13,814	(15.0)	92,139	(15.0)	239	277
Gold Greenlees Trott	London	NA	13,596	30.5	90,643	22.5	129	120
Lowe Bell Communications	London	MJ	13,232	330.3	88,259	332.6	359	NA
Yellowhammer Advertising	London	NA	12,391	47.7	82,603	47.7	126	NA
Dewe Rogerson Ltd.	London	NA	11,010	56.5	98,525	56.5	161	130
Geers Gross Advertising	London	NA	10,404	0.5	69,362	0.5	76	91
Ayer Barker Ltd.	London	MJ	9,143	29.8	67,470	33.2	97	94
Cogent Elliott	London	NA	8,985	13.4	59,903	13.4	150	NA
ARC Advertising	London	NA	8,938	76.6	59,588	75.0	79	45
Chetwynd Haddons	London	NA	8,902	24.6	59,351	24.6	112	NA
HDM Horner Collis & Kirvan	London	MJ	8,497	27.5	76,455	27.4	92	85
Colman RSCG	London	MJ	8,355	21.1	70,307	31.6	80	74
Lonsdale Advertising	London	NA	7,677	11.8	51,186	11.8	101	111
ASL Alliance	London	MJ	7,567	49.4	50,445	25.9	NA	NA
TBWA	London	MJ	7,486	12.0	49,920	12.1	51	57
BBDO	London	MJ	6,572	10.3	43,844	10.3	85	82
Connell May & Steavenson	London	NA	5,675	12.1	37,834	12.1	65	NA
Still Price Court Twivy D'Souza	London	NA	5,462	61.1	36,415	61.1	47	NA
GGK	London	MJ	5,439	23.5	36,257	23.5	48	46
White Bull Holmes Group	London	MJ	5,234	29.7	34,838	29.3	NA	NA
LansdownEuro	London	MJ	5,202	15.4	34,681	15.3	65	60
Delaney Fletcher Delaney	London	NA	4,646	47.1	30,976	47.1	27	21
Leagas Delaney Partnership	London	MJ	4,611	74.5	30,740	74.5	43	NA
Valin Pollen	London	NA	4,540	8.0	30,267	8.0	134	NA
St. James Alliance	London	MJ	3,468	23.7	23,110	23.8	NA	NA
Garratt Baulcombe	Nottingham	MJ	3,076	1.5	20,518	1.5	95	99
Slaymaker Cowley White/BJK&E	London	MN	3,042	(7.2)	23,741	49.4	49	52
Mallett McCormick	London	NE	2,790	21.9	23,252	21.9	38	35
Butler, Borg & LSW	London	MN	2,368	54.2	15,624	46.0	45	42
Butterfield Day Devito Hockney	London	NA	2,163	NA	14,424	NA	19	NA
BBDO Business Communications	London	MJ	1,565	(1.7)	10,445	(1.6)	18	19
Business Advertising Europe	London	MJ	851	NA	3,011	NA	6	NA
FCB Cosby Paul	London	MJ	643	32.0	4,297	32.1	8	9
Mojo Britain	London	MJ	218	NA	1,450	NA	6	NA
CAMEROON			***Exchange rates: 0.003300/0.028060 Central African franc***					
Lintas:Cameroon	Douala	MN	477	21.0	3,184	21.0	8	8
CANADA			***Exchange rates: 0.747500/0.721000 Canadian dollar***					
Ogilvy & Mather	Toronto	MJ	23,719	29.1	158,205	29.1	425	348
J. Walter Thompson Co.	Toronto	MJ	19,152	15.1	127,683	15.1	336	385
Young & Rubicam	Toronto	MJ	18,489	24.7	121,953	22.9	355	308
The BCP Group	Montreal	NA	14,352	71.8	95,680	71.2	199	136
Vickers & Benson	Toronto	NA	13,728	4.6	91,494	7.5	NA	320
Cossette Communication-Marketing	Toronto	NA	13,533	19.7	90,223	19.7	320	252
Grey Advertising	Toronto	MJ	13,520	35.6	90,178	35.6	235	179
Foster Advertising	Toronto	NA	13,489	20.5	89,924	20.5	NA	492
Baker Lovick	Toronto	MJ	12,771	3.3	85,183	3.4	223	241
Leo Burnett Co.	Toronto	MJ	10,961	29.8	73,079	29.8	172	174
Saatchi & Saatchi Compton Hayhurst	Toronto	MJ	9,783	11.7	77,770	4.2	133	135
FCB/Ronalds-Reynolds	Toronto	MJ	9,554	105.2	63,727	105.2	242	84
Ted Bates Advertising	Toronto	MJ	9,327	7.4	70,276	18.6	159	158
DMB&B Canada	Toronto	MJ	6,250	0.8	41,609	0.2	116	124
Marketel/Publim	Montreal	NA	6,168	3.7	41,113	3.7	NA	88
SMW Advertising	Toronto	NA	5,606	29.6	37,375	29.6	115	NA
Scali, McCabe, Sloves (Canada)	Toronto	MJ	5,564	8.7	30,985	3.2	113	102
Miller Myers Bruce Dallacosta	Toronto	NA	4,149	16.2	27,658	16.2	NA	51
Lintas:Canada	Toronto	MJ	3,715	24.6	24,781	24.6	56	54
Kelley Advertising	Hamilton	JV	3,610	9.2	23,733	3.8	65	75
Kert Advertising	Toronto	NA	3,048	8.3	22,986	19.4	48	46
Ian Roberts	Toronto	NA	2,915	15.6	19,435	15.2	NA	56
Ambrose, Carr, De Forest & Linton	Toronto	NA	2,837	8.4	18,912	7.5	44	40
Prism Communications	Montreal	NA	2,635	8.3	17,566	8.3	NA	35
Base, Brown & Partner	Toronto	NA	2,500	77.8	16,669	77.8	NA	20
Grant Tandy	Toronto	MJ	2,478	(38.8)	16,532	(38.8)	34	71
PNMD	Montreal	MN	2,385	27.2	21,678	20.3	54	44
Francis, Williams & Johnson	Calgary	NA	2,377	26.8	15,847	26.7	NA	73
Harrod & Mirlin	Toronto	MJ	2,243	NA	14,950	NA	23	NA
Enterprise Advertising Associates	Toronto	MJ	2,212	10.4	14,744	10.4	30	32
DDB Needham	Toronto	MJ	2,166	NA	25,938	NA	65	NA
Lowe Goodgoll	Toronto	MJ	2,018	27.2	14,576	39.4	28	23
Paul, Phelan & Perry	Toronto	NA	1,144	10.2	7,625	10.2	24	21
Palm Lintas Communications	Montreal	MN	1,110	NA	7,404	NA	26	NA
FCB/Provost	Montreal	JV	706	NA	4,715	NA	12	NA
BBDO Retail	Toronto	MJ	681	NA	4,542	NA	19	NA
Publicite Nationale	Montreal	NA	348	28.6	2,317	28.6	6	6
CHILE					***Exchange rates: 0.004300/0.005400***			
J. Walter Thompson Chilena	Santiago	MJ	2,787	4.9	18,579	4.9	145	145
Publiert/BBDO	Santiago	MN	1,606	14.6	10,712	14.6	88	77
Azocar, Morrison, Walker	Santiago	MN	1,139	2.6	7,594	2.6	53	45
Lintas:Chile	Santiago	MJ	1,076	12.5	7,179	12.5	71	66
Northcote y Asociados	Santiago	MN	968	49.3	6,450	49.3	59	45
Grey Chile	Santiago	MN	620	(2.3)	4,135	(2.3)	45	42
Young & Rubicam de Chile	Santiago	MJ	542	(5.2)	36,110	(5.2)	46	42
Leo Burnett-Chile	Santiago	MJ	477	(8.3)	3,180	(8.3)	44	40
Hermosilla, Zegers	Santiago	MN	409	(26.8)	2,745	(27.1)	32	34
CHINA				***Exchange rates: 0.270300/0.270300 renmibi***				
HDM-DYR Beijing	Beijing	NA	2,205	13.0	11,448	(12.0)	141	135
COLOMBIA				***Exchange rates: 0.004400/0.005400 peso***				
Torre Propaganda Sancho	Bogota	NE	3,245	79.4	13,735	74.7	142	NA
Leo Burnett-Colombia	Bogota	MJ	2,262	10.1	15,084	10.1	120	117
Atlas Publicidad	Bogota	NE	2,205	13.0	11,448	(12.0)	141	135
McCann-Erickson Colombia	Bogota	MJ	1,954	25.9	13,034	25.9	96	78
Atenas/BBDO	Bogota	NE	1,572	(13.7)	10,682	(8.3)	96	90
G. Meza & Ted Bates	Bogota	NE	1,457	77.2	9,718	77.2	70	67
Jaime Uribe & Asociados	Medellin	NA	1,167	41.8	7,781	41.8	45	45
Publicidad Artefilme	Cali	MJ	338	(15.2)	2,257	(15.2)	15	29
COSTA RICA				***Exchange rates: 0.016300/0.020300 colon***				
Alberto H. Garnier	San Jose	NE	1,578	5.5	10,523	5.5	100	100
McCann-Erickson Centroamericana	San Jose	MJ	1,106	(7.0)	7,376	(7.0)	47	43
FCB/Siboney	San Jose	MJ	561	15.6	3,740	15.6	35	27
APCU de Costa Rica	San Jose	MJ	306	(11.8)	2,043	(11.7)	33	27
CYPRUS				***Exchange rates: 2.070000/2.120000 pound***				
Impact/BBDO International	Nicosia	MN	1,012	(72.5)	6,754	(74.6)	105	111
DENMARK				***Exchange rates: 0.142100/0.119800 kroner***				
Ted Bates A/S	Copenhagen	MJ	15,209	53.1	107,253	56.2	182	180
scan-ad reklamebureau	Aarhus	NA	7,403	21.5	49,381	21.5	126	125
Team/BBDO Group Denmark	Copenhagen	MN	7,126	15.0	47,528	15.0	79	75
Young & Rubicam Copenhagen	Copenhagen	MJ	6,899	40.2	45,999	40.2	84	85
Lintas:Denmark	Copenhagen	MJ	5,948	34.7	39,670	26.5	75	66
Ogilvy & Mather	Copenhagen	MJ	4,442	14.6	23,403	5.7	71	73
Lyre & Valbo Reklamebureau	Copenhagen	NA	4,395	49.6	29,318	49.6	50	45
Gutenberghus Reklamebureau	Copenhagen	NA	4,201	16.7	29,310	17.7	65	63
Pro Reklame/Marketing	Copenhagen	NA	3,171	35.3	21,147	42.8	38	35
N/P Grey A/S	Egaa/Aarhus	MN	3,055	50.3	23,447	59.9	39	38
NP/3 Marketing	Aarhus	NA	2,888	31.5	19,260	31.5	47	40
ScanPartner Danmark	Copenhagen	NA	2,302	66.4	14,798	55.2	33	32
Leo Burnett Denmark	Copenhagen	MJ	2,189	19.7	14,595	19.7	32	33
Saatchi & Saatchi Advertising	Copenhagen	MJ	1,860	27.8	14,784	19.3	133	135
D'Arcy Masius Benton & Bowles	Copenhagen	MJ	1,838	21.0	14,196	14.0	30	34
J. Walter Thompson	Copenhagen	MJ	1,550	59.1	10,342	59.1	20	23
Bergenholz & Arnesen	Copenhagen	NA	1,302	18.0	12,711	(13.0)	24	26
DMB&B Ipsen & Parmo	Copenhagen	MJ	1,278	16.3	9,537	15.6	16	17
Grey-Denmark	Copenhagen	MJ	1,144	2.9	8,569	(0.7)	17	22
Lockey /FCB Denmark	Copenhagen	MJ	1,117	(13.4)	7,451	(13.4)	21	22
Dyppel Marketing/Reklame	Copenhagen	NA	1,066	959	7,105	31.8	20	20
DOMINICAN REPUBLIC				***Exchange rates: 1.00000/1.00000 DR dollar***				
Young & Rubicam Damaris	Santo Domingo	MJ	6,660	30.4	44,422	30.4	109	99
McCann-Erickson Dominicana	Santo Domingo	MJ	2,278	43.3	15,194	43.3	35	27
FCB/Siboney	Santo Domingo	MJ	443	NA	2,952	NA	22	22
Leo Burnett Co.	Santo Domingo	MJ	386	(5.9)	2,574	(5.9)	26	23
DUBAI				***Exchange rates: 0.275800/0.272500 dirham***				
Madco Gulf (Dubai)	Dubai	NA	1,280	12.8	5,500	22.2	35	33
ECUADOR				***Exchange rates: 0.006072/0.006940 sucre***				
Norlop Thompson Asociados	Guayaquil	MN	1,746	6.6	11,643	6.6	112	105
Veritas Publicitaria	Guayaquil/Quito	NE	1,398	65.9	7,549	45.8	100	62
McCann-Erickson (Ecuador)	Guayaquil	MJ	1,262	21.6	8,421	21.6	64	53
FCB/Artefilme	Guayaquil	MJ	371	23.9	2,477	23.9	28	34
EGYPT				***Exchange rates: 0.583700/0.745500 Egypt pound***				
Advertising & Marketing Associates	Cairo	NE	179	(20.4)	1,191	(20.4)	18	31

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Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force	
							1987	1986
EL SALVADOR			***Exchange rates: 0.192500/0.201600 colon***					
Apex Publicidad	San Salvador	NE	851	NA	3,103	NA	55	NA
APCU de El Salvador	San Salvador	MN	461	4.9	3,074	5.0	36	35
FINLAND			***Exchange rates: 0.220800/0.193900 markka***					
SEK Advertising	Helsinki	NE	8,435	35.9	43,277	43.1	107	105
Oy Liikemainonta-McCann	Helsinki	MJ	8,340	25.6	55,628	25.6	111	115
Mainostoimisto Finnad-Bates	Helsinki	MJ	7,466	46.4	49,798	46.4	94	83
Markkinointi Viherjuuri Oy	Helsinki	NA	6,624	34.5	44,182	34.5	92	95
Mainosyhtyma Oy	Helsinki	NA	6,220	4.3	47,541	4.9	103	128
Erva-Latvala Oy	Helsinki	NA	5,236	11.1	34,927	11.1	82	91
Mainostoimisto MAS Oy	Helsinki	NA	5,027	22.3	33,530	22.3	93	109
Turkama & Kumppanit Oy	Helsinki	NA	4,924	11.9	32,844	11.9	65	85
Oy Mainos Taucher Reklam	Helsinki	NA	4,057	(11.9)	27,060	(11.9)	72	80
Lintas:Helsinki	Helsinki	MJ	3,835	20.5	25,580	23.0	58	60
Anderson & Lembke Oy	Helsinki	MJ	3,356	23.6	22,385	23.6	31	36
Oy AC-Ilmo	Helsinki	NA	3,047	(3.0)	25,966	0.3	40	52
Ogilvy & Mather Oy	Helsinki	MJ	2,822	33.3	22,169	35.2	42	39
Juniormainos Oy	Helsinki	NA	2,714	48.7	18,102	48.7	57	49
MK-mainos Oy	Helsinki	NA	2,710	(8.3)	18,076	(8.3)	56	74
Pekka Vainio ja Kumppanit	Helsinki	NA	2,650	13.9	9,229	14.7	40	41
Tehomainos-J. Walter Thompson Oy	Helsinki	MN	2,632	(11.8)	17,555	(11.9)	45	50
Adsek Oy	Tampere	NA	2,539	17.6	16,935	17.6	41	37
Interplan Oy	Helsinki	NE	2,473	25.0	15,798	19.2	37	38
Markkinointi Topitorma Oy	Helsinki	NA	2,451	45.3	16,348	45.3	34	34
Exitteams Oy	Helsinki	NA	2,319	NA	15,468	NA	30	NA
Markkinointiryhma Oy	Helsinki	NA	2,296	48.0	15,314	48.0	39	32
Asanti Konttinen Torkler Oy	Helsinki	MN	2,274	50.4	15,168	50.4	26	24
Kauppamainos Oy	Helsinki	NA	2,230	19.8	14,874	19.8	32	30
Creator Oy	Helsinki	NA	2,098	25.8	13,994	25.8	26	24
Mainostoimisto Varis Poteri	Helsinki	NA	2,076	12.7	13,847	12.7	31	33
Valotomi Oy	Helsinki	NA	2,009	15.4	13,400	15.4	NA	NA
Mainostoimisto U&M Oy	Helsinki	NA	1,855	16.7	12,373	16.6	28	33
Mainoskentta Oy	Tampere	NA	1,744	18.5	11,632	18.6	34	35
A-Mainos Oy	Tampere	NA	1,645	28.8	10,972	28.8	23	24
USP Helsinki Oy	Helsinki	NA	1,613	39.0	10,759	38.9	15	13
Adax-mainos Oy	Turku	NA	1,486	44.1	9,912	44.1	22	26
Mainostoimisto LSM Oy	Turku	NA	1,433	28.5	9,558	28.5	28	30
Mainostoimisto Oy Byroo	Helsinki	NA	1,373	18.9	9,158	18.9	14	14
Mainostoimisto Make Direct Oy	Helsinki	NA	1,369	39.8	9,131	39.8	16	15
Tampereen Taucher Oy	Tampere	NA	1,318	35.9	8,791	35.9	18	21
D'Arcy Masius Benton Bowles Oy	Helsinki	MJ	1,255	21.8	8,317	21.0	20	21
USP Turku Oy	Turku	NA	1,255	39.9	8,371	39.8	11	11
Mainos Lehmus Oy	Tampere	NA	1,214	(3.6)	8,097	(3.7)	23	25
Reklaminos Oy	Helsinki	NA	1,060	13.4	7,070	13.4	20	25
Oulun Taucher Oy	Oulu	NA	943	37.6	6,290	37.7	14	14
Markkinamainos Oy	Helsinki	NA	923	15.1	6,156	15.1	15	17
VSOP Oy	Tampere	NA	875	4.0	5,836	4.0	9	9
Mainostoimisto Rubiini Oy	Helsinki	NA	852	5.6	5,683	5.6	9	13
Mainostoimisto Aspekti Oy	Helsinki	NA	844	50.7	5,629	50.6	10	10
Seitsenmainos Oy	Helsinki	NA	844	93.9	5,629	93.8	10	10
Preesens-Mainosruusu Oy	Helsinki	NA	825	37.3	5,503	37.4	12	14
Mainostoimisto Remes	Helsinki	NA	787	69.1	5,249	69.1	12	10
Mainos up Oy	Helsinki	NA	783	51.7	5,225	51.7	7	6
Mainostoimisto Seiska 2 Oy	Helsinki	NA	692	(7.5)	4,616	(7.6)	7	9
Mainostoimisto Prax Oy	Helsinki	NA	687	35.6	4,582	35.6	7	7
Avant/BBDO	Helsinki	MN	662	79.8	2,208	62.7	NA	NA
Lahden Taucher Oy	Lahti	NA	643	6.9	4,289	7.1	15	21
Mainos H&K Oy	Oulu	NA	635	21.9	4,235	21.9	13	13
Mainosforum Oy	Helsinki	NA	613	107.5	4,089	107.8	10	7
Impacta Kosola & Rinkinen Oy	Helsinki	NA	596	16.8	3,975	16.8	7	8
Mainostoimisto Vesa Huhtanen Oy	Helsinki	NA	565	32.5	3,769	32.4	5	6
Mainostoimisto Hast Pasanen	Helsinki	NA	541	24.0	3,608	23.9	12	11
Mainostoimisto Kimalainen Oy	Vaasa	NA	528	10.8	3,522	10.7	11	11
Markkionointi Boomi Oy	Helsinki	NA	507	2.0	3,382	2.0	9	11
Mainostoimisto pk-mainos Oy	Tampere	NA	438	113.2	2,921	113.1	12	13
Liikekonsultit Oy	Helsinki	NA	292	33.4	1,948	33.5	7	8
Mainos Kunnas Oy	Helsinki	NA	265	24.2	1,768	24.2	6	6
Ajan Mainos Oy	Helsinki	NA	170	(17.3)	1,134	(17.3)	4	5
FRANCE			***Exchange rates: 0.162200/0.140300 franc***					
Publicis Conseil	Paris	NA	103,054	41.7	668,334	41.5	1,186	1,047
Belier	Neuilly	MJ	68,124	67.4	454,387	67.4	942	566
RSCG France	Paris	NA	67,800	36.1	454,160	38.2	420	380
HDM France	Neuilly	MJ	59,690	57.6	398,201	57.6	516	508
BDDP Group	Paris	NA	44,605	58.2	297,637	57.1	560	420
Polaris	Paris	JV	38,036	34.9	253,697	33.6	576	500
Lintas:Paris	Paris	MJ	33,400	54.4	222,778	50.1	246	145
Young & Rubicam France	Paris	MJ	32,925	29.5	219,430	29.5	458	451
Univas	Paris	MJ	32,764	13.9	218,970	13.1	350	425
DDB Needham	Paris	MJ	30,331	31.0	202,750	31.4	250	239
Saatchi & Saatchi Advertising	Paris	MJ	26,763	23.1	178,907	23.8	250	25
FCA!	Suresnes	MJ	18,410	30.8	122,793	30.8	200	197
Ogilvy & Mather France	Paris	MJ	17,518	41.1	116,784	41.4	175	150
McCann-Erickson France	Paris	MJ	16,831	30.3	112,262	30.3	175	161
FCB SA	Paris	MJ	15,312	31.5	102,129	31.5	166	168
Grey	Paris	MJ	14,991	74.0	99,992	74.5	146	97
J. Walter Thompson SA	Paris	MJ	14,654	26.6	97,742	26.6	144	154
CFP Alliance	Paris	MJ	14,436	25.5	96,185	25.6	NA	NA
TBWA	Paris	MJ	13,382	21.9	89,210	21.0	114	110
Ted Bates	Paris	MJ	11,354	35.6	NA	NA	100	103
CLM/BBDO	Paris	MJ	10,413	56.3	69,422	56.1	119	97
Synergie/Bozell, Jacobs	Paris	MJ	9,732	17.6	85,966	17.8	125	105
Bordelais Lemeunier/Leo Burnett	Paris	MJ	8,057	79.5	53,715	79.4	81	61
The Creative Business Intl.	Paris	MJ	7,623	81.1	50,769	80.9	NA	NA
Ogilvy Defrenois Direct	Paris	MJ	7,097	65.4	47,310	65.4	58	46
BCRC	Paris	NE	6,812	31.2	45,416	32.1	50	46
MAO	Neuilly	NA	6,512	23.4	43,470	22.0	50	46
D'Arcy Masius Benton & Bowles	Paris	MJ	6,260	1.7	19,781	(23.9)	75	88
Ayer France & Associes	Paris	MJ	4,866	31.6	32,440	31.7	38	32
Eldorado	Paris	MJ	4,671	78.1	34,338	72.7	29	22
RSCG Export	Issy	MJ	4,379	20.1	29,196	20.3	75	60
Ogilvy Zoe Medical	Paris	MJ	3,244	44.5	21,573	43.7	34	25
GGK International	Paris	MJ	2,831	(37.0)	15,997	(46.7)	24	50
CPV	Paris	MN	2,757	26.8	20,275	29.0	27	26
Lowe Lichtenberg Faucher	Boulogne	MJ	2,433	(30.1)	16,230	(40.9)	17	NA
OPF Univas	Paris	MJ	1,608	33.8	7,283	21.3	24	24
Herald	Paris	NA	866	114.1	2,287	17.9	5	5
Mix Communications	Paris	MJ	730	108.1	4,868	108.1	5	6
WEST GERMANY			***Exchange rates: 0.539700/0.443600 mark***					
Team/BBDO Group	Duesseldorf	MJ	45,074	28.6	300,641	28.6	463	436
Lintas:Germany	Hamburg/Frankfurt	MJ	44,071	39.5	293,955	39.3	439	394
McCann-Erickson Germany	Frankfurt	MJ	38,213	38.7	254,881	38.7	428	336
Ogilvy & Mather	Frankfurt	MJ	37,393	35.1	224,515	9.6	389	385
Grey Duesseldorf	Duesseldorf	MJ	28,658	39.8	191,216	54.3	305	300
Young & Rubicam	Frankfurt	MJ	28,516	39.6	190,507	39.6	347	320
Ted Bates Werbeagentur	Frankfurt	MJ	27,417	33.2	182,958	33.3	281	274
J. Walter Thompson Co.	Frankfurt	MJ	25,105	7.9	167,377	7.9	314	341
Saatchi & Saatchi Advertising	Frankfurt	MJ	20,023	18.2	133,726	18.4	203	206
Eggert Werbeagentur	Duesseldorf	MN	19,463	37.5	129,798	37.6	217	198
DDB Needham	Duesseldorf	MJ	19,429	38.1	130,607	22.6	238	NA
Michael Conrad & Leo Burnett	Frankfurt	MJ	17,765	39.3	118,441	39.2	217	199
Wilkens Ayer	Hamburg	MN	17,709	29.9	126,312	25.7	231	226
D'Arcy Masius Benton & Bowles	Frankfurt	MJ	16,456	37.7	109,762	37.7	214	206
Scholz & Friends	Hamburg	MJ	16,353	46.3	109,073	46.3	168	145
Lowe Luerzer	Frankfurt	MJ	14,361	100.5	95,786	100.5	170	104
GGK Communication	Duesseldorf/Frankfurt	MJ	13,654	14.0	91,209	14.9	140	132
Publicis Germany	Duesseldorf/Frankfurt	MJ	12,764	26.2	85,136	26.2	125	120
TBWA	Frankfurt	MJ	12,413	12.1	82,795	12.2	122	106
Heye & Partner	Munich	NA	11,442	22.2	76,314	22.3	120	123
Baums, Mang und Zimmermann	Duesseldorf	MN	11,064	22.7	73,669	22.5	113	112
HDM Duesseldorf	Duesseldorf	MJ	10,956	28.0	73,399	28.3	95	93
Service Plan	Munich	NA	9,715	28.1	64,818	28.1	89	78
Guenter Blaese	Stuttgart	NA	9,553	26.7	63,739	26.7	111	109
von Mannstein Gruppe	Solingen	NA	8,967	22.0	59,799	22.0	80	83
Bessere Werbung	Duesseldorf	NA	8,257	29.3	55,103	29.4	69	43
Springer & Jacoby	Hamburg	NA	8,203	92.6	54,726	92.8	83	63
Economia	Hamburg	NA	8,042	27.7	53,646	27.7	91	87
Lueders	Cologne	NA	7,610	24.3	50,732	24.3	48	48
Spiess & Ermisch	Duesseldorf	NA	7,610	27.1	50,732	27.1	60	70
Hildmann Simon Rempen & Schmitz/SMS	Duesseldorf	MJ	7,448	33.3	49,652	31.7	66	53
RSCG, Butter, Rang	Duesseldorf	MJ	7,016	63.1	46,009	64.6	67	55
Ernst & Partner	Duesseldorf	NA	6,854	38.0	45,713	38.0	81	95
MWI Markenwerbung	Hamburg	MJ	6,505	21.7	43,389	21.7	86	88
Borsch, Stengel & Partner	Frankfurt	NA	6,476	35.2	43,176	35.2	67	60
FCB Deutschland	Frankfurt	MJ	5,624	24.5	37,510	24.5	51	75
Wensauer & Partner	Stuttgart	NA	5,397	58.0	35,998	57.9	56	45
Agenta Werbeagentur	Muenster	NA	4,965	34.9	33,138	34.8	59	52
Werbeagentur Wuendrich-Meissen	Stuttgart		4,621	36.6	30,825	46.3	47	49
Acon	Cologne	NA	4,318	(18.2)	28,820	(18.2)	52	59
Hakuhodo	Duesseldorf	MJ	4,264	9.2	28,442	9.2	53	45
Die Gilde Werbeagentur	Hamburg	NA	3,670	36.1	24,394	35.8	38	34
Die Werbe Euro-Advertising	Duesseldorf	NA	3,454	18.0	23,045	18.1	29	32

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Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
Durana Ketchum	Frankfurt	MN	2,968	45.5	19,915	47.7	15	19
INEX	Koblenz	NA	2,423	24.1	16,191	24.6	25	16
Erdmann & Partner	Duesseldorf	NA	2,412	8.7	16,087	8.7	22	29
MSH Bozell Jacobs Werbeagentur	Duesseldorf	MN	1,403	NA	9,445	NA	18	NA
Wirz & Hafner Werbeberatung	Frankfurt	MJ	1,133	50.3	7,560	49.5	13	11
GREECE			***Exchange rates: 0.007300/0.007100 drachma***					
Spot/Thompson Advertising	Athens	MN	3,449	53.0	27,740	50.3	86	75
Bold Advertising	Athens	NA	2,759	43.1	19,345	43.4	64	56
Adel/Saatchi & Saatchi	Athens	MJ	2,044	65.5	13,140	53.0	49	45
Lintas:Athens	Athens	MJ	1,878	62.1	12,526	49.3	42	35
Euro-Leo Burnett Athens	Athens	MJ	1,813	56.9	12,087	56.9	57	50
BBDO/Athens	Athens	MJ	1,516	19.7	10,112	31.4	64	69
Gnomi/FCB	Athens	MN	1,379	74.3	9,197	74.3	56	54
McCann-Erickson (Hellas)	Athens	MJ	1,371	40.7	9,144	40.7	44	43
Olympic DDB Needham	Athens	MN	1,314	68.2	8,764	56.8	37	30
J.N. Leoussis Advertising	Athens	NA	1,256	57.9	8,375	57.9	43	30
Alector Advertising	Athens	NA	1,168	43.3	8,395	35.8	40	38
Ted Bates Advertising	Athens	MJ	950	20.1	6,380	21.4	42	40
Gralis Advertising	Athens	MN	840	90.7	5,599	90.7	32	29
Echo Advertising	Athens	NA	575	18.6	4,117	20.6	29	29
DMB&B Ergon	Athens	MJ	497	49.9	3,307	49.4	22	22
Geo II Advertising	Athens	NA	473	77.7	3,380	44.8	19	15
Lamda Alpha Advertising	Athens	NE	414	(12.4)	3,330	(15.5)	21	21
Epsilon-Epsilon	Athens	NA	282	26.7	2,175	22.1	18	18
Sigma Ltd.	Athens	NA	177	8.6	1,179	8.5	17	17
Chapman/Palavidis	Athens	NA	162	35.1	1,314	32.2	12	11
GUATEMALA			***Exchange rates: 0.400000/0.400000 quetzal***					
APCU Thompson	Guatemala City	MN	1,375	3.3	9,157	3.3	42	40
McCann-Erickson Centroamericana	Guatemala City	MJ	940	28.6	6,267	28.6	54	50
Communica Publicidad	Guatemala City	NE	747	NA	4,982	NA	47	NA
FCB Siboney	Guatemala City	MJ	636	24.4	4,241	24.4	63	57
Publimerca	Guatemala City	NE	228	51.7	1,140	51.7	30	26
HONDURAS			***Exchange rates: 0.436700/0.435900 lempira***					
McCann-Erickson Centroamericana	Tegucigalpa	MJ	666	26.5	4,445	26.4	36	29
APCU de Honduras	Tegucigalpa	MJ	231	10.2	1,542	10.2	24	20
Publicidad Creativa	San Pedro Sula	NE	NA	NA	NA	NA	NA	NA
HONG KONG			***Exchange rates: 0.128200/0.128200 Hong Kong dollar***					
Leo Burnett Ltd.	Hong Kong	MJ	6,861	21.1	45,741	21.0	173	168
Ogilvy & Mather	Hong Kong	MJ	6,071	12.2	40,494	12.2	141	135
J. Walter Thompson Co.	Hong Kong	MJ	4,750	58.6	31,680	58.7	122	93
Ted Bates Ltd.	Hong Kong	MJ	3,912	34.7	25,695	20.2	115	105
HDM-DYR Hong Kong	Hong Kong	NA	3,551	15.2	23,982	15.8	98	90
McCann-Erickson	Hong Kong	MJ	3,167	7.6	21,126	7.6	86	86
Saatchi & Saatchi Advertising	Hong Kong	MJ	2,364	2.5	15,769	2.5	65	60
Lintas (Hong Kong)	Hong Kong	MJ	2,346	2.5	15,645	2.5	74	89
DDB Needham Worldwide	Hong Kong	MJ	2,177	1.0	13,205	(8.2)	69	66
Ball Partnership	Hong Kong	MJ	2,160	78.5	14,404	78.9	110	NA
Foote, Cone & Belding	Hong Kong	MJ	1,935	6.8	12,907	6.8	55	58
People & Grey Advertising	Hong Kong	MJ	1,846	30.4	12,307	30.4	60	52
BBDO Hong Kong	Hong Kong	MJ	1,845	12.9	12,304	15.6	98	58
Synergie Communications	Hong Kong	MN	1,668	31.2	8,342	24.8	NA	43
Bozell, Jacobs, Kenyon & Eckhardt	Hong Kong	MJ	1,334	30.1	8,895	30.1	50	43
Results (HK)	Hong Kong	MJ	1,081	22.4	7,212	22.4	29	29
Mojo Hong Kong	Hong Kong	MJ	985	225.0	6,563	246.6	33	NA
Far East-Ketchum Advertising	Hong Kong	MJ	974	4.8	6,496	4.8	35	35
DMB&B Modern Advertising	Hong Kong	JV	965	10.5	6,435	10.5	47	36
Lee Davis Ayer	Hong Kong	MJ	923	70.1	6,154	40.3	39	33
Hong Kong (FE) Advertising	Hong Kong	MJ	863	1.1	5,752	1.1	30	33
Chuo Senko Advertising	Hong Kong	NA	357	(7.1)	2,009	(16.6)	NA	NA
ICELAND			***Exchange rates: 0.032400/0.032400 kroner***					
Olafur Stephensen Advertising	Reykjavik	NA	1,874	14.6	3,416	23.4	33	26
INDIA			***Exchange rates: 0.077100/0.080500 rupee***					
Lintas:India	Bombay	MN	7,585	58.4	50,594	58.4	275	237
Hindustan Thompson Associates	Bombay	NE	7,482	39.5	49,884	39.5	777	715
Ogilvy Benson & Mather	Bombay	MN	3,549	19.9	23,669	19.9	339	310
Clarion Advertising Services	Calcutta	NE	3,434	20.6	22,908	20.6	547	513
Everest Advertising	Bombay	MN	3,260	41.4	21,744	35.5	305	237
Ulka Advertising	Bombay	NA	2,950	17.7	19,681	20.5	368	342
R.K. Swamy Advertising Associates	Madras	NE	2,891	22.2	19,275	22.2	276	273
Chaitra Advertising	Bombay	NE	2,089	6.0	13,924	6.0	214	220
Contract Advertising	Bombay	NE	1,951	60.5	13,004	60.4	211	197
Advertising & Sales Promotion	New Delhi	NA	1,821	3.4	10,116	3.4	310	304
daCunha Associates	Bombay	NA	1,580	56.0	8,320	23.4	74	66
Creative Unit	Bombay	NA	745	23.8	4,969	23.8	54	53
Contour Advertising	Bombay	NA	502	9.4	3,238	34.1	67	56
Raka Advertising & Marketing	Bombay	NA	345	13.8	1,884	4.5	46	42
Adverts	Bombay	NA	191	18.2	786	(24.6)	28	26
INDONESIA			***Exchange rates: 0.000609/0.000841 rupiah***					
P.T. Citra:Lintas Indonesia	Jakarta	NE	2,437	(6.5)	16,256	(6.5)	93	77
Matari Inc.	Jakarta	NE	1,715	(12.5)	7,902	(10.5)	184	177
Fortune	Jakarta	NE	1,279	52.8	8,526	42.8	NA	45
AdForce-JWT	Jakarta	NE	878	84.1	5,796	131.5	63	41
DMB&B Perwanal	Jakarta	MN	374	(17.7)	2,497	(1.0)	46	40
Sulisto/BBDO	Jakarta	NE	229	(17.5)	3,320	(18.9)	29	36
IRELAND			***Exchange rates: 1.445000/1.313000 pound***					
Wilson & Hartnell	Dublin	MJ	6,069	156.2	40,490	156.3	141	60
McConnells	Dublin	NA	3,785	11.2	25,085	11.3	107	104
O'Kennedy-Brindley	Dublin	MJ	3,592	44.0	17,500	36.0	58	60
Hunter Advertising	*Dublin*	*MJ*	*2,312*	9.4	13,728	16.9	34	33
Peter Owens	Dublin	NA	2,234	14.3	13,735	22.9	48	42
Brian Cronin & Associates	Dublin	NA	2,168	27.0	11,271	24.4	33	32
Arks Alliance	Dublin	MJ	1,792	36.5	11,936	36.5	NA	NA
Young Alliance	Dublin	MJ	1,561	10.8	10,404	10.8	NA	NA
CDP Associates Ltd.	Dublin	NA	1,539	(8.1)	10,260	(8.1)	NA	NA
O'Keeffe's Ltd.	Dublin	NA	1,321	17.6	8,526	17.7	23	23
Southern Advertising Group	Cork	NA	325	32.4	2,168	32.1	NA	NA
D'Arcy Masius Benton & Bowles	Dublin	MJ	149	169.9	993	170.0	7	4
ISRAEL			***Exchange rates: 0.631600/1.000000 shekel***					
Bing-Linial Advertising	Tel Aviv	NA	5,200	30.0	34,000	36.0	32	32
OK Marketing & Advertising	Tel Aviv	NA	4,600	53.3	30,000	50.0	26	26
Ariely Communications Group	Tel Aviv	NA	3,750	25.0	20,000	17.6	105	95
Tamir Cohen (Jacobsen)	Tel Aviv	NA	3,000	36.4	20,000	33.3	50	42
Gitam Image Promotions	Tel Aviv	NA	2,700	50.0	18,000	38.5	60	60
Pelled Ltd.	Tel Aviv	NA	1,320	(15.4)	9,790	(18.4)	37	33
Warshavsky Freilich Dover	Tel Aviv	NE	1,300	73.3	9,000	80.0	38	28
ITALY			***Exchange rates: 0.000755/0.000648 lira***					
McCann-Erickson Italiana	Milan	MJ	31,908	37.9	212,826	37.9	335	298
MAC Group Italia	Milan/Rome	NA	31,776	126.0	176,404	91.0	201	131
Armando Testa	Turin	NA	29,068	48.5	197,055	49.8	278	241
Young & Rubicam Italia	Milan	MJ	28,615	47.2	190,653	45.2	264	199
J. Walter Thompson Italia	Milan	MJ	23,593	31.6	157,286	31.6	212	222
Belier Comunicazione	Milan	MJ	21,506	30.2	143,450	30.2	160	155
Italia/BBDO	Milan	MN	20,951	59.7	139,675	59.7	155	112
Saatchi & Saatchi Advertising	Rome/Milan	MJ	17,818	27.3	151,755	62.6	170	126
SSC&B:Lintas	Milan	MJ	16,839	73.8	112,312	64.5	155	122
Livraghi, Ogilvy & Mather	Milan/Rome	MN	15,618	49.1	104,173	49.1	156	132
Foote, Cone & Belding	Milan	MJ	15,149	(1.2)	101,043	(1.2)	130	147
Milano & Grey	Milan	MJ	14,647	70.0	107,210	77.9	105	90
D'Arcy Masius Benton & Bowles	Milan	MJ	14,490	47.6	96,646	48.4	179	163
TBWA Italia	Milan/Rome	MJ	14,061	37.9	113,250	39.8	112	112
Publinter Ayer	Milan	MJ	9,622	95.9	80,030	139.9	88	63
Pirella Goettsche Lowe	Milan	MJ	9,585	67.0	77,765	81.4	87	67
Leo Burnett Italy	Milan	MJ	8,267	58.5	55,115	57.5	77	69
RSCG Mezzano Costantini	Milan	MJ	8,116	49.1	92,001	78.7	71	62
Promarco Advertising	Milan	NA	7,173	38.4	28,690	47.6	30	30
Bozell, Jacobs, Kenyon & Eckhardt	Milan/Rome	MJ	6,644	55.3	55,493	54.9	85	56
HDM-WE	Milan	MJ	6,569	42.4	63,420	106.0	52	50
Ted Bates & Co.	Milan	MJ	5,989	12.3	45,673	12.2	69	70
B Communications	Milan	NA	5,466	51.7	48,411	51.8	47	45
P&T Company	Milan	NA	4,908	37.7	47,565	52.9	45	42
CBC	Milan	NA	4,371	20.9	29,143	20.9	34	34
GGK Milano	Milan	MJ	3,337	25.6	25,670	32.0	26	24
AdMarCo	Milan/Florence	NA	3,171	43.4	31,710	57.9	33	30
Associati Globe	Milan	NA	2,794	87.4	16,837	89.7	23	21
Publicis Milano	Milan	MJ	2,536	56.2	23,123	69.3	29	31
Pubblimarket Alliance	Milan/Udine	MJ	2,350	22.2	18,380	35.7	NA	NA
Broucc/Doyle Dane Bernbach	Milan	MJ	2,039	113.2	32,465	375.8	29	17
Gandin & Associati	Milan	NA	1,950	60.9	13,200	77.6	NA	NA
Tonic/ECOM	Milan	MJ	1,827	21.7	12,193	21.8	27	24
Pubbli Dan Wirz	Milan	MN	906	7.5	6,043	7.5	12	15
Adver Pubblicita e Marketing	Padua	NA	815	55.3	4,908	51.5	14	13
Kik Promotion	Milan	MJ	799	NA	2,396	NA	6	NA
Pragma	Milan	MJ	449	NA	2,993	NA	5	NA
IVORY COAST			***Exchange rates: 0.003300/0.028060 Central African Franc***					
Lintas Abidjan	Abidjan	MJ	1,400	(84.2)	9,338	(84.2)	13	15
JAMAICA			***Exchange rates: 0.178300/0.192700 Jamaica dollar***					
Dunlop Corbin Advertising	Kingston	MJ	1,010	15.1	6,737	15.0	40	40
McCann-Erickson (Jamaica)	Kingston	MJ	871	16.6	5,812	16.6	45	39
CGR Communications Ltd.	Kingston	NA	685	(3.8)	2,789	(1.0)	23	32
Lindo, Foote, Cone & Belding	Kingston	MN	389	29.7	2,592	29.6	29	26

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Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
JAPAN			**Exchange rates: 0.006699/0.005769 yen**					
Dentsu Inc.	Tokyo	NA	884,527	29.9	6,775,436	27.5	5,759	5,673
Hakuhodo Inc.	Tokyo	NA	383,413	23.8	2,896,743	27.3	3,020	2,957
Tokyu Agency	Tokyo	NA	113,930	36.0	826,821	27.8	767	742
Dai-Ichi Kikaku	Tokyo	NA	109,424	10.8	836,660	15.5	626	574
Daiko Advertising	Osaka	NA	107,096	30.5	879,869	26.8	1,317	1,370
Asatsu	Tokyo	MN	73,354	43.5	489,272	22.1	694	626
I&S Corp.	Tokyo	NA	65,823	27.0	540,424	35.6	750	700
Yomiko Advertising	Tokyo	NA	64,676	32.2	477,278	31.9	670	673
McCann-Erickson Hakuhodo	Tokyo	MJ	62,287	23.7	415,457	23.7	474	467
Asahi Advertising	Tokyo	NA	54,387	22.1	340,612	21.4	771	793
Chuo Senko Advertising	Tokyo	NA	37,414	17.4	269,193	19.9	303	301
Nihon Keizaisha Advertising	Tokyo	NA	34,475	34.9	205,366	34.5	476	463
Orikomi Advertising	Tokyo	NA	30,400	21.8	311,800	29.2	352	355
J. Walter Thompson Co. Japan	Tokyo	MJ	29,317	27.2	195,543	27.2	285	311
Man-Nen-Sha Inc.	Osaka	NA	28,974	14.2	413,031	21.7	487	492
Kyodo Advertising	Tokyo	NA	28,255	35.2	221,590	31.4	399	398
HDM-DYR KK	Tokyo	NA	25,831	29.8	NA	NA	237	221
Meitsu Advertising	Tokyo	NA	25,510	27.7	159,436	27.7	280	275
Tokyu Agency International	Tokyo	NA	22,322	41.0	174,135	41.2	229	210
Nihon Keizai Advertising	Tokyo	NA	21,698	34.3	155,008	34.3	300	286
Standard Advertising	Tokyo	NA	15,411	26.1	119,242	37.8	196	180
Osaka Yomiuri Advertising	Osaka	NA	12,819	18.7	98,609	18.7	285	287
Nambokusha Inc.	Tokyo	MJ	12,219	31.2	91,642	25.2	142	161
Grey Daiko Advertising	Tokyo	JV	9,982	16.4	66,575	16.4	134	134
Hakuhodo:Lintas	Tokyo	JV	9,005	195.8	60,067	195.8	61	51
Dai-Ichi Tsushin-Sha	Tokyo	NA	6,296	22.0	48,434	22.0	101	102
Leo Burnett-Kyodo	Tokyo	MJ	6,149	22.6	40,993	22.6	70	54
Sanyu Agency	Tokyo	MJ	5,662	6.2	41,942	7.8	NA	NA
Toei Advertising	Tokyo	NA	4,743	30.9	39,410	37.8	60	56
Saatchi & Saatchi Advertising	Tokyo	MJ	4,650	NA	31,001	NA	NA	NA
Cove-Ito Advertising	Tokyo	NA	3,718	53.4	10,049	45.2	32	28
Orikomi Bates	Tokyo	MN	3,702	82.5	31,859	70.6	38	29
Ketchum Advertising (Japan)	Tokyo	MJ	2,562	38.4	16,683	32.8	26	23
Meitsu/BJKE	Tokyo	MN	1,843	19.1	10,054	15.4	24	22
Dentsu Sudler & Hennessey	Tokyo	MJ	1,685	59.1	NA	NA	15	11
DDB Needham Sanyu DIK	Tokyo	MN	926	NA	6,172	NA	8	NA
Daiko/FCB Impact	Tokyo	JV	636	NA	4,244	NA	6	NA
Foote, Cone & Belding	Tokyo	MJ	560	62.7	3,737	62.7	4	10
Ogilvy & Mather (Japan)	Tokyo	MJ	511	(9.3)	3,409	(9.3)	8	7
KENYA			**Exchange rates: 0.078300/0.070400 shilling**					
McCann-Erickson (Kenya)	Nairobi	MJ	1,012	33.1	6,747	33.1	41	41
KUWAIT			**Exchange rates: 3.542500/3.542500 dinar**					
Madco Kuwait	Kuwait	NA	358	8.5	1,760	17.3	8	7
LEBANON			**Exchange rates: 0.008880/0.038700 Lebanese pound**					
H&C Leo Burnett	Beirut	NE	1,765	(36.0)	11,768	(36.0)	58	79
Enterprise Middle East	Athens/Beirut	MJ	325	9.4	2,167	9.4	4	4
Madco Beirut	Beirut	NA	80	6.7	675	12.5	6	6
MALAWI			**Exchange rates: 0.198000/0.548100 kwacha**					
Graphic:Lintas Malawi	Blantyre	MN	41	(56.6)	275	(46.4)	20	20
MALAYSIA			**Exchange rates: 0.403300/0.433000 Malaysian dollar**					
Ogilvy & Mather	Kuala Lumpur	MN	3,284	(7.3)	21,905	(7.3)	138	132
AMC Saatchi & Saatchi Advertising	Kuala Lumpur	MN	2,630	15.0	17,529	15.0	58	58
PTM Thompson Advertising	Kuala Lumpur	MN	2,279	(6.0)	15,192	(6.1)	103	107
Leo Burnett	Kuala Lumpur	MN	2,226	2.4	14,842	2.4	84	83
McCann-Erickson Malaysia	Kuala Lumpur	MN	1,833	10.5	12,224	10.5	62	35
SSC&B:Lintas Malaysia	Kuala Lumpur	MJ	1,604	(14.7)	10,699	(14.7)	68	70
KHK Needham	Kuala Lumpur	MN	1,371	NA	12,099	NA	65	NA
Ted Bates (Malaysia)	Kuala Lumpur	MN	1,240	(6.3)	6,461	(21.0)	71	63
AP:Foote, Cone & Belding	Kuala Lumpur	MN	1,146	17.4	7,645	17.4	66	60
HDM-DYR Malaysia	Kuala Lumpur	NA	968	8.8	NA	NA	44	44
Wings BBDO	Selangor	MJ	954	4.9	6,362	4.9	59	60
Ball Partnership	Kuala Lumpur	MJ	619	17.6	4,128	18.8	34	NA
Francis Lim Zulkifli & Ayer	Kuala Lumpur	MN	411	0.2	1,850	10.6	28	30
Grey Advertising (Malaysia)	Kuala Lumpur	MN	352	53.3	2,351	53.4	20	NA
Chuo Senko Advertising	Kuala Lumpur	NA	224	NA	1,305	NA	NA	NA
Grant Advertising	Selangor	MN	NA	NA	NA	NA	17	22
Bozell, Jacobs, Kenyon & Eckhardt	Selangor	MN	NA	NA	NA	NA	42	47
MEXICO			**Exchange rates: 0.000865/0.001820 peso**					
Publicidad Ferrer	Mexico City	NA	5,444	(6.1)	36,297	(6.1)	150	53
McCann-Erickson	Mexico City	MJ	4,968	(5.7)	33,135	(5.7)	250	242
Noble y Asociados	Mexico City	MJ	3,466	(20.0)	23,238	(8.8)	268	346
Garcia Patto International	Mexico City	NA	3,425	(4.9)	22,819	(4.9)	90	92
J. Walter Thompson de Mexico	Mexico City	MJ	3,055	(30.6)	20,368	(30.6)	170	178
Leo Burnett SA	Mexico City	MJ	2,835	7.6	18,898	7.6	123	123
Panamericana Ogilvy & Mather	Mexico City	MJ	2,421	9.2	15,453	5.7	130	125
Young & Rubicam	Mexico City	MJ	1,870	(5.2)	12,472	(5.2)	124	106
Scali, McCabe, Sloves de Mexico	Mexico City	MJ	1,631	41.6	10,874	41.6	74	58
Bozell, Jacobs, Kenyon & Eckhardt	Mexico City	MN	1,507	(4.0)	10,044	(4.0)	84	87
FCB/Maqueda Gibert	Mexico City	MJ	1,493	134.4	9,959	134.4	113	50
Dieste, Merino/BBDO	Mexico City	MN	1,374	4.6	9,920	9.2	55	48
Publicidad D'Arcy	Mexico City	MJ	1,330	45.6	8,872	39.5	93	80
Iconic	Mexico City	NE	1,228	(22.6)	8,184	(22.5)	70	62
DDB Needham	Mexico City	MJ	1,168	NA	7,941	NA	71	70
Paulino Romero	Mexico City	NA	1,148	(27.5)	7,596	(27.2)	104	104
Lintas:Mexico	Mexico City	MJ	1,005	5.2	6,703	5.2	68	68
Grey Mexico	Mexico City	MJ	962	50.5	6,417	56.8	54	46
Montenegro-Saatchi & Saatchi	Mexico City	MJ	709	12.2	4,723	12.1	34	28
NAMIBIA			**Exchange rates: 0.406700/0.429400 rand**					
Lintas:Namibia	Windhoek	MJ	14	15.0	94	16.5	1	1
NETHERLANDS			**Exchange rates: 0.478600/0.393400 guilder**					
FHV/BBDO Group	Amstelveen	MJ	25,959	45.8	173,062	45.8	302	261
PMSvW/Young & Rubicam	Amsterdam	MJ	19,759	31.0	131,726	31.0	231	204
Ogilvy & Mather (Nederland)	Amsterdam	MJ	18,098	48.5	120,712	48.5	253	215
Lintas:Netherlands	Amsterdam	MJ	14,570	97.0	97,187	76.7	165	113
PPGH Groep	Amsterdam	NA	12,463	46.5	83,085	46.5	101	83
Prad Alliance	Amsterdam	MJ	10,539	43.3	70,256	42.9	NA	NA
Saatchi & Saatchi Advertising	Amsterdam	MJ	9,909	15.0	64,560	12.4	119	110
McCann-Erickson (Nederland)	Amsterdam	MJ	8,663	24.2	57,783	24.2	101	103
ARA BV	Rotterdam	MJ	7,708	23.5	51,388	23.5	81	76
Noordervliet & Winninghoff/LB	Amsterdam	MJ	6,964	11.1	46,427	11.1	87	114
Doyle Dane Bernbach	Amsterdam	MJ	5,743	NA	38,288	NA	69	NA
Result	Badhoevedorp	MJ	5,586	20.9	37,257	20.9	56	70
Geudeker & Oerlemans Groep	Amstelveen	NA	5,492	42.7	36,613	42.7	75	45
Grey Advertising	Amsterdam	MJ	5,375	73.1	35,849	73.3	52	54
TBWA Groep	Amstelveen	MJ	5,265	25.1	35,129	24.2	74	51
Publicis	Amsterdam	MJ	5,077	16.0	33,863	16.0	67	72
Ted Bates Co.	Amsterdam	MJ	5,069	19.5	32,025	2.8	54	77
J. Walter Thompson Co.	Amsterdam	MJ	4,702	(12.5)	31,361	(12.5)	71	95
HDM	The Hague/Amsterdam	MJ	4,449	4.7	29,673	4.8	52	68
HVR Alliance	The Hague	MJ	3,929	4.0	26,179	4.0	NA	NA
D'Arcy Masius Benton & Bowles	Amsterdam	MJ	3,887	8.0	25,910	8.0	46	55
De Bussy	Diemen	NA	3,475	78.4	23,164	78.4	60	38
Baas & van Haastrecht	Rotterdam	NA	3,295	35.9	21,968	35.9	41	38
GGK	Amsterdam	MJ	3,249	29.6	21,701	29.8	36	38
Belinfante Major	The Hague	NA	3,231	30.3	21,537	30.3	42	38
Ayer Nederland	Deventer	MJ	2,340	(13.5)	13,090	1.6	35	43
Schulte & Partners	Lochem	NA	2,161	40.8	14,406	40.3	26	24
FCB Nederland	Amsterdam	MJ	2,158	(28.8)	14,393	(28.8)	34	51
Van Jaarsveld/Fontein Alliance	Eindhoven	MJ	2,091	30.6	13,975	31.1	NA	NA
ARVH Kommunikatie	Zaandam	NA	2,010	6.5	13,401	6.5	23	19
Klein & Partners	Amsterdam	MJ	2,010	54.8	13,401	54.8	22	18
HLBP	Amsterdam	NA	2,010	46.8	13,401	46.8	28	22
Lowe Nederland	Amsterdam	MJ	1,760	37.6	11,738	37.6	18	17
RSCG Van Diggele, Janzen, Schoenmaker	Amsterdam	MJ	1,600	20.2	9,716	24.4	17	18
Push & Grey	Rotterdam	ND	1,472	20.7	9,822	20.7	16	12
Continental Advertising	The Hague	NA	1,441	NA	9,607	NA	13	NA
Smits & Palm Advertising	Amsterdam	NA	1,292	31.4	11,008	27.2	13	15
Anderson & Lembke Nederland	Landsmeer	MJ	293	72.2	2,478	79.6	6	4
NEW ZEALAND			**Exchange rates: 0.576000/0.525200 NZ dollar**					
Colenso Communications	Auckland	MN	9,475	64.3	47,373	64.3	NA	NA
Mackay King Advertising	Auckland	NE	7,914	88.9	39,574	84.7	81	73
Saatchi & Saatchi Advertising	Wellington	MJ	5,363	42.3	24,267	28.8	NA	77
DDB Needham	Auckland	MJ	4,702	3.4	31,364	34.7	69	96
D'Arcy Masius Benton & Bowles	Auckland	MJ	4,310	13.3	23,064	15.2	68	75
Rialto Advertising	Auckland	MN	4,208	74.4	21,042	74.4	NA	NA
Ted Bates New Zealand	Wellington	MN	4,207	31.4	22,902	23.3	63	72
Ogilvy & Mather	Wellington	MJ	4,097	30.8	20,483	30.8	92	95
Dobbs-Wiggins McCann-Erickson	Auckland	MJ	3,900	22.3	26,010	22.3	59	73
Lintas:New Zealand	Auckland	MJ	2,469	36.5	16,470	85.7	46	46
Leo Burnett-New Zealand	Auckland	MJ	2,066	(15.2)	13,775	13.1	47	40
Young & Rubicam/GSI	Auckland	MJ	2,016	NA	13,539	NA	35	NA
MacHarman Ayer	Auckland	MJ	1,750	22.6	11,677	22.6	28	28
Hutcheson Knowles Marinkovich	Auckland	MN	1,548	75.8	7,740	75.8	NA	NA
Mainstream/FCB	Auckland	MN	879	(8.9)	5,866	(8.9)	16	23
Ball Partnership	Auckland	MJ	729	NA	3,168	NA	14	NA
Ward & Grey	Auckland	MN	615	18.9	3,076	24.7	12	11
Mojo N.Z.	Auckland	MJ	225	NA	1,501	NA	6	NA
NORWAY			**Exchange rates: 0.144700/0.134300 kroner**					
Ted Bates A/S	Oslo	MJ	25,891	55.9	85,727	25.6	245	238

NOTES: All currency is given as U.S. dollars in thousands. Exchange rates are given for 1987 and 1986, respectively.

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Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
ScanPartner Norge	Oslo	NA	15,292	21.7	57,592	29.0	212	202
Scaneco-Young & Rubicam	Oslo	MJ	9,711	69.1	64,780	69.1	125	114
Lintas:Norway	Oslo	MJ	5,685	131.7	37,922	10.2	76	76
Ogilvy & Mather	Oslo	MJ	5,546	25.3	44,430	54.7	64	65
Espeseth & Molkom	Oslo	NA	5,354	NA	21,416	NA	NA	NA
Lund & Lommer	Oslo	NA	3,932	NA	15,727	NA	NA	NA
DMB&B Oslo	Oslo	MJ	3,791	(16.2)	18,203	(9.6)	63	75
Jenssen & Borkenhagen	Oslo	NA	3,404	20.9	24,901	33.3	33	23
Nordskar & Thorkildsen	Oslo	NA	3,241	78.8	10,635	111.7	17	17
Reklamens Hus/McCann	Oslo	MJ	2,749	13.2	18,335	13.2	41	35
Forenede Annonsebyraer	Oslo	NA	2,636	NA	10,544	NA	NA	NA
Viking Reklamebyra	Oslo	NA	2,460	NA	9,840	NA	NA	NA
Pramm & Co.	Oslo	NA	2,424	NA	9,696	NA	NA	NA
Skarrud & Rabben Gruppen	Oslo	NA	2,369	NA	9,475	NA	NA	NA
ByraGruppen	Oslo	NA	2,365	NA	9,293	NA	NA	NA
Anderson & Lembke A/S	Oslo	MJ	2,196	39.3	13,184	39.3	NA	23
Foote, Cone & Belding	Oslo	MJ	2,125	30.1	14,174	30.1	23	22
Engelsrud Reklamebyra	Oslo	NA	1,928	NA	7,711	NA	NA	NA
Oslo Reklamebyra	Oslo	NA	1,904	NA	7,616	NA	NA	NA
Lunde Marketing	Oslo	NA	1,901	NA	7,604	NA	NA	NA
Dramsrud & Werner	Oslo	NA	1,787	NA	7,148	NA	NA	NA
Bennett Reklame	Oslo	NA	1,752	NA	7,010	NA	NA	NA
Schjaerven/J. Walter Thompson	Oslo	NE	1,708	29.1	11,392	29.1	21	22
Corneliussen & Odegaard	Oslo	NA	1,592	NA	6,367	NA	NA	NA
MK Bergen Reklamebyra	Bergen	NA	1,569	NA	6,276	NA	NA	NA
Jensen-Grey A/S	Oslo	MN	1,416	2.2	4,869	(47.3)	20	30
Bj. Kverneland	Oslo	NA	1,156	86.4	8,103	58.8	16	14
Jan T. Kallevig	Oslo	NA	326	(20.3)	2,171	(20.3)	7	7
Saatchi & Saatchi Advertising	Oslo	MJ	109	NA	217	NA	5	NA
PAKISTAN			***Exchange rates: 0.058500/0.061100 rupee***					
R:Lintas	Karachi	NE	1,166	16.5	7,781	16.6	80	69
Asiatic Advertising	Karachi	NA	562	27.7	3,805	29.8	102	95
Prestige Communications	Karachi	NA	395	38.1	2,633	38.0	50	40
PANAMA			***Exchange rates: 1.000000/1.000000 U.S. dollars***					
Campagnani, Aleman Publicidad	Panama City	NE	1,455	15.9	9,700	83.0	54	47
McCann-Erickson de Panama	Panama City	MJ	975	0.6	6,503	0.6	42	36
APCU de Panama	Panama City	NA	274	9.6	1,832	10.0	18	16
BB&M Publicidad	Panama City	NE	NA	NA	NA	NA	NA	NA
PARAGUAY			***Exchange rates: 0.001280/0.001620 guarani***					
JWT SA	Asuncion	MJ	81	(16.1)	539	(16.1)	10	10
McCann-Erickson (Paraguay)	Asuncion	MJ	25	(8.0)	165	(8.0)	0	0
PERU			***Exchange rates: 0.066300/0.071000 intl***					
J. Walter Thompson Peruana	Lima	MJ	2,488	87.2	16,592	87.2	90	89
McCann-Erickson (Peru)	Lima	MJ	1,635	50.4	10,908	50.4	60	69
Publicistas Asociados	Lima	NE	1,551	174.7	8,619	182.3	46	48
CNP & Grey	Lima	ND	833	40.1	5,558	40.2	70	74
Perdomo-Ted Bates/Publicidad	Lima	MN	90	(31.7)	600	(31.7)	12	9
PHILIPPINES			***Exchange rates: 0.049100/0.051100 peso***					
Basic/Foote, Cone & Belding	Manila	MN	3,017	191.8	20,125	191.8	164	154
McCann-Erickson (Philippines)	Manila	MJ	2,432	26.5	16,221	26.5	176	162
J. Walter Thompson Co.	Manila	MJ	2,237	(9.0)	14,924	(9.0)	195	208
Ace/Saatchi & Saatchi	Manila	MJ	1,727	13.9	11,518	12.0	146	144
Advertising & Marketing Associates	Manila	NE	1,502	(0.3)	10,263	(0.2)	191	188
Philippine Advertising Counselors	Manila	NE	1,478	16.2	9,869	16.1	120	99
Hemisphere-Leo Burnett Inc.	Manila	MJ	1,188	18.5	7,920	31.9	109	92
SSC&B:Lintas Manila	Manila	MN	1,138	22.9	7,594	22.2	84	80
Alcantara DYR	Manila	NA	973	NA	NA	NA	118	NA
AdPlanners/BJK&E	Manila	NE	528	2.6	1,297	7.9	34	28
Admakers	Quezon City	NA	294	0.7	1,958	0.7	48	47
Aspac & Grey	Manila	MN	191	(15.8)	1,277	(15.8)	40	38
PORTUGAL			***Exchange rates: 0.006980/0.006683 escudo***					
McCann-Erickson/Hora Publicidade	Lisbon	MJ	4,414	61.3	29,443	61.3	105	90
Lintas:Portugal	Lisbon	MJ	3,609	78.5	24,060	80.0	76	61
Ciesa NCK	Lisbon	MJ	2,955	38.9	19,712	38.9	81	82
J. Walter Thompson Publicidade	Lisbon	MJ	2,685	67.2	17,899	67.2	95	75
Sistema	Lisbon	MN	2,457	122.8	12,285	67.1	NA	64
FCB Publicidade	Lisbon	MJ	2,167	48.5	14,453	48.5	45	40
Team	Lisbon	NA	1,989	65.4	13,262	65.4	80	58
Ogilvy & Mather Portugal	Lisbon	MJ	1,565	131.5	10,438	131.5	46	39
Publicis Lisboa	Lisbon	MJ	1,532	26.8	7,126	24.4	66	74
Boom & Bates	Lisbon	MN	1,354	80.9	4,679	81.4	23	21
DDB Needham & Guerreiro	Lisbon	MJ	1,228	NA	8,188	NA	30	NA
Antena/BBDO	Lisbon	NE	839	48.4	6,011	49.1	37	32
Latina	Lisbon	NA	628	59.3	2,862	47.7	30	30
Timing Alliance	Lisbon	MJ	306	70.1	2,038	70.4	NA	NA
Sensus Publicidade e Marketing	Porto	NE	170	NA	1,372	NA	23	NA
PUERTO RICO			***Exchange rates: 1.000000/1.000000 U.S. dollar***					
Badillo/Saatchi & Saatchi	San Juan	MJ	10,750	4.0	71,700	3.9	196	185
Marti, Flores, Prieto & Wachtel	San Juan	MN	6,039	29.3	39,013	25.3	92	86
Young & Rubicam Puerto Rico	San Juan	MJ	5,259	2.6	35,078	2.6	99	82
West Indies & Grey	San Juan	ND	4,000	NA	26,680	NA	88	NA
FCB Inc.	Isla Verde	MJ	2,576	(12.6)	17,182	(12.6)	57	61
McCann-Erickson (Puerto Rico)	San Juan	MJ	2,499	(4.4)	16,668	(4.4)	47	55
Leo Burnett Inc.	San Juan	MJ	2,491	23.6	16,607	23.6	50	43
BBDO Puerto Rico	Hato Rey	MJ	2,414	19.8	16,100	20.1	46	38
CPVE/BJK&E	Santurce	MJ	378	(49.6)	1,600	(68.0)	9	18
SAUDI ARABIA			***Exchange rates: 0.266700/0.271300 riyal***					
Targets Advertising	Jeddah	NE	923	NA	6,150	NA	19	NA
Madco Saudi Arabia	Jeddah	NA	692	12.0	3,600	2.9	9	9
D'Arcy Masius Benton & Bowles	Jeddah	MJ	22	520.1	146	525.3	1	6
SINGAPORE			***Exchange rates: 0.469600/0.463800 Singapore dollar***					
Batey Ads	Singapore	NA	3,479	5.6	25,138	4.2	78	70
Ogilvy & Mather	Singapore	MJ	2,965	22.4	19,778	22.4	109	97
McCann-Erickson (Singapore)	Singapore	MJ	2,401	26.1	16,015	26.1	77	64
Leo Burnett Ltd.	Singapore	MJ	2,110	24.6	14,067	24.6	66	55
HDM-DYR Singapore	Singapore	NA	1,669	8.9	NA	NA	41	47
J. Walter Thompson Co.	Singapore	MJ	1,589	31.8	10,600	31.8	62	47
SSC&B:Lintas SEA Singapore	Singapore	MJ	1,413	33.3	9,422	24.4	40	34
Saatchi & Saatchi Advertising	Singapore	MJ	1,244	30.7	7,748	22.0	53	40
Bozell, Jacobs, Kenyon & Eckhardt	Singapore	MJ	1,221	(17.5)	8,144	(17.5)	52	54
Adcom & Grey	Singapore	MN	1,021	(7.3)	6,812	(7.3)	40	40
Ted Bates Ltd/Singapore	Singapore	MJ	1,006	11.8	6,068	20.0	49	49
Ball Partnership	Singapore	MJ	793	(25.1)	5,289	(24.3)	35	NA
Mojo Singapore	Singapore	MJ	759	NA	5,035	NA	26	NA
BBDO Advertising	Singapore	MJ	704	17.6	4,700	17.6	23	34
Spenser, Kaslan & Friends	Singapore	NA	517	NA	3,522	NA	19	NA
Tropical Alliance	Singapore	MJ	366	NA	2,442	NA	NA	NA
D'Arcy Masius Benton & Bowles	Singapore	MJ	338	86.2	2,306	47.2	22	17
Tom Tan Associates	Singapore	NA	303	3.4	2,155	6.3	19	19
CR & Grey	Singapore	MN	272	186.0	1,813	186.0	9	2
DDB Needham	Singapore	MN	241	(22.8)	1,606	(22.9)	12	NA
Chuo Senko Advertising	Singapore	NA	121	74.2	987	85.7	NA	NA
SOUTH AFRICA			***Exchange rates: 0.481400/0.428400 rand***					
Grey Phillips	Johannesburg	MN	9,453	14.9	63,049	14.9	NA	256
Young & Rubicam South Africa	Cape Town	MJ	8,899	27.9	59,260	27.9	336	348
Ogilvy & Mather Rightford	Johannesburg/ Cape Town	MN	8,371	34.8	42,742	26.0	234	235
Lindsay Smithers-FCB	Sandton	MN	7,449	39.5	49,689	39.5	255	238
Klerck & McCormac	Johannesburg	NE	6,639	54.2	40,498	60.3	202	202
McCann-Erickson South Africa	Johannesburg	MJ	6,045	25.4	40,320	25.4	197	186
Lintas South Africa	Johannesburg	MJ	4,419	31.6	29,477	41.7	140	130
J. Walter Thompson South Africa	Johannesburg	MN	4,153	17.9	27,699	17.9	122	136
Freedman & Rossi/BBDO	Sandton	NE	2,163	26.0	14,427	26.0	72	109
Partnership in Advertising	Johannesburg	MN	1,874	15.3	12,499	15.3	48	38
IMA Ltd.	Cape Town	NA	1,468	18.6	9,181	19.5	56	59
Ogilvy & Mather Direct	Johannesburg/ Cape Town	MN	1,304	45.3	4,517	61.6	44	37
Meridian Advertising	Johannesburg	MN	748	71.7	3,809	67.6	22	20
P.N. Barrett Co.	Cape Town	NA	506	19.8	3,547	21.2	20	20
SOUTH KOREA			***Exchange rates: 0.001201/0.001131 won***					
Korea First Advertising	Seoul	NA	23,482	44.1	130,089	32.6	421	364
Oricom Inc.	Seoul	NA	15,260	(4.6)	84,779	4.8	372	362
Korad	Seoul	NE	8,885	63.9	62,711	64.4	226	158
Daehong Advertising	Seoul	NE	8,323	(11.3)	91,396	32.3	177	177
LG Ad	Seoul	NE	7,146	32.5	85,511	50.1	245	194
Union Advertising	Seoul	NE	5,763	13.0	55,847	13.0	182	173
Dong Bang Advertising	Seoul	NE	4,284	25.3	42,837	25.4	129	NA
Diamond Advertising	Seoul	NE	3,167	59.1	31,670	59.4	141	99
Nara Advertising	Seoul	NA	2,665	77.2	15,493	66.6	81	72
Samhee Advertising	Seoul	NA	2,568	19.5	25,677	19.5	89	NA
Seoul Agency	Seoul	NA	2,091	10.7	20,909	10.7	98	NA
Geoson	Seoul	NE	1,500	96.5	15,000	89.5	92	65
Handok Advertising	Seoul	NA	854	NA	5,693	NA	35	NA
SPAIN			***Exchange rates: 0.007855/0.006980 peso***					
Grupo Bates	Madrid	MJ	22,709	39.3	151,468	39.3	351	339
McCann-Erickson Group	Madrid	MJ	17,165	28.9	114,491	28.9	225	215
J. Walter Thompson SA	Madrid	MJ	16,906	30.4	112,765	30.4	186	197
Lintas:Spain	Madrid	MJ	12,888	38.5	85,961	27.9	126	117
BBDO Espana	Barcelona	MJ	12,293	58.2	101,015	60.5	123	105
TAPSA/N W Ayer	Madrid	MJ	11,929	31.0	85,836	29.4	93	93
Tandem/DDB Needham	Madrid	JV	11,077	21.1	73,845	21.5	122	94
HDM SA	Madrid/Barcelona	MJ	9,450	44.0	63,029	44.0	97	96

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Notes to individual agency listings

GENERAL NOTES

Exchange rates. All figures in this report are historical, unless otherwise noted. Exchange rates are given in the country tables for 1987 and 1986, respectively. Although the questionnaire sent to agencies requested constant conversion of local currency to U.S. dollars using the 1987 exchange rate, ADVERTISING AGE editors decided to use historical figures rather than allow a weak dollar to unnecessarily inflate foreign agency income.

Also, the exchange rate used for Brazil was changed to 0.0255 from 0.0185 (source: Conjuntura Economica, Sao Paulo), and Hong Kong's rate was changed to 0.1282 from 0.1176.

Abbreviations for equity holdings:
MJ—majority owned, 51% to 100%
MN—minority owned, 1% to 50%
NE—no equity—affiliation or association
NA—not applicable—locally owned
JV—joint venture—50/50

Young & Rubicam does not report billings. Figures listed for Y&R throughout the charts are AA estimates.

HDM-DYR offices in Asia (Japan, Malaysia, Philippines, Singapore, Thailand and China) are in the process of changing their equity situation. Therefore, in the respective country charts, ownership is indicated as NA.

NOTES BY COUNTRY

ARGENTINA

Ortiz, Scopesi y Cia. minority owned by Ogilvy & Mather. **Lautrec Publicidad** affiliated with Saatchi & Saatchi Advertising Worldwide. **Pragma/FCB** 20% owned by Foote, Cone & Belding. **Yuste Publicidad** affiliated with Bozell, Jacobs, Kenyon & Eckhardt. **Johnson/-B&B** DMB&B holds 5% equity. **Cicero/-Ted Bates** did not submit figures.

AUSTRALIA

Young & Rubicam figures include Burson-Marsteller. **Dancer Fitzgerald Sample** part of Saatchi & Saatchi Advertising Worldwide. **Clemenger/-BBDO** 45% owned by BBDO. **DDB Needham** lists a Sydney and Melbourne office; plus, additionally, Leonardi & Curtis and Stokes King DDB Needham. **Nexus Advertising** and **Geoff Niere Advertising** part of the International Federation of Advertising Agencies. **Hertz Walpole** 48% owned by Lowe Howard-Spink & Bell. **DDB Needham Sydney** figures include data for USP Needham. **Forbes Macfie Hansen, Tarrant Haysom & Manzie** and **Thomson White & Partners** '87 gross income are AA estimates.

AUSTRIA

GGK Austria figures are for offices in Vienna and Salzburg. **Lintas Austria** 1986 figures are only for the Vienna office. 1987 data includes Salzburg. **Werbeagentur Wirz** 5% owned by agency group Wirz Holding, Zurich. **Die Sieber** affiliated with Saatchi & Saatchi Advertising Worldwide. **HDM Dorland** 40% owned by HDM International. **Publicitas** affiliated with Bozell, Jacobs, Kenyon & Eckhardt. **Marketing Studio/FCB** 32% owned by Foote, Cone & Belding. **Campbell Ewald** majority owned by Lowe Howard-Spink & Bell. **Gould Cargill** majority owned by Grey Advertising. **Grey Advertising** includes figures for ARC. **Ogilvy & Mather** includes figures for O&M Direct and O&M Public Relations.

BAHRAIN

Fortune Promoseven Network offices in Saudi Arabia, Kuwait, Dubai, Egypt, Lebanon, U.K. and France. **Radius Advertising** affiliated with Leo Burnett Co.

BELGIUM

Ted Bates includes figures for both years for Coerten S.A., a fully owned subsidiary. **Young & Rubicam** includes Wunderman and Burson-Marsteller. **Katte Empain** 51% owned by Belier Communications, Neuilly. **McCann-Erickson Belgium** figures include McCann Direct and Universal Communication, Brussels and Wilrijk, and Universal Advertising Team, Antwerp. **HHD Ogilvy & Mather** does not supply billings. **Partner** affiliated with Saatchi & Saatchi Advertising Worldwide. **M&CW** 75% owned by Bozell, Jacobs, Kenyon & Eckhardt. **Moors Bronselaer** and **Morael & Partners** majority owned by BBDO Worldwide.

BRAZIL

Alcantara Machado, Periscinoto Comunicacoes did not supply AA with '87 figures. **Fischer, Justus/Young & Rubicam** includes Cato-Johnson and Burson-Marsteller. **Norton Publicidade** affiliated with Bozell, Jacobs, Kenyon & Eckhardt. **SGB Publicidade** affiliated with Saatchi & Saatchi Advertising Worldwide. **LS/BBDO** 48% owned by BBDO Worldwide. **Denison Propaganda**, affiliated with Backer Spielvogel Bates, did not submit figures. **Expressao** is the house agency for Brazilian airline Varig.

BRITAIN

Saatchi & Saatchi UK includes Harrison Cowley, RPG, Acme, SPA, Halls. **Young & Rubicam** includes Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller. **Grey Ltd.** includes London agency Newton & Godin, acquired in '87. **Ted Bates Holding's** dramatic increase in 1987 billings over '86 due to the agency having won the $42 million Dixon account from Dorland Advertising in '87. **Butler, Borg & LSW** and **Slaymaker Cowley White/BDG** 35% owned by Bozell, Jacobs, Kenyon & Eckhardt. **Dorland Advertising** and **KHBB** majority owned by Saatchi & Saatchi. **McCann-Erickson U.K.** includes Harrison Advertising, Advertising Ltd., Photo-Video Ltd., Intercompany Administrative & Computing Services, Universal McCann, McCann Direct, M/E Communications, M/E Royds and EPIC. **Lintas Ltd.** includes Presight, Lintas: Overseas, CM:Spectrum and Init. Media. **Allen Brady & Marsh** majority owned by Lowe Howard-Spink & Bell. **Leagas Delaney Partnership** majority owned by Abbott Mead Vickers/SMS. **Lowe Bell Communications** majority owned by Lowe Howard-Spink & Bell. **White Bull Holmes Group** part of agency group Alliance International. **Butterfield Day Devito Hockney** opened in 1987. Gross income AA estimate. **Business Advertising Europe** majority owned by Anderson & Lembke, a business-to-business advertising group. **LansdownEuro** majority owned by J. Walter Thompson Co. **Connell May & Steavenson; Delaney Fletcher Delaney; Still Price Court Twivy D'Souza; Geers Gross; Collett Dickenson Pearce; Gold Greenlees Trott; Yellowhammer; Bartle Bogle Hegarty; Cogent Elliott; Chetwynd Haddons; Lonsdale; ARC;** and **Valin Pollen** 1987 figures are AA estimates.

CANADA

Young & Rubicam includes Wunderman and Burson-Marsteller. **Ted Bates** does not include data for Straiton-Pearson. **Enterprise Advertising** majority owned by J. Walter Thompson Co. **Baker Lovick, Grant Tandy** and **PNMD** majority owned by BBDO Worldwide. **Ronalds-Reynolds** became part of the Foote, Cone & Belding network in '87. **Kelley Advertising** formerly R.T. Kelley. Joint venture with Grey Advertising. **Harrod & Mirlin** majority owned by McCann-Erickson Worldwide. **Palm Lintas Communications** 33⅓% owned by Lintas:Worldwide. **FCB/Provost** 50/50 joint venture. **Foster Advertising; Vickers & Benson; Millers Myers Bruce Dallacosta; Prism Communications; Ian Roberts; Francis, Williams & Johnson; Base Brown & Partner; Marketel/Publim;** and **Cossette Communication-Marketing** 1987 gross income figures are AA estimates. **McKim Advertising** did not submit figures.

CHILE

Azocar, Morrison, Walker 20% owned by J. Walter Thompson Co. **Publiart/BBDO** and **Hermosilla, Zegers** 40% owned by BBDO Worldwide. **Epoca/Ted Bates** did not report.

COLOMBIA

Atlas Publicidad affilated with J. Walter Thompson Co. **Torre Propaganda Sancho** non-equity affiliation with Saatchi & Saatchi Advertising Worldwide. **Publicidad Artefilme** majority owned by Foote, Cone & Belding. **Atenas/BBDO** non-equity affiliation. **Centrum Ogilvy & Mather** did not submit figures.

COSTA RICA

Alberto Garnier non-equity affiliation with BBDO Worldwide.

CYPRUS

Impact/BBDO International 44% owned by BBDO Worldwide.

DENMARK

Young & Rubicam includes Wunderman and Cato-Johnson. **Ted Bates** includes Plan Design, Partners and Norgard Mikkelsen. **Scanpartner Danmark** formerly Innovation. **Ogilvy & Mather** includes Arhus office, O&M Direct and O&M PR. **Team/BBDO Group Denmark** includes data for Team/BBDO; ProMotion; Nielsen, Mikkelsen & Duus; BBDO Business/Stig Backen; and Henriksen & Sieling/-BBDO. **Saatchi & Saatchi** opened its Copenhagen office last year.

DOMINICAN REPUBLIC

Official currency here is the Dominican Republic dollar. However, a parallel currency is the peso, with a current value of .2252 to the dollar. In the chart, only U.S. dollar figures are given, since some agencies reported data in dollars and others in pesos.

ECUADOR

Norlop Thompson 20% owned by J. Walter Thompson Co. **Andina/-BBDO** non-equity affiliation. **Veritas Publicitaria** non-equity affiliation with Ogilvy & Mather.

FINLAND

Sek Advertising, in which Grey Advertising acquired a majority stake in '88, is now called Sek & Grey. **Tehomainos-J. Walter Thompson Oy** 25% owned by JWT. **Mainostoimisto MAS Oy** formerly called Mainosrengas Oy. **Interplan Oy** non-equity affiliation with Saatchi & Saatchi Advertising Worldwide. **Avant/BBDO** and **Asanti, Kontinen ja Torkler Oy** both 20% owned by BBDO Worldwide.

FRANCE

Publicis Conseil includes BCA Publicis, Edico Publicis, Grand Angle Publicis, Publicis Mediterranee, Projectis Publicis, Publicis Soleil, de Bonneville Orlandini, Intermarco, Loeb & Associe, Orexa, Siquier Courcelle, Success Slad and Publicis Sante. **Belier** includes Belier Conseil, Belier Rive Gauche, Atelier Belier, Australie, Impact, Diva and regional agencies. Belier is part of the WCRS/-Belier Group, in which London-based WCRS Group owns 49%, Belier holds a 20% stake in WCRS and the rest is held by French parent Eurocom. **Roux, Seguela, Cayzac & Goudard** includes 18 regional offices and Racines, Chevassus Vadon, Glad, Seven and Motivente. **Polaris**, Eurocom's regional network, merged late last year with Synergie/BJK&E in a joint venture. The agency will be known as Synergie. **BDDP Group** includes nine regional agencies, Tequila, Messages, Hotshop, Mafia, Alexandre Tic, and Makalu. **Young & Rubicam** includes Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller. **Eldorado** majority-owned by Eurocom. **Ted Bates** does not supply billings figures. **Lintas:France Group** includes Initiative Media Paris, Sprint and Publi Service. **Saatchi & Saatchi Advertising** includes References, Compar, S&S Ethical, DP Industries, Doping, Club Media and S&S Direct. **McCann-Erickson France** includes Joannis Schneider and Universal Media. **CPV** minority owned by Bozell, Jacobs, Kenyon & Eckhardt. **Creative Business** majority owned by RSCG. **Lowe Lichtenberg Faucher** majority owned by Lowe Howard-Spink & Bell. **RSCG Export** covers agencies in Africa, the Middle East and the Caribbean. **Audour/Soum Scali, McCabe, Sloves**, 30% owned by SMS, did not supply figures. **Domino Ketchum**, Paris, did not submit figures.

GERMANY

Young & Rubicam includes Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller. **Team/-BBDO Group** figures cover Team/-BBDO in Duesseldorf, Hamburg, Berlin and Kronberg; Eiler & Riemel (45% equity); Imparc; and Selection. **McCann-Erickson Germany** includes Universal-Kommunikation and McCann-Erickson Intensiv. **Grey Duesseldorf** includes Market Horizons and Grey Direct. **Ted Bates** figures include data for Scholz & Friends, Hamburg. Scholz & Friends is also listed separately. **Baums, Mang und Zimmermann** 49% equity held by Foote, Cone & Belding. **Eggert Werbeagentur** 40% owned by HDM. **MSH Bozell Jacobs Werbeagentur** 35% owned by BJK&E. **Heye & Partner** (in which DDB Needham Worldwide holds minority equity); **Service Plan; Guenter Blaese; Bessere Werbung; Springer & Jacoby; Economia; Lueders; Spiess & Ermisch; Ernst & Partner; Borsch, Stengel & Partner; Wensauer & Partner; Agenta; Acon; Hakuhodo;** and **Die Werbe Euro** 1987 figures are AA estimates.

GREECE

Spot/Thompson 44% owned by J. Walter Thompson Co. **Olympic DDB Needham** 5% owned by DDB Needham. **Grafis S.A.** 26% owned by BBDO Worldwide. **Gnomi/FCB** 40% owned by Foote, Cone & Belding. **Lamda Alpha Advertising** non-equity affiliation with N W Ayer.

GUATEMALA

APCU Thompson Asociados: J. Walter Thompson Co. holds 40% equity in APCU, with offices in Panama, Costa Rica, El Salvador and Honduras. **Communica Publicidad** affiliated with Leo Burnett Co. **Publimerca** affiliated with BBDO Worldwide.

HONG KONG

Synergie Communications in '88 became part of WCRS' Ball Partnership. Formerly 35% owned by Bozell, Jacobs, Kenyon & Eckhardt. **Results (HK)** majority owned by Ogilvy & Mather. **Far East-Ketchum** minority-owned by Ketchum Advertising. **Hong Kong (FE) Advertising** part of the Far East Advertising Group.

HUNGARY

The following information from the three leading Budapest-based Hungarian agencies reached AA too late for inclusion in the country charts. **Publishing and Advertising Establishment for Tourism**: Gross income '87 $9.6 million, billings '87 $21.7 million; employees '87 420, '86 403. **Mahir**: Gross income '87 $5.5 million, '87 bill-

(Continued on Page 74)

Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	1986
URUGUAY			***Exchange rates: 0.005000/0.007200 peso***					
Corporacion/Thompson	Montevideo	NE	1,265	22.2	5,500	22.2	50	45
Impetu Organizacion Publicitaria	Montevideo	NE	720	(18.0)	3,000	(18.0)	65	64
McCann-Erickson (Uruguay)	Montevideo	MJ	313	26.7	2,090	26.7	13	14
Grey Uruguay	Montevideo	MN	293	32.5	1,952	32.5	13	14
VENEZUELA			***Exchange rates: 0.038900/0.055900 bolivar***					
Corpa	Caracas	MN	4,767	25.1	31,799	25.3	246	184
J. Walter Thompson de Venezuela	Caracas	MJ	3,740	(6.6)	24,933	(6.6)	163	153
Leo Burnett-Venezuela	Caracas	MJ	2,176	3.3	14,510	3.3	99	91
ABC-McCann Publicidad	Caracas	MJ	2,133	5.5	14,225	5.5	91	86
JMC Creatividad Orientada/Y&R	Caracas	MJ	2,003	13.0	13,356	13.0	85	60
FCB/Siboney/Uribe	Caracas	MJ	1,548	19.7	10,322	19.7	96	70
Ghersy/Quintero & Ted Bates	Caracas	MN	1,089	(11.4)	6,496	(10.6)	57	56
Vapro Publicidad	Caracas	NE	1,030	23.6	3,077	(12.6)	44	42
AW/Saatchi & Saatchi	Caracas	MJ	908	2.4	6,058	13.7	60	48
Grey Advertising de Venezuela	Caracas	MJ	480	(1.7)	3,202	(1.7)	38	41
Young & Rubicam Caracas	Caracas	MN	202	(30.0)	1,349	(30.0)	28	28
ZAMBIA			***Exchange rates: 0.060000/0.162100 kwacha***					
Young & Rubicam (Zambia)	Lusaka	MJ	172	(37.4)	1,146	(37.4)	19	18
ZIMBABWE			***Exchange rates: 0.350000/0.591900 Zimbabwe dollar***					
Barker McCormac	Harare	NE	1,612	15.0	7,348	15.3	75	75
Michael Hogg/Young & Rubicam	Harare	MN	638	(44.5)	NA	(100.0)	70	70
Lintas:Zimbabwe	Harare	MJ	370	(33.1)	2,470	(20.3)	43	38

NOTES: All currency is given as U.S. dollars in thousands. Exchange rates are given for 1987 and 1986, respectively.

Notes

(Continued from Page 73)

ings $27.6 million; employees '87, 656; '86, 702. **Hungexpo**: Gross income '87, $4 million; billings '87, $32.9 million; employees '87, 612; '86, 643.

INDIA

Hindustan Thompson Associates non-equity affiliation with J. Walter Thompson Co. **DaCunha Associates** part of the International Federation of Advertising Agencies. **Ogilvy Benson & Mather** 40% owned by Ogilvy & Mather. **Lintas India** 40% owned by Lintas:Worldwide. **Clarion Advertising** non-equity affiliation with DMB&B. **Everest Advertising** minority owned by Saatchi & Saatchi Advertising Worldwide. **R.K. Swamy Advertising** non-equity affiliation with BBDO Worldwide. **Chaitra Advertising** non-equity affiliation with Leo Burnett Co. **Contract** non-equity affiliation with J. Walter Thompson Co. **Advertising & Sales Promotion** non-equity affiliation with N W Ayer. **Trikaya Advertising** and **Rediffusion Advertising**, affiliates of Grey and Backer Spielvogel Bates, did not report figures. Also, **Jaisons Advertising Private, Sista's Private Ltd., Shilpi Advertising, National Advertising Service** and **Apex Advertising**, all in Bombay, did not report figures.

INDONESIA

Adforce-JWT, Sulisto/BBDO and **P.T. Citra:Lintas Indonesia** are all non-equity affiliations. **Matari** non-equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. **DMB&B Perwanal** 45% owned by DMB&B. **Fortune** non-equity affiliation with Saatchi & Saatchi Advertising. **P.T. Bates Mulia Indonesia** did not report figures.

IRELAND

O'Kennedy-Brindley and **Hunter Advertising** non-equity affiliation with Saatchi & Saatchi. **McConnells, CDP Associates** and **Southern Advertising Group** gross income figures are AA estimates. **Wilson-Hartnell** part of Ogilvy & Mather. **Aubrey Fogarty Associates** did not report figures.

ITALY

Young & Rubicam includes Cato-Johnson, Burson-Marsteller. **MAC Group Italia** includes offices in Rome, Reggio Emilia, Bologna; also included in the figures: EURO/BTB, Comunicazione Strategica, Euro MAC-Ancona. **Belier Comunicazione** includes data for ATA Belier and CGSS. **Italia/BBDO** 40% owned by BBDO Worldwide. **SSC&B:Lintas** includes data for Centro Media. **P&T Co.** part of the International Federation of Advertising Agencies. **Pubbli Dan Wirz** 25% owned by agency group Wirz Holding, Zurich. **KIK Promotion** and **Pragma** majority owned by B Communications.

JAMAICA

Dunlop Corbin Advertising majority owned by Saatchi & Saatchi Advertising Worldwide. **Lindo, Foote, Cone & Belding** 15% owned by FCB.

JAPAN

Dentsu Inc.'s major Japanese subsidiaries are: DEN-EI Inc., Dentsu Printing Co. Ltd., AD Dentsu Tokyo Inc., Dentsu Kosan Co., Dentsu Cotec Ltd., Dentsu PR Center Ltd., Dentsu Research Ltd., Dentsu EYE Inc., Dentsu Institute for Human Studies, Dentsu Echo Inc., Information Services International-Dentsu Ltd., HDM/DYR K.K. Japan (Tokyo), HDM/DSH K.K. (Tokyo) and Dentsu Wunderman Direct Inc. **Hakuhodo:Lintas** 50/50 joint venture. **Nambokusha** 51% owned by Toyota Motor Corp. **Tokyu Agency International** 24% owned by DMB&B. **Meitsu/-BJK&E** 30% owned by BJK&E. **Chuo Senko Advertising** offices in Thailand, Hong Kong, Malaysia and Singapore. **I&S Corp.**, formerly Dai-Ichi Advertising, has non-equity affiliation with Ogilvy & Mather. **Asatsu** 9.5% owned by BBDO Worldwide. **Dai-Ichi Kikaku** holds 2.44% of Omnicom, New York. **DDB Needham Sanyu DIK** 40% owned by DDB Needham Worldwide. **Daiko/FCB Impact** 50/50 joint venture. **Saatchi & Saatchi Advertising** office opened in 1987. **Cove-Ito Advertising**, with fully owned offices in Thailand and Hong Kong, holds 47% equity in Cove-Ito McLarty, Toronto.

LEBANON

H&C Leo Burnett non-equity affiliation. **Enterprise Middle East**, majority owned by Leo Burnett Co. and headquartered in Athens, does business in the Middle East.

MALAYSIA

Ogilvy & Mather, AMC Saatchi & Saatchi Advertising, Leo Burnett and **Francis Lim Zulkifli & Ayer** all minority owned. **PTM Thompson** 25% owned by J. Walter Thompson Co. **McCann-Erickson Malaysia** includes data for Mutiara. **KHK Needham** 30% owned by DDB Needham Worldwide. **Ted Bates Malaysia** 49% owned by Backer Spielvogel Bates. **A.P./FCB** 30% owned by Foote, Cone & Belding. **Bozell, Jacobs, Kenyon & Eckhardt** and **Grant Advertising**, in both of which BJK&E holds minority interest, did not report gross income or billings.

MEXICO

Publicidad Ferrer formed a joint venture last year with Davis, Johnson, Mogul & Colombatto, Los Angeles. **Arellano Ted Bates** did not submit figures. **Noble y Asociados** majority owned by DMB&B. **Bozell, Jacobs, Kenyon & Eckhardt** 49% owned by BJK&E. **Dieste, Merino/BBDO** 42% owned by BBDO Worldwide. **Iconic** non-equity affiliation with Saatchi & Saatchi Advertising Worldwide.

NETHERLANDS

PMSvW/Young & Rubicam includes PMSvW, 100% owned by Y&R. Also Wunderman, Cato Johnson and Burson-Marsteller. **ARA B.V.** majority owned by BBDO Worldwide. **Result** majority owned by DMB&B. **J. Walter Thompson Co.** includes data for JWT Deltakos. **Klein & Partners** majority owned by Paris-based Belier Communications.

NEW ZEALAND

MacKay King Advertising has non-equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. **Ted Bates New Zealand** owned 40% by Backer Spielvogel Bates. **Colenso Communications, Rialto Advertising** and **Hutcheson Knowles Marinkovich** all minority owned by BBDO Worldwide. **Mainstream/FCB** 24.5% owned by Foote, Cone & Belding.

NORWAY

Ted Bates figures include offices in Bergen, Stavanger and Trondheim, also Bates Direct Marketing, B&L Creative Service and Bates/Vestfold. **Schaerven/J. Walter Thompson** non-equity affiliation. **Bj. Kverneland** gross income for both years AA estimates. **Dramsrud & Werner, Espeseth & Molkom, Lund & Lommer, Viking Reklamebyra, Oslo Reklamebyra, Pramm & Co., Forenede Annonsebyraer, Bennett Reklame, Binders, Corneliussen & Odegaard, Engelsrud Reklamebyra, Krissly & Stengraff, MK Bergen, Pran & Torgersen** and **Lunde Marketing**, only 1987 data available. Billings AA estimates.

PAKISTAN

R:Lintas non-equity affiliation. **Prestige Communications** gross income figures for both years AA estimates.

PERU

Publicistas Asociados non-equity affiliation with BBDO Worldwide.

PHILIPPINES

AdPlanners/BJK&E non-equity affiliation. **Advertising & Marketing Associates** associated with N W Ayer. Agency also is part of Alliance International. **Philippine Advertising Counselors** non-equity affiliation with BBDO Worldwide. **Basic/FCB** 40% owned by Foote, Cone & Belding. **Aspac & Grey** minority owned.

PORTUGAL

Clesa-NCK 60% owned by Foote, Cone & Belding. **Sistema** minority owned by Saatchi & Saatchi Advertising Worldwide. **Team** gross income for both years AA estimates. **Antena/-BBDO** non-equity affiliation. **Sensus** 35% owned by Bozell, Jacobs, Kenyon & Eckhardt. **Boom & Bates** 35% owned by Backer Spielvogel Bates.

PUERTO RICO

Marti, Flores, Prieto & Wachtel 22.5% owned by J. Walter Thompson. **Young & Rubicam Puerto Rico** includes Burson-Marsteller.

SAUDI ARABIA

Targets Advertising non-equity affiliation with Leo Burnett Co.

SINGAPORE

DDB Needham 49% owned by DDB Needham Worldwide. **Adcom & Grey** and **CR & Grey** are minority owned. **Tropical Alliance** office opened in '87.

SOUTH AFRICA

Grey Philips, minority owned by Grey Advertising, includes Grey Direct, Grey Communications, Grey Rakusin, Grey Action, Grey Medical, Grey Recruitment, Grey Appointments, Grey Mann and Grey Perspectives. **Ogilvy & Mather Rightford** minority owned by O&M. **Meridian** part of Ogilvy & Mather Rightford. **J. Walter Thompson Co. South Africa** 28.2% owned by JWT. **McCann-Erickson South Africa** includes G. de Villiers & Co. **Freedman & Rossi/BBDO** non-equity affiliation. **Lindsay Smithers-FCB** and **Partnership in Advertising** both 24% owned by Foote, Cone & Belding.

SOUTH KOREA

Korea First Advertising non-equity affiliations with Backer Spielvogel Bates and Hakuhodo Inc., Tokyo. **Korad** non-equity affiliation with Ogilvy & Mather. **Daehong Advertising** associated with Saatchi & Saatchi Advertising Worldwide. **LG Ad** non-equity affiliation with BBDO Worldwide. **Dong Bang Advertising** non-equity affiliation with Leo Burnett Co. **Nara Advertising** non-equity affiliation with J. Walter Thompson Co. **Diamond Advertising** non-equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. **Oricom, Union Advertising, Diamond Advertising, Samhee Advertising, Seoul Agency, Geoson** and **Handok Advertising** gross income figures for '87 are AA estimates.

SPAIN

Grupo Bates consists of Ted Bates Espana, Delvico/Bates in Madrid/Barcelona and Grupo Alas with 17 regional offices, all majority owned. **McCann-Erickson S.A. Group** includes data for McCann-Erickson Spain and McCann-Erickson Clarin Publicidad. The latter agency recorded '87 gross income of $5.96 million and '87 billings of $39.75 million. **Grupo Barro** 30% owned by Collett Dickenson Pearce, London. **SCACS Publicidad, Dos por Dos** and **Equipo Tres** '87 billings are AA estimates. **Tandem/DDB Needham** 50/50 joint venture. **Denis-Benton & Bowles** 35% owned by DMB&B. **Young & Rubicam** includes Cato-Johnson and Burson-Marsteller.

SRI LANKA

Grant BJK&E and **Minds Lanka** 40% owned by Bozell, Jacobs, Kenyon & Eckhardt. **Thompson Lanka** 24.5% owned by J. Walter Thompson Co.

SWEDEN

Ted Bates AB includes Ted Bates City and September. **Young & Rubicam AB** includes Wunderman, Cato-Johnson and Burson-Marsteller. **Blanking** non-equity affiliation with Saatchi & Saatchi Advertising Worldwide. **Ogilvy & Mather AB** office opened February '87. **DFS Pihlstrom** 49% owned by Dorland Advertising, London. **NPP Reklambyra** gross income figures for both years are AA estimates. **Hans Brindfors, KREAB Gruppen, Hall & Cederquist, Stig Arbman, Konsultgruppen, Invent Management, Ronnberg & Co., Carlison & Broman, Reklamkonsultation** and **Reklambyran Thor** billing figures for both years are AA estimates. **Invent Management** includes Ervaco, Broberg/-Eklind, Landia, Result, Final Art and BOF. **BBI AB** is the result of a merger of Anderson & Lembke and Multicomgruppen. **Skjoldebrand & Sjogren** non-equity affiliation with Leo Burnett Co.

SWITZERLAND

Advico non-equity affiliation with Backer Spielvogel Bates. **Young & Rubicam AG** includes Burson-Marsteller. **Aebi, Suter, Gisler & Partner/-BBDO** 35% owned by BBDO Worldwide. **Kloeti Advertising** minority owned by Saatchi & Saatchi Advertising Worldwide. **Kern & Kern** began operation in '87. Gross income is AA estimate. **Heinz Heimann** 5% owned by Belier Communications, Paris. **BEP** majority owned by Publicis International.

TAIWAN

Regal International gross income figures for both years are AA estimates. **Eastern Advertising** non-equity affiliation with Tokyu Agency International, Tokyo. **United McCann-Erickson** '86 figures are for United Communications before McCann took over the agency. **DDB Needham** 50/50 joint venture. Office opened in '87. **Stentor/BBDO** 30% owned by BBDO Worldwide. **Target Advertising**, formerly affiliated with Saatchi & Saatchi, is now locally owned.

THAILAND

Prakit & FCB 30% owned by Foote, Cone & Belding. **Synergie Communications** non-equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. **Thai Image** 20% owned by BBDO Worldwide. **D'Arcy Masius Benton & Bowles**, formerly Paterson & Partners, 30% owned by DMB&B. **Dietheim Advertising** non-equity affiliation with Leo Burnett Co. **DDB Needham** holds 20% equity in Far East Advertising Co., which is included in '87 figures. '86 figures are for DDB Needham only.

TRINIDAD

Corbin Advertising non-equity affiliation with Saatchi & Saatchi Advertising Worldwide. **Hernandez/FCB** 49% owned by Foote, Cone & Belding. **Kenyon & Eckhardt/Caribbean Advertising** 26% owned by Bozell, Jacobs, Kenyon & Eckhardt.

TURKEY

Guzel Sanatlar non-equity affiliation with Saatchi & Saatchi Advertising Worldwide. **Manajans/Thompson** 25% owned by J. Walter Thompson Co. **Cenajans** non-equity affiliation with Grey Advertising. **Grafika:Lintas** 49% owned by Lintas:Worldwide. Gross income and billings figures for '86 are for Grafika-Maya only, the former name of the agency. **Moran Ogilvy & Mather** 40% owned by O&M. **Yaratim/FCB** 30% owned by Foote, Cone & Belding. **Birikim** opened Nov. '86. Gross income figure for '87 are AA estimates.

URUGUAY

Corporacion/Thompson, formerly Corporacion Publicitaria, has non-equity affiliation with J. Walter Thompson Co. **Impetu Organizacion Publicitaria** non-equity affiliation with BBDO Worldwide. **Grey Uruguay** minority owned by Grey.

VENEZUELA

Corpa 19.9% owned by Ogilvy & Mather. **Ghersy/Quintero & Ted Bates** minority owned by Backer Spielvogel Bates. **Vapro Publicidad** non-equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. **Young & Rubicam Caracas** 19.9% owned by Y&R.

ZIMBABWE

Barker McCormac, non-equity affiliation with Saatchi & Saatchi Advertising Worldwide. **Michael Hogg/Young & Rubicam**, minority owned by Y&R.#

Top 10 agency holding cos.

Rank	Agency	Gross Income	Billings
1.	Saatchi & Saatchi PLC	$1.68 bill.	$11.36 bill.
2.	Interpublic Group of Cos.	992.9	6.62 bill.
3.	Omnicom Group	895.5	6.27 bill.
4.	WPP Group PLC	892.5	5.95 bill.
5.	Ogilvy Group	723.9	5.04 bill.
6.	Eurocom	420.1	2.76 bill.
7.	WCRS/Belier Group	230.2	1.63 bill.
8.	Lowe Howard-Spink & Bell PLC	183.8	1.27 bill.
9.	Alliance International	83.6	557.1
10.	Mojo MDA Group	52.5	348.0

NOTES: Dollars are in millions unless otherwise noted.

Included in agency figures are income and revenues from the following subsidiaries and affiliates:

[1] Saatchi & Saatchi PLC includes: Saatchi & Saatchi Advertising Worldwide, Backer Spielvogel Bates Worldwide, Dorland Advertising, Saatchi Direct, Kobs & Draft/-Bates Direct, McCaffrey & McCall, AC&R/DHB&Bess, Campbell-Mithun, William Esty Co., Rumrill-Hoyt, Klemtner, Conill, Cochrane Chase, Livingston & Co., KHBB and Hall/Harrison Cowley.

[2] Interpublic Group of Companies includes: Dailey & Associates, Lintas:Worldwide, Lowe Marschalk (70% owned by Interpublic, 30% by Lowe Howard-Spink & Bell, London), McCann-Erickson Worldwide.

[3] Omnicom Group includes: BBDO Worldwide, DDB Needham Worldwide and Diversified Agency Services.

[4] WPP Group PLC includes: J. Walter Thompson Co., Lord, Geller, Federico & Einstein, Hill & Knowlton, MRB Group.

[5] Ogilvy Group includes: Ogilvy & Mather Worldwide, Scali, McCabe, Sloves Group, Independent Associate Agencies (including Cole & Weber), Research International, SAGE Worldwide.

[6] Eurocom includes: 33 1/3% of HDM, 51% of WCRS/Belier, Polaris (merged in '88 with Synergie/BJK&E), GBSA, Univas France, Tonic/ECOM (Italy), Groupe Bernard Julhiet, Eldorado, Colorado, Havas Contact, O.P. (France), Eurofi, Furs Loisirs, Innocom, Image & Enterprises, Groupe Omnium, O.P.F. and offices in Italy, Belgium, Holland and Switzerland.

[7] WCRS/Belier Group includes: WCRS Mathews Marcantonio, FCO, the Ball Partnership, Della Femina, Travisano & Partners, HBM/Creamer, Heller Breene, R.A. Becker, Creamer Dickson Basford, Cohn & Wells and 49% of Belier, France.

[8] Lowe Howard-Spink & Bell PLC includes: Lowe International with offices in Australia, Austria, Belgium, Canada, France, Germany, Italy, Netherlands, U.K. and 30% of Lowe Marschalk in the U.S., Allen Brady & Marsh, Laurence Charles Free & Lawson and Lowe Bell Communications.

[9] Alliance International includes: offices in Belgium, France, Ireland, Italy, Netherlands, Portugal, Singapore, Spain, U.K. and the U.S.

[10] Mojo MDA Group includes: Melbourne, Sydney, Brisbane, Perth, Mattingly, MDAM Services, Courtney Searle Mattingly, MDA Recruitment, Chandler Hambleton Delbridge & Otton, Foster Nunn Loveder, Regent MDA Tasmania, William Roberts, Joint Venture, Mojo Hong Kong, Mojo Singapore, Mojo U.S., Mojo London and Mojo Auckland.

Compiled by Ilse Cermak

Chi-town bound

Bowen move portends JWT changes

By GARY LEVIN

NEW YORK—Stephen Bowen Jr.'s relocation to J. Walter Thompson USA's Chicago office is the first of several personnel changes expected at the WPP Group unit. But JWT USA Chairman-CEO James Patterson said he's in a hiring, not a firing, frame of mind.

Mr. Bowen, the 44-year-old president of JWT USA, will move to Chicago, as expected, while keeping his current title (AA, May 2).

Mr. Patterson, the JWT USA chairman who added the ceo title last month, said he'll make unspecified changes—but no major upheavals—in responsibilities of other top JWT staffers. He doesn't expect to make any such changes until next month, at the earliest.

"There will be [changes] as we see ways we can strengthen the operation," Mr. Patterson said. "Moving assignments around a little bit is a possibility, and I'm always open to the possibility to bring in people from outside where they can make a contribution."

Among those executives who could get additional assignments are Donald Sullivan, former exec VP-general manager of JWT's Chicago office, whose current duties as vice chairman include new business; and James Heekin, exec VP-general manager in New York.

S. Bowen

But Mr. Patterson said he's "not interested in deleting" positions.

Mr. Bowen earlier denied any plans to relocate from New York, saying he merely was spending more time than usual in Chicago to hire senior account management staffers. He didn't return phone calls last week seeking comment on his planned move.

"On an overall level, we feel that Steve's move . . . will help us to serve our clients better, because we do have an awful lot of important clients, including multinational companies, who aren't in New York," Mr. Patterson said.

As Chicago-based president of the U.S. agency, Mr. Bowen won't take up the duties of Alan Webb, exec VP-general manager of JWT's Chicago office. Mr. Bowen will become the most senior JWT executive there and is expected to spend more time planning strategy with clients.

Mr. Patterson said Mr. Bowen didn't resist the move, despite rumors—later denied—that the executive would resign rather than be forcibly relocated. "It's always tough to uproot, but that was the extent of it," Mr. Patterson said. "Steve's enough of a team player to do it."

He said the Chicago office has undergone turmoil due to several major account losses and the presence of three general managers in as many years. But he said none of JWT Chicago's clients—which include Kraft, Miller Brewing Co. and Quaker Oats Co.—requested Mr. Bowen's move there.#

Agency profits post big gains for quarter

By GARY LEVIN

NEW YORK—Several publicly held ad agencies reported healthy gains in first-quarter earnings, prompted partly by the continued growth of international revenues.

Earnings reports differed little from analysts' estimates, but encouraging signs of improvement surfaced domestically after what many termed a disappointing 1987.

Although the first quarter is traditionally the weakest of the year for agencies, indications of a banner year haven't surfaced even though domestic agency revenues are up.

"I don't really see any big sign that Olympics and election year have had a significant effect," said James Dougherty, analyst at County Securities. "And I don't think it's going to if we haven't seen it by now."

Among earnings results reported last week, Omnicom Group posted net income of $7.6 million, a 21% gain over the same period a year ago.

It had commission and fee revenues of $205 million for the three months ended March 31, a 16% gain. Domestic revenues were up 13%, but international revenues jumped 22%, which the company attributed to favorable currency exchange rates and 1987 acquisitions.

Ogilvy Group's net income rose 143.7% to $3.5 million, reflecting a "weak" 1987 rather than an extraordinary 1988 thus far.

Its revenues climbed 17.6% in the first quarter to $190 million. Again, foreign growth of 16.7% outpaced domestic gains of 9.3%.

Ogilvy & Mather Worldwide's revenues were up 16.4% to $137.3 million, while those at Scali, McCabe, Sloves grew 22.9% to $22 million.

At Grey Advertising, net income rose 41% to $2 million, on commission and fee revenues of $79.6 million, a 21.5% gain. Grey cautioned that the first quarter's rate of gain "far exceeds what we anticipate for the entire year."

Interpublic Group of Cos. posted net income of $6.7 million, a 21.4% gain, on revenues of $242.8 million, up 19.9% (AA, May 2). Earnings increases were attributed to strong international operations, while both U.S. and foreign revenue growth were strong, the company said.

International gains have come from "reasonably strong" overseas economies and the continued, gradual deregulation of European broadcasting industries, which have created more advertising opportunities, Mr. Dougherty said. Currency rates, while still a factor, are less significant than in 1987, he added.

Foote, Cone & Belding Communications, Chicago, will release its first-quarter earnings early this week. Six-month results from Saatchi & Saatchi Co., London, are expected later this month.#

JWT rep

(Continued from Page 3)

fell to third for the first time in marketing, tied with Leo Burnett Co. and Ketchum Advertising. O&M was first (named by 3.3% of the respondents) and Bozell, Jacobs, Kenyon & Eckhardt second (2.7%).

JWT has posted similar dips in other attributes. In research, for example, its average score through the second quarter of last year was 7.1%, but its average score in the two subsequent surveys was 4.6%.

The agency's recent scores are also lower than its earlier scores in the four other attributes measured: account execs, creativity, media and top management.

Agency Watch is conducted for AD AGE by SRI Research Center. The research company questions by telephone a random sample of 300 ad directors of companies based in the 20 largest markets and having annual revenue of at least $25 million.

Though more people are questioned in the bigger markets like New York than in smaller markets, Agency Watch is designed as more of a national "grass-roots" survey than one focusing on the biggest advertisers in the biggest markets.

The survey has a maximum sampling error of 5.7 percentage points.

JWT and O&M have ranked either first or second in best-agency polling since Agency Watch began in 1984. O&M was again second in the latest poll, but with its lowest score yet, 5.3%. Burnett was third, named by 4.7% of the respondents.

By market, JWT was strongest in Los Angeles (named best agency by 22% of respondents there) and Atlanta (18%). Young & Rubicam topped the polling in New York, with a score of 13%, vs. 10% each for JWT and O&M.

Burnett was tops in its home city of Chicago (13%) and Minneapolis-St. Paul (12%). BJK&E was named best most often in Dallas-Fort Worth (15%), while Foote, Cone & Belding Communications received the most mentions in San Francisco (20%).

The increased disaffection and uncertainty seen among clients in the third quarter of 1987 also shows up in the latest survey. Only 59%—an Agency Watch low—agreed that ad agencies keep the client first in their day-to-day operations, while 32% disagreed. In the third quarter last year, 67% agreed and 28% disagreed.

As in the third quarter last year, an unusually high number (41%) of ad directors said they didn't know which agency was the most creative or had the best account execs (48%).

For the fourth straight survey period, Hal Riney & Partners was the hottest agency. It was named that by 5% of ad directors in the first quarter. Chiat/Day was second with 4.2%.#

For further information, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68510. Phone: (402) 489-9000.

For the Record

NEW YORK STATE LOTTERY named D'Arcy Masius Benton & Bowles, DDB Needham Worldwide and incumbent McCaffrey & McCall, all New York, as finalists for its $17 million account.

INTERNATIONAL ADVERTISING ASSOCIATION and ADVERTISING AGE chose Alison Farmery, sales executive at French Publishing Group, London, and David Kinsella, assistant marketing manager, Australian National Maritime Museum, Sydney, as winners of the IAA/AD AGE essay contest, themed "Advertising: The next 50 years," Mrs. G.D. Crain Jr. announced last week. Also, Helmut Sihler, president-ceo of Henkel KGaA, Duesseldorf, was given the IAA Award for "distinguished services in the field of international advertising and marketing," while the IAA's Lebanon chapter won the Golden Tulip Award for greatest contribution to the IAA in the past year.

PEOPLE METERS' DEBUT in Canada has been delayed and possibly canceled. The joint venture between A.C. Nielsen Co. of Canada and a group of advertisers, agencies and broadcasters failed to raise the broadcasters' 66% share of the $5.7 million needed by April 30. The Canadian Broadcasting Corp. had signed up for the service.

KRAFT is selling its Duracell unit for $1.8 million in cash to Duracell Holdings, a new, privately owned company formed by Duracell management and Kohlberg Kravis Roberts. Ogilvy & Mather, New York, handles.

AN AUSTRIAN POLITICAL GROUP is using a magazine campaign to try to gain support to force the resignation of President Kurt Waldheim. The Republican Club New Austria placed five ads in February and March in the newsweekly *PROFIL*. More ads are planned for June. The ads were created by *PROFIL's* designers. At issue is President Waldheim's role in Nazi war crimes.

MAGAZINE AD REVENUES for March totaled $483.6 million, up 3.6% from one year earlier, the Publishers Information Bureau reported. Ad pages for the month rose 1.4% to 14,407. For the first quarter, revenues hit a record $1.3 billion, up 11.3%, while ad pages increased 4%.

RJR NABISCO will delay test-marketing of its "smokeless" cigarette until the last quarter of 1988, the company said at its annual meeting in Atlanta last week. The company said the delay is unrelated to anti-smoking groups' request that the Food & Drug Administration regulate the new cigarette as a drug. Young & Rubicam, New York, handles.

XEROX CORP. last week announced plans to sell its first major consumer product, a personal copier. The company declined to discuss ad plans. Backer Spielvogel Bates, New York, handles its copier products.

UNITED AIRLINES will ban smoking on all its flights of 1,000 miles or less. United doesn't plan to advertise the change. Leo Burnett USA, Chicago, is agency of record.

RETAIL SALES took a turn for the worse in April after a relatively healthy March Easter buying season. Sears Merchandise Group was among the few gainers, reporting sales of $2.3 billion for the four weeks ended April 30, up 4.8% from the same time a year ago. K Mart Corp. was up 2.5% to $2 billion. On the down side, J.C. Penney Co. reported a drop of 0.4% to $933 million; May Department Stores Co., down 4.4% to $724.7 million; and F.W. Woolworth Co., down 1.1% to $547 million.

PEPSICO will be the first paid Western advertiser on Moscow's Channel 1. One 60-second TV spot will appear each night during the broadcast of the five-part series, "Pozner in America," which starts on May 18. BBDO Worldwide, New York, handles. Separately, **McDonald's Restaurants of Canada** signed an agreement to open 20 restaurants in Moscow in 1989. No advertising is planned.

3M ADVERTISING SERVICES GROUP, St. Paul, Minn., bought the Pattis Group, Chicago, the world's largest advertising sales company in magazine publishing.

AMOCO CORP. today breaks two TV commercials in spot markets for Amoco Silver Lead-Free gasoline, featuring the Lone Ranger. Actor Clayton Moore appears in opening and closing sequences. D'Arcy Masius Benton & Bowles, Chicago, handles.

CHRYSLER MOTORS last week broke a national, 30-second TV spot introducing the compact Medallion under the Eagle nameplate. William Esty Co., Southfield, Mich., handles. Separately, a majority of Chrysler's Dodge dealer ad groups nationwide are airing nine TV spots that parody music and themes of competitors' commercials. BBDO Worldwide handles.

COCA-COLA CO. signed a letter of intent with Allied Breweries Nederland BV and Bottello BV, both Amsterdam, to form a joint venture called Nederlandese Coca-Cola Bottelmaatschappij to produce and distribute soft drinks in the Netherlands.

NEW CAMPAIGNS: **Rax Restaurants** this week begins a spot TV campaign for new sandwich and salad additions to its lunch and dinner bars. Smith Burke & Azzam, Baltimore, handles. . . . **S.C. Johnson & Son** last week broke its first campaign for 9-1-1, a line of five first-aid sprays and creams in test in Los Angeles. Grant/Jacoby, Chicago, handles. . . . **North American Watch Corp.** last week began a spot TV campaign for its Concord watch line in five markets. Ogilvy & Mather, New York, handles.

ACCOUNT ACTIVITY: **Softsoap Enterprises**, Chaska, Minn., named Lacey LaMaster Nelson Farmer, Minneapolis, and Miller Meester Advertising, Bloomington, Minn., as finalists for a $1 million-plus project assignment. . . . **National Consumer Information Services**, San Francisco, to **Kirshenbaum & Bond**, New York, as first agency for its $2.5 million information-by-phone account. Also to Kirshenbaum: **Penta Hotels North America**, from James Parry Inc., for its $1 million account. . . . **Hertz Corp.**, Park Ridge, N.J., to **HDM**, New York, from Young & Rubicam for its $2 million-plus car sales account. . . . **Silver International**, New York, to **Margeotes/Fertitta & Weiss** as first agency for its $1 million account.

WORTH NOTING: **People** will publish a special issue May 16 on Princess Diana, with a single sponsor, Noxell Corp. Noxell's agency is Lintas:New York. . . . **Marriott Corp.** this month begins testing Allie's, a family-style restaurant. Earle Palmer Brown Cos., Bethesda, Md., handles.

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NEWSPAPER

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Probing the brain of Dick Lord.
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Those hip days of yore: 1968.
—Page 54

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Photo by James [illegible]

Brainstorm on Saturn

Thomas Shaver (l.), director of marketing services for Saturn Corp., and Bruce MacDonald, VP-director of corporate communications, arrive at Hal Riney & Partners, San Francisco, for a three-hour presentation of strategic positioning for Saturn's import-fighting car. The agency offered a breakfast of smoked salmon, eggs Florentine and fresh fruit, followed by a brainstorming session. Riney is a finalist in the $80 million account review, along with N W Ayer, New York, and Hill, Holliday, Connors, Cosmopulos, Boston. A decision is expected later this month *(see related story on Page 91).*

'Willow' stirs promo frenzy

Marketers rush film tie-ins

By KATE FITZGERALD and JULIE LIESSE ERICKSON

More than $50 million in marketing tie-ins is riding on George Lucas' new fantasy film "Willow," which opens May 20.

Quaker Oats Co. alone committed $26 million in promotional programs for "Willow," a film about a race of little people, directed by Ron Howard.

Quaker and other marketers, including General Foods, Hunt-Wesson, Kraft, Wendy's International, Tonka toys, Parker Bros. and Random House, are betting "Willow" will approach the success of Mr. Lucas' "Star Wars" and "Raiders of the Lost Ark" instead of duplicating the failure of "Howard the Duck."

Distributor MGM/UA Communications Co.'s media advertising budget for the film is expected to exceed $6 million, handled by Wells, Rich, Greene, Los Angeles. Lucasfilm Ltd. is promising the licensees $20 million in advertising and promotional support from its own in-house operation.

Among the marketing tie-ins, starting as early as next week:

- Quaker is staking most of its summer promotional clout on the magic of "Willow." Its multibrand promotion isn't only unusually large for Quaker but also unusual in its corporate theme.

Although the biggest media budget ties "Willow" into children's cereals such as Cap'n Crunch and Oh!s, Quaker is extending the promotion to adult brands, including Aunt Jemima pancake mix, Rice-A-Roni side dishes and Quaker 100% Natural cereal.

Quaker kicks off the summertime promotion with a June 12 free standing insert including coupons for free milk and a "Willow" spoon-and-dish premium.

A second FSI, on July 10, will offer $6 in coupons plus other "Willow" premiums for

(Continued on Page 91)

Last Minute News

McSpadden leaving Saatchi

New York—Saatchi & Saatchi DFS President-Chief Operating Officer Peter McSpadden is expected to leave the agency in the next few months. A reorganization is likely, with some of Mr. McSpadden's duties going to Gary Susnajara and Edward Wax, Saatchi & Saatchi DFS Compton chairman/co-ceo and president/co-ceo, respectively. Saatchi executives couldn't be reached for comment.

Sears tries out new slogan

Chicago—Sears is testing "Your money's worth and a whole lot more" as a possible replacement for its 5-year-old ad slogan, "There's more for your life at Sears," *Crain's Chicago Business* reports. Ogilvy & Mather is Sears' national agency.

Pepsi Apparel in trouble

New York—VF Corp. is considering terminating its license to market Pepsi Apparel because of disappointing sales. VF split with BBDO Worldwide, the Pepsi Apparel agency, late last year and hasn't named a successor. Observers say the brand lacks fashion appeal and that the heyday of licensing products as personalities, at least for clothes, may be over.

Long John pulls media from FCB

Lexington, Ky.—Jerrico has pulled the $30 million broadcast media-buying assignment for its Long John Silver's Seafood Shoppes from Foote, Cone & Belding,

(Continued on Page 8)

Chris Whittle: media baron for the 1990s

By PATRICK REILLY

Knoxville, Tenn.—Christopher Whittle has a flair for innovative publishing that causes nightmares for New York magazine moguls, and it's only going to get worse.

That's because the 41-year-old Mr. Whittle aspires to be his generation's dominant publisher, and he's more than a little ways there.

Whittle Communications could be the most active magazine publishing company going. It has about 40 media properties up and running, including magazines, newsletters, videos, wall media (magazines in poster format) and even a syndicated radio program.

It launched 13 properties in 1987 and four so far in 1988. And there are close to 20 development teams working on properties, most of which are set to make their debut in the next 18 months.

"No one today is as successful at launching magazines as we are," Mr. Whittle said. "The mass media no longer deliver the impact or the audience reach for their advertisers the way they once did. With new approaches and new technologies, we found ways to directly target audiences."

Mr. Whittle also has found top-flight talent to help him get

(Continued on Page 90)

WHITTLE COMMUNICATIONS
KNOXVILLE, TENNESSEE

Photo by Jack Rose

Chris Whittle, with plans for his new corporate digs.

Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
Danis-Benton & Bowles	Barcelona/Madrid	MJ	8,570	63.3	59,737	63.6	115	104
Saatchi & Saatchi/RCP	Madrid/Barcelona	MJ	8,358	24.3	53,972	16.3	81	60
CID Publicidad	Madrid	NA	7,737	28.0	51,607	29.0	83	96
Contrapunto SA	Madrid	NA	7,659	143.8	51,058	143.8	74	50
Bassat Ogilvy & Mather	Barcelona/Madrid	MJ	7,633	40.0	50,912	40.0	112	103
Arge	Madrid	NA	6,873	42.2	41,474	46.2	65	60
Young & Rubicam Espana	Madrid	MJ	6,488	63.2	43,277	63.2	104	94
MMLB SA	Barcelona	NA	4,792	20.4	34,562	30.3	NA	34
Grupo Barro	Madrid	MN	4,650	44.8	25,136	44.0	45	31
Ricardo Perez Asociados	Madrid	NA	4,360	45.2	29,064	43.6	27	23
FCB/Spain	Madrid	MJ	4,320	27.1	28,816	27.1	64	63
Leo Burnett SA	Madrid	MJ	4,030	20.6	26,869	20.6	53	51
B.C.K.Alliance	Barcelona/Madrid	MJ	4,014	36.9	26,707	36.7	NA	NA
SCACS Publicidad	Barcelona	NA	2,671	64.9	14,508	65.0	24	23
Equipo 3	Madrid	MJ	2,474	136.3	18,145	136.3	23	16
Slogan SA	Barcelona	NA	2,435	63.8	15,828	62.0	34	32
Grey Barcelona	Barcelona	MJ	2,396	56.7	15,977	56.8	32	26
Ogilvy & Mather Direct	Barcelona	MJ	2,349	87.9	15,658	87.9	40	23
Dos por Dos	Madrid	NA	2,254	89.6	17,202	89.6	28	24
Grey Espana	Madrid	MJ	2,122	31.0	14,147	31.0	35	34
Publicis	Madrid/Barcelona	MJ	1,811	3.6	8,483	(33.1)	27	29
MMLB/Opcion	Madrid	NA	1,681	NA	11,311	NA	14	NA
TBWA Espana	Madrid/Barcelona	MJ	1,453	27.9	9,819	28.5	20	18
RSCG y Asociados	Madrid	MJ	1,398	43.1	10,329	60.2	18	19
GGK	Madrid/Barcelona	MJ	1,282	25.2	8,669	23.9	29	27
BJK&E de Espana	Madrid	MJ	376	168.0	1,966	87.2	8	8
SRI LANKA			***Exchange rates: 0.035000/0.038400 rupee***					
Grant, BJK&E	Colombo	MN	882	9.8	2,450	16.0	111	86
Thompson Lanka	Colombo	MN	430	(20.1)	2,865	(20.1)	84	75
Minds Lanka	Colombo	MN	81	4.8	350	1.3	27	24
SWEDEN			***Exchange rates: 0.154000/0.138100 kroner***					
Hans Brindfors	Stockholm	NA	13,874	56.8	92,097	56.7	116	80
KREAB Gruppen	Stockholm	NA	12,767	40.7	85,115	40.6	163	140
Ted Bates AB	Stockholm	MJ	11,336	19.2	80,895	14.0	143	142
Invent Management	Stockholm	NA	11,103	NA	74,026	NA	149	NA
Grey Svenska	Stockholm	MJ	11,023	27.2	73,523	27.2	142	146
ScanPartner Sverige	Gothenburg	NA	10,040	26.2	43,245	33.4	140	151
Young & Rubicam	Stockholm	MJ	6,810	27.0	45,446	27.0	87	83
Konsultgruppen	Stockholm	NA	6,514	(7.5)	43,430	(7.6)	122	145
Hall & Cederquist	Stockholm	NA	5,898	47.3	39,323	47.2	56	56
McCann-Erickson Sweden	Stockholm	MJ	5,757	23.7	38,400	23.7	74	71
Svenska Intermarco-Farner	Stockholm	MJ	5,497	29.2	36,667	29.2	73	61
BBI AB	Stockholm	NA	5,082	23.8	NA	NA	67	NA
Falk & Pihl/DDB Needham	Stockholm	MJ	4,004	NA	14,630	NA	23	NA
HLR/BBDO	Stockholm	MJ	3,734	17.7	24,858	13.4	40	40
Ronnberg & Co.	Stockholm	NA	3,650	90.7	24,333	90.7	16	NA
Reklamkonsultation	Gothenburg	NA	3,634	23.6	24,231	23.6	54	NA
Lintas:Sweden	Stockholm	MJ	3,496	21.6	23,320	39.3	47	43
Blanking	Malmo	NE	3,494	15.0	24,775	15.0	40	55
Blomquist	Stockholm	NA	3,291	48.0	22,266	16.2	40	40
D'Arcy Masius Benton & Bowles	Stockholm	MJ	2,656	19.1	28,228	12.4	41	40
Carlsson & Broman	Stockholm	NA	2,618	26.0	17,454	26.0	27	NA
Skjoldebrand & Sjogren	Stockholm	NE	2,596	17.5	13,182	26.8	28	23
Welinder AB	Stockholm	NA	2,310	33.8	16,940	29.8	23	23
Stig Arbman	Stockholm	NA	2,248	(25.7)	14,990	(25.7)	44	46
Ogilvy & Mather AB	Stockholm	MJ	2,158	NA	14,396	NA	31	NA
Ehrenstrahle/BBDO Business Comm.	Stockholm	MJ	1,977	NA	13,192	NA	NA	NA
J. Walter Thompson Co. AB	Stockholm	MJ	1,957	11.3	13,051	11.3	19	26
FCB/Sweden	Stockholm	MJ	1,911	16.0	12,743	16.0	31	30
Stromgren & Malmros Alliance	Stockholm	MJ	1,620	40.0	10,800	39.9	NA	NA
RSCG Hawi	Stockholm	MJ	1,109	33.8	7,207	33.8	14	12
DFS Pihlstrom AB	Stockholm	MN	976	6.1	1,488	(16.4)	13	13
Reklambyran Thor	Stockholm	NA	493	37.2	3,307	38.1	7	5
NPP Reklamebyra	Oerebro	NA	251	(10.5)	1,677	(10.5)	15	12
SWITZERLAND			***Exchange rates: 0.648600/0.537100 franc***					
Aebi, Suter, Gisler & Partner/BBDO	Zurich	MN	11,892	25.1	79,319	25.1	122	127
GGK	Basel/Zurich	MJ	8,999	42.2	60,002	39.1	84	81
Adolf Wirz Inc.	Zurich	MJ	8,706	43.7	58,070	43.7	80	74
Advico AG	Zurich	NE	7,919	32.5	52,822	32.5	66	64
McCann-Erickson Switzerland	Geneva/Zurich	MJ	7,326	27.8	48,864	27.8	60	60
Young & Rubicam	Zurich	MJ	7,178	29.6	47,940	29.6	71	69
HDM Switzerland	Zurich/Geneva	MJ	7,005	36.4	46,699	36.3	68	70
Farner Publicis	Zurich	MJ	6,000	50.8	40,019	50.8	65	62
Lintas:Switzerland	Zurich	MJ	5,520	36.7	36,816	35.7	51	51
Leo Burnett Group	Zurich/Lausanne	MJ	4,960	23.4	33,068	23.4	52	46

NOTES: All currency is given as U.S. dollars in thousands. Exchange rates are given for 1987 and 1986, respectively.

Agency	City	Ownership	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
DDB Needham	Zurich	MJ	4,670	21.1	33,079	28.7	49	NA
Ogilvy & Mather	Zurich	MJ	3,888	16.4	25,944	16.5	46	44
Kloeti Advertising	Zurich	MN	3,600	15.0	24,398	15.0	32	32
J. Walter Thompson AG	Zurich	MJ	3,403	33.6	22,683	33.5	28	30
Heinz Heimann	Vesenaz/Geneva	MN	3,016	5.9	20,116	5.9	35	46
TBWA	Zurich	MJ	2,594	17.6	17,350	17.8	30	22
Saatchi & Saatchi International	Geneva	MJ	2,114	NA	14,096	NA	NA	NA
BEP	Lausanne	MJ	2,017	23.9	13,458	24.0	21	23
Cash RSCG	Zurich	MJ	1,900	35.0	14,269	43.6	20	19
Zogg, Kettiger, Gasser	Zurich	NA	1,719	33.3	10,378	20.8	17	17
Grey Switzerland	Geneva	MN	1,629	22.9	10,867	22.8	20	19
D'Arcy Masius Benton & Bowles	Zurich	MJ	967	47.9	6,450	48.0	10	17
Kern & Kern	Zurich	NA	243	NA	1,622	NA	6	NA
Rogivue Consulting	Seelisberg	NA	128	29.9	346	24.6	1	1
TAIWAN			***Exchange rates: 0.030400/0.024700 Taiwan dollar***					
United Advertising Co.	Taipei	NA	5,670	55.2	33,849	56.8	187	158
Ogilvy & Mather (Taiwan)	Taipei	MJ	2,991	63.7	19,622	70.2	129	117
United McCann-Erickson	Taipei	MJ	2,555	107.6	17,042	34.3	107	80
DIK-Ocean	Taipei	MN	2,512	81.5	16,748	81.5	75	NA
Regal International	Taipei	NE	2,280	28.2	15,200	28.2	90	80
Hwa Wei & Grey	Taipei	MN	2,074	86.6	13,632	120.7	62	62
Saatchi & Saatchi Gaynor	Taipei	MJ	1,963	NA	13,092	NA	75	NA
Eastern Advertising	Taipei	NA	1,845	38.0	11,917	47.1	84	82
China Commercial Advertising	Taipei	NA	1,806	33.9	13,376	38.9	82	75
International Advertising	Taipei	NA	1,664	52.3	11,096	52.3	67	62
Leo Burnett Inc.	Taipei	MJ	1,369	98.2	9,129	98.2	72	53
Lintas:Taiwan	Taipei	MJ	1,129	346.6	7,534	376.6	40	23
Target Advertising	Taipei	NE	1,003	35.4	6,384	41.2	48	36
DDB Needham	Taipei	JV	661	NA	4,043	NA	34	NA
Stentor/BBDO	Taipei	MN	365	40.7	2,433	31.3	NA	55
THAILAND			***Exchange rates: 0.042800/0.045300 baht***					
SSC&B:Lintas Thailand	Bangkok	MJ	6,030	12	40,222	5.5	181	159
Ogilvy & Mather	Bangkok	MJ	3,444	4.2	23,689	12.0	137	135
DDB Needham	Bangkok	MN	2,232	319.6	10,995	209.9	30	33
Diethelm Advertising	Bangkok	NE	2,161	20.8	11,984	23.0	115	106
Far East Advertising	Bangkok	MN	2,109	17.8	14,065	17.8	145	136
McCann-Erickson (Thailand)	Bangkok	MJ	1,953	9.1	13,024	9.1	83	90
Prakit/FCB	Bangkok	MN	1,458	53.3	9,728	53.4	123	91
J. Walter Thompson Co.	Bangkok	MJ	1,428	18.7	8,098	18.7	60	48
Amex & Grey Advertising	Bangkok	MN	945	45.2	6,301	45.1	56	56
Chuo Senko Advertising	Bangkok	NA	917	NA	4,422	NA	NA	NA
HDM-DYR Thailand	Bangkok	NA	901	88.2	NA	NA	59	34
Ball Partnership	Bangkok	MJ	629	6.1	4,195	(9.8)	32	NA
D'Arcy Masius Benton & Bowles	Bangkok	MN	342	NA	2,283	NA	63	NA
Ogilvy & Mather Direct	Bangkok	MJ	283	119.6	1,887	119.6	12	10
Saatchi & Saatchi Advertising	Bangkok	MJ	261	NA	1,626	NA	43	NA
Synergie Communications	Bangkok	NE	116	148.9	4,055	61.7	42	36
Thai Image Advertising	Bangkok	MN	105	16.7	698	16.3	NA	NA
TRINIDAD			***Exchange rates: 0.250000/0.284300 Trinidad dollar***					
McCann-Erickson (Trinidad)	Port of Spain	MJ	1,926	(14.9)	12,845	(14.9)	68	69
Lonsdale Advertising	Port of Spain	NA	757	1.3	5,047	11.0	42	36
Corbin Advertising	Port of Spain	MJ	661	15.0	3,314	15.0	28	33
Hernandez/FCB	Port of Spain	MN	345	(34.3)	2,303	(34.3)	28	28
Kenyon & Eckhardt/Caribbean	Port of Spain	MN	295	(3.1)	1,334	(8.0)	21	22
TURKEY			***Exchange rates: 0.001234/0.001500 lira***					
Guzel Sanatlar	Istanbul	NE	4,136	139.8	27,580	54.9	73	73
Manajans/Thompson	Istanbul	MN	3,136	(3.0)	15,567	10.7	136	124
McCann-Erickson Pars AS	Istanbul	MJ	2,434	23.1	16,236	23.1	85	88
Ajans Ada	Istanbul	NA	2,346	32.5	14,223	52.7	88	90
Cenajans	Istanbul	NE	2,169	7.1	17,640	28.2	85	85
Moran Ogilvy & Mather	Istanbul	MN	2,158	35.7	12,931	40.6	54	59
Grafika:Lintas	Istanbul	MN	1,641	43.0	10,947	37.7	65	57
Merkez Ajans Reklam	Istanbul	NA	859	27.3	4,556	31.4	50	38
Rota Advertising	Istanbul	NA	793	50.7	5,101	35.7	38	41
Reklamevi	Istanbul	NA	750	4.4	5,167	34.0	42	30
Fulmar Advertising	Istanbul	NA	710	31.4	3,085	(4.3)	26	26
Yaratim/FCB	Istanbul	MN	707	42.8	4,716	42.6	30	25
Markom/Leo Burnett Reklam	Istanbul	MN	610	55.3	4,072	42.1	35	27
Ekol Advertising	Istanbul	NA	561	103.5	3,740	103.5	27	23
Repro Reklam Ajansi	Istanbul	NA	464	1.2	3,363	9.8	37	37
Admar Reklam ve Pazarlama	Istanbul	NA	346	23.2	3,200	11.7	23	19
Birikim Reklamcilik	Istanbul	NA	323	NA	2,155	NA	15	7
Parajans	Istanbul	NA	220	59.7	1,632	225.5	21	18
A&D International Advertising	Istanbul	NA	192	(3.0)	2,296	10.6	27	31

NOTES: All currency is given as U.S. dollars in thousands. Exchange rates are given for 1987 and 1986, respectively.

Did Sorrell woo O'Neill?

Photo by Doug Goodman

Martin Sorrell and William Wardell stroll into the courthouse.

By JON LAFAYETTE
and GARY LEVIN

NEW YORK—Three weeks after Lord Einstein O'Neill & Partners was formed, WPP Group Chief Executive Martin Sorrell phoned one of the breakaway partners possibly to lure him back to WPP.

The surprising phone call was disclosed in testimony last week by Kevin O'Neill, former exec VP-creative director at Lord, Geller, Federico, Einstein. Mr. Sorrell is suing Lord Einstein executives for leaving the agency, in a case before the New York state Supreme Court.

Mr. O'Neill said Mr. Sorrell called him at the new agency to set up a meeting. Sources speculated that Mr. Sorrell was trying to recruit Mr. O'Neill back into WPP.

"I was shocked he'd called me," testified Mr. O'Neill, who holds the same title at Lord Einstein. "I asked what he wanted to talk about. He said he just wanted to chat about things in general."

Mr. O'Neill said he put off the first request, then turned down a second invitation when Mr. Sorrell called again a few days later. Mr. O'Neill said he didn't know exactly when the call was made, but sources said it happened April 8.

That day, Lord Einstein executives had a meeting scheduled with IBM Corp., Lord Geller's biggest client. IBM decided to assign some project work to the new agency, where Mr. O'Neill, among others, was familiar with IBM's needs and well-regarded by IBM executives.

Earlier, on April 6, Mr. Sorrell announced he had hired Agi Clark from N W Ayer as exec VP-managing director of creative services at Lord Geller, effectively filling the gap left by Mr. O'Neill.

Since Mr. Sorrell couldn't have asked Mr. O'Neill to return to the agency and report to Ms. Clark, he may have had an even more senior post in mind, observers believe. Earlier that week, Lord Geller won a temporary injunction barring Lord Einstein from hiring Lord Geller employees.

It couldn't be determined whether Mr. Sorrell called other Lord Einstein staffers. Former Lord Geller Chairman-CEO Dick Lord, Presi-

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Saatchi names pair to oversee agency groups

By LAUREL WENTZ

LONDON—Saatchi & Saatchi Co. is moving two top British executives into major new roles that will have an impact on Saatchi's operations in the U.S. and elsewhere.

The new posts include responsibility for strategic coordination of all Saatchi-owned advertising and other communications businesses.

Terry Bannister, 42, and Roy Warman, 39, were appointed joint directors of operations for Saatchi's communications division last week.

T. Bannister

R. Warman

For the past year, they've been joint ceos of Saatchi & Saatchi Advertising International—the non-U.S. arm of Saatchi & Saatchi Advertising Worldwide.

In that role they wielded enormous clout by starting an agency from scratch in Japan, moving people around and even ordering a creative director fired in West Germany.

However, Saatchi & Saatchi is carefully positioning this latest change to be non-threatening to its U.S. managers, and there's no hint they will directly interfere in the U.S.

Messrs. Bannister and Warman, who were joint managing directors and ceos of Saatchi's London agency from 19[illegible] to 1987, are the most successful example of a Saatchi penchant for tackling top management jobs in pairs.

Their new roles will include making decisions across networks about competitive activities and what represents client conflict; how to communicate the different, competitive positionings of the Saatchi and Backer Spielvogel Bates Worldwide networks, about which Mr. Warman said there is "enormous confusion" in public perception; and integrat-

(Continued on Page 88)

Banquet is over; Coors favors Draft

By IRA TEINOWITZ

Adolph Coors Co. will hike ad spending for its flagship Coors Banquet beer by 35% and rechristen it Coors Original Draft.

The changes in the 115-year-old brand, expected to occur in July, are intended to counter both growing competition from Miller Brewing Co.'s Genuine Draft and customer confusion about Coors' credentials as a draft beer.

For more than 30 years, Coors has been making all its beer using a cold filtering process that it says produces a true draft beer. Since last November, advertising for Coors—from GSD&M, Austin, Texas—has focused on this heritage, positioning it as the original draft beer (AA, Nov. 23).

But until now, the only packaging the company offered that prominently mentioned its draft-brewing style was for its newest beers, Coors Extra Gold, Herman Joseph's and Herman Joseph's Light.

"They have obviously concluded that being draft will help sell the product," said Emanuel Goldman, a beer analyst for Montgomery Securities. "The ironic thing is that while Coors was the first one to say it didn't pasteurize beer, it was Miller who was able to get the mes-

(Continued on Page 91)

Colgate says its global plan is running ahead of schedule

By LAURIE FREEMAN

NEW YORK—Trying to improve its standing as a leading global consumer-products company, Colgate-Palmolive Co. is introducing at least two new products internationally: Ajax Spray 'n Wipe and Neutro Balance.

Ajax Spray 'n Wipe, a line of household-cleaning products, is starting TV advertising in Australia, while Neutro Balance, a pH-balanced skincare line, is starting its launch in Latin America. Young & Rubicam handles Neutro Balance; Chicago-based Foote, Cone & Belding is doing the Ajax introduction.

"Our vision is to be the best global consumer-goods company," Colgate-Palmolive Chairman Reuben Mark said. "Our eight-year plan essentially is ahead of schedule on virtually all measurements."

Pausing to evaluate its progress at the midpoint of the eight-year strategic plan, Mr. Mark said the company has met or exceeded all but one of its advertising, marketing and financial goals.

The only area lagging is the company's return on sales, "which has not moved as fast" as expected, Mr. Mark said at Colgate's annual meeting.

He credits Colgate's relationships with FCB and Y&R for much of the company's success.

"We have strengthened our marketing and advertising efforts worldwide . . . based on the creative excellence of our partnership with two world-class agencies," he told shareholders during Colgate's annual meeting that took place here earlier this month.

Mr. Mark showed off the latest commercial reel from the two agencies, touting the "highly competitive" worldwide creative for products ranging from Fab 1 Shot laundry aid to Colgate Tartar-Control Formula toothpaste.

To stay competitive, Mr. Mark said Colgate, which introduced 201 new products and line extensions last year, must divest its Kendall Co. Colgate announced earlier it intends to sell the healthcare unit, which could command a purchase price of more than $1 billion.

Kendall accounted for $1 billion, or 18%, of Colgate's $5.6 billion in sales last year.

"It's imperative [for Colgate] to focus all its attention on the consumer-products area," Mr. Mark said.

The sale of Kendall will give Colgate seed money to invest in new-venture groups in the areas and categories the company wants to be in, said Courtenay Shepard, president, Colgate-U.S.

The goal is to invest in small "product niches" that Colgate's main competitors may not be interested in pursuing, like the company's recent acquisition of Disposer Care, a garbage-disposal deodorizer from Wisconsin Pharmacal (AA, April 25).#

> "Our vision is to be the best global consumer-goods company."
> —**Reuben Mark**

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April 25, 1988

The dancing raisins' best performance is in selling themselves.

Hot raisins

It's licensed products that bring big bucks

By ALICE Z. CUNEO

The California Raisin Advisory Board's dancing raisin commercials are selling a few more edible raisins, but their real success is in moving fruit of the inedible kind.

Retail sales of merchandise bearing the likenesses of the raisin board's Claymation presenters are expected to reach $500 million this year, 50% higher than the board estimated when the bulk of the products were launched in January.

Applause Inc., the board's licensing agent, predicts wholesale sales of raisin merchandise will top $250 million—more than worldwide raisin sales, which are estimated at $200 million.

"We are shellshocked. We knew we had a winner, but we didn't anticipate how hot it would become," said Pamela McSweeney, marketing manager at Applause Inc., Woodland Hills, Calif.

Ms. McSweeney said the company has granted 62 licenses for raisin merchandise so far and is negotiating to add new products in 1989 and 1990.

Licensed products range from $1 trinkets such as pencils and tiny figurines to $25 watches and more expensive bedding sets.

Actual raisin sales, meanwhile, have been less than explosive.

"The commercials obviously drew a lot of attention and amused people, but they did not have outstanding sales results," said Alan Miller, spokesman at Selling Areas-Marketing Inc.

Although spots introducing Will Vinton Productions' Claymation raisins brought the business out of the "soft" summer of 1986, "there isn't any tremendous upsurge in volume," Mr. Miller said.

Dollar sales of raisins were up 6% and pound sales rose 8% for August 1987 through March 1988, compared with the same period a year earlier, said Bob Phinney, the raisin board's director of advertising and promotion. Sales for August 1986, when the Claymation campaign broke, through March 1987 posted similar gains over the 1985-1986 crop year.

But SAMI data indicate supermarket warehouse withdrawals of raisins totaled 151 million pounds in 1986, down 3.1% from 1985. In 1987, raisins moving onto grocery-store shelves increased 1.9% to 154 million pounds. For the first quarter of this year, sales are up only 0.8%.

Those figures don't include the sales of raisins in other products, such as baked goods and breakfast cereals.

One side benefit to the raisin industry of the dancing raisins campaign is the promotion of raisins in other products, Mr. Miller said.

For instance, General Foods Corp. is adding a California raisin to its Post Natural Raisin Bran cereal box and has licensed the characters for a summer ad campaign and consumer promotion (AA, May 2).

Last fall, Del Monte USA used the rockin' raisins to promote Del Monte Fruit Snacks and Del Monte seedless raisins (AA, Aug. 31), and Hardee's Food Systems used the characters for a promotion of its Cinnamon N' Raisin Bisquit (AA, Oct. 5).

Foote, Cone & Belding, San Francisco, handles the raisin board's advertising.

The popularity of the Claymation figures extends to nations such as Australia, which has its own raisin industry and has never aired the California raisin spots, said Applause's Ms. McSweeney.

"We've launched internationally with no media support," she said.#

Addendum to Income Report

ADVERTISING AGE inadvertently omitted some of the offices of McCann-Erickson Worldwide in the Foreign Agency Income Report (AA, May 9):

City	Gross income	% chg	Billings	% chg	Work force 1987	Work force 1986
			($ in thousands)			
Buenos Aires, Argentina	1,739	NA	11,599	NA	61	55
Vienna, Austria	4,509	37.7	30,075	37.7	60	56
Brussels, Belgium	10,755	40.6	71,736	40.5	146	140
Toronto, Canada	10,956	13.3	73,077	13.3	183	184
Santiago, Chile	1,767	14.7	11,786	14.7	88	75
Copenhagen, Denmark	2,797	70.6	18,656	70.6	33	29

Marketers need to think long term

Costs still make package-goods companies skittish

By Judith Graham

Direct marketing has yet to come of age at consumer package-goods companies.

"The interest level among package-goods manufacturers is very high, but the commitment is generally low," says Ellen Farley, senior VP-director of research at Donnelley Marketing. "Until some highly visible, successful campaigns are launched, it will be difficult to command the resources needed to staff departments and build data bases."

The recent creation of "category" organizational structures by some package-goods marketers promises to be a strong plus for direct marketing.

"Individual brand managers cannot justify direct marketing's costs. But across brands, it starts to become economically feasible," says John Groman, senior VP at Epsilon Data Management, a data base direct marketing company.

However, organizational changes are not enough to reverse the hesitation toward direct marketing. Several experts suggest that a basic shift toward long-term customer relationships and away from short-term sales will be necessary before they embrace this approach.

"Direct marketing will only flourish when the problem of customer relationships is isolated, identified and put on the top of the corporate agenda," says David Pease, senior VP at Saugatuck Group and former corporate director of direct marketing at General Foods Corp.

Little is known about package-goods companies' involvement in direct marketing. The Direct Marketing Assn. does not collect statistics on the subject, nor are there other sources of centralized information. Package-goods companies like obscurity for their activities.

"We prefer not to disclose very much," says John Kuendig, director-direct marketing at General Foods. "One of the advantages of direct marketing is that you haven't gone on mass media or dropped millions of free standing inserts, and your competition really doesn't know what you're doing," he says.

That gives companies the freedom to make mistakes without losing face. "We're still in the stage of experiment, and at least 50% of the experiments are failures or not clear successes," says William Morrissey, president of Ogilvy & Mather Direct, the nation's largest direct-response agency.

Confusion about what constitutes direct marketing is prevalent among package-goods com-

(Continued on Page S-4)

Building a database

Extent of use of outside lists to compile a consumer database for future promotions

	Percent of each group		
	All cos.*	Largest cos.*	Smaller cos.*
Already building consumer database	49%	72%	36%
Anticipate doing so; no decision yet	26	20	31
Have no present plans to do so	25	8	33
Total	100%	100%	100%
(Bases)	(68)	(26)	(42)

*Denotes annual sales volume: Largest companies more than $1 billion; smaller companies less than $1 billion.

Source: Donnelley Marketing Tenth Annual Survey of Promotional Practices

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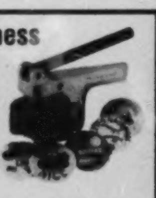

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General Foods believes in Crystal Light effort

Marketer develops direct program to build on strong consumer loyalty to brand

By Amy Zipkin

The analysis of how to reach a finite audience with more personal service is one of our first objectives, says John Kuendig, director of direct marketing for General Foods.

"We've only started to scratch the surface to determine if there are direct-marketing applications to support brand strategies," he says.

General Foods has developed direct-mail programs to consumers with Gevalia coffee and the Thomas Garraway gourmet food catalog. More recently the package-goods giant has begun to develop direct-marketing programs to bring the customer into retail stores.

For a March rollout, General Foods developed a program integrating package-goods promotion with direct marketing for Crystal Light, its adult powdered diet soft-drink mix.

Now in the fifth year of national distribution, Crystal Light's 10 flavors have a strong following among users with a high level of interest in health and fitness.

"Crystal Light drinkers view the brand as their own," says Leslie Benning, senior product manager, Crystal Light.

To capitalize on its strong brand loyalty, GF created a Crystal Light LightStyle Club, which is supported by a national health and fitness campaign from DMB&B, New York, featuring celebrity endorsers Linda Evans and Priscilla Presley. The tag line, "I believe in Crystal Light 'cause I believe in me," emphasizes the close association of consumer and product.

"Basically it's a reward and motivation system to get the customer to continue to purchase the brand," says Ms. Benning.

The Crystal Light mailing list is made up of customers who responded to previous Crystal Light offers. The brand also used Donnelley Marketing's Share Force and Computerized Marketing Technologies' Select and Save programs for additional customer names.

Various offers were tested in a series of mailings during 1987. The offers tested different techniques for the program, such as multi-value coupons vs. single value coupons, says Mr. Kuendig.

(Further information about the testing is not available.)

The rollout, which will expand to quarterly mailings, consists of a blue and white envelope with teaser copy offering savings, health and beauty tips and a catalog.

"The collaborative designs create a whole look that's light, energetic and active," says Ms. Benning.

The package, created by DMB&B Direct, includes a two-page letter describing the contents: a coupon for multiple purchase; an offer for Crystal Light singles; a LightStyle catalog; coupons for free canisters and a savings pocket for foil seals.

The introductory letter signed by Christine Ellis, a fictional club director, also offers the customer two free seals, which can be used to purchase Crystal Light catalog merchandise. "It's a way to personalize the club," says Ms. Benning.

The newsletter continues the blue and white theme and includes health, diet, fitness and beauty information as well as recipes and a description of the nationally televised fourth annual Crystal Light National Aerobic Championship this spring.

The catalog is an eight-panel merchandise brochure featuring action gear with a Crystal Light logo, beverage sets and

LIGHT STYLE
NEWSLETTER
Crystal Light
BEAUTY
SKIN SOLUTIONS

The Crystal Light newsletter includes diet, fitness and beauty information, plus recipes.

Amy Zipkin is a Westport, Conn.-based free-lance writer.

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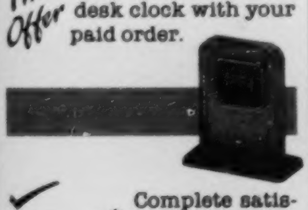

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Long-term thinking

'Individual brand managers cannot justify direct marketing's costs. But across brands, it starts to become economically feasible'

(Continued from Page S-2)

panies, says James Rosenfield, president of his own San Diego, Calif.-based direct-response shop.

Direct marketers aggravate the problem by focusing on techniques instead of concepts and speaking in a language that package-goods managers do not understand, he says.

Until some critical questions are answered, it's likely that direct marketing will remain an occasional weapon used to solve a limited set of problems.

The most important questions relate to bottom lines. Managers aren't convinced that direct-marketing advantages are worth the costs—they can be 10 to 20 times higher (per 1,000 consumers reached) than mass media expenses.

"The issue is whether the margins in soap and kids' cereals can support it. And the truth is we don't know the answer yet," Mr. Morrissey says.

What is clear is that direct-response agencies are more interested than ever in finding the answer.

Executives have responded by organizing a new Direct Marketing Assn. program charged with developing the package-goods marketplace. The Market Development Program, which will be run as a separate DMA department, already has received more than $150,000 in funding.

"Rather than bringing what we already know we do well to package-goods companies, we need to understand their businesses better and create programs that address those problems," says Richard V. Colligan, vice chairman at Wunderman Worldwide and co-chairman of the DMA Market Development Program.

George Wiedemann, the other program co-chairman and president of Grey Direct, believes the future lies in convincing companies that direct marketing should be an ongoing component of their marketing mix.

So far, only major cigarette companies appear to be adopting that approach. During the past several years, both R.J. Reynolds Tobacco USA and Philip Morris USA have spent substantial sums building enormous customer data bases.

Several experts suggest that the marketers are building an alternative distribution network to ensure their survival if retail distribution is cut back.

Direct marketing is "very definitely" growing in importance at RJR, says Kenneth Neher, director, direct marketing development.

Mr. Neher declined to discuss Reynolds' direct marketing program in detail, but observers speculate that its data base has 25 million names, and that its annual direct-marketing budget is more than $100 million.

Philip Morris is not as far along as Reynolds; it began data-base marketing in earnest only three years ago. Most of its activity has been testing different kinds of targeted promotions, says Ellen Merlo, VP-marketing services.

In the view of many experts, direct marketing rewards—additional product information, promotional offers and general information that addresses consumer concerns can be used to reinforce brand loyalty.

That approach was the basis of one of the most successful package-goods direct-marketing programs on record: Kimberly-Clark Corp.'s "New Mothers" campaign for its Huggies diapers—a $20 million-plus campaign via Ogilvy & Mather Direct.

Recognizing the marketing significance of important lifestyle changes, direct marketers are looking at similar programs for groups such as engaged couples or young marrieds, teenagers going off to college and retirees.

Other developments in direct marketing for package-goods companies include:

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storage containers, a beach mat and bicycle mount.

While the merchandise is the reward, the incentive for multiple purchase is built in. Each one of the merchandise offerings requires multiple seals to be submitted in addition to a predetermined cash value.

"The package enables us to target the advertising as opposed to mass FSIs where customers may not know about the product," says Ms. Benning.

Prospective users will be targeted in the off seasons of fall and winter.

The research results for Crystal Light reflect an integration of package goods and direct-marketing techniques.

"We've used scanner data to determine volume of product sold," says Ms. Benning.

However, Mr. Kuendig emphasizes that direct marketing relies on testing and its results, which reflect attitude and survey information.

Besides reinforcing brand image, direct marketing to bring consumers to the retailer established itself as an effective marketing vehicle.

"As compared to other promotions and advertising, the Crystal Light program had a greater impact than any other program with measured results," says Ms. Benning. ■

Donnelley seems to be asking all the right questions

Executives at Donnelley Marketing talk about "the force" as a secret weapon. However, this is not an intergalactic struggle; it is an engagment with the more earthly task of improving market share.

The 18 year old Share Force program, in its current format since 1979, is coming into greater prominence as marketers discover the benefits of targeting existing products directly to their users. In its 10th annual Survey of Promotional Practices, released in March, Stamford, Conn.-based Donnelley discovered that nearly 50% of the nation's companies are building data bases.

The key to Share Force is a questionnaire included in Carol Wright mailings twice a year to 45 million households of above average income and greater than average number of children.

The consumer is not even aware of the separate nature of the program. Identified as the Carol Wright Super Saver Gift Package, it offers free gifts, coupons and product samples if the consumer answers about 50 questions related to product usage and preference.

The questions are designed by the manufacturers, and Donnelley guarantees category exclusivity for each question.

Which manufacturers? "A good proportion of the major package-goods manufacturers are all involved in one way or another at one time or another," says John Ripka, VP, who is responsible for Share Force.

The questions typically gauge which products a family member has used most often. A question about eye drops, a product traditionally difficult to identify in terms of demographics, provides the sponsoring manufacturer with information about competitors.

The information is then used to target competing users with coupons and/or samples, at the marketers' discretion. According to Mr. Ripka, ad positioning can be enhanced when coupled with other research information—e.g. age, hobbies. The eye drops marketer could target its advertising directly to swimmers, for example.

Companies provide the consumer coupons and samples through Donnelley's fulfillment center.

Donnelley uses the approximately 4.5 million responses from each mailing to add to its Share Force data base of 20 million.

—Amy Zipkin

- Continuity clubs designed to reward heavy users of a product and encourage light users to become heavy users.
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- Programs targeted at the trade to complement the sales force or, in some cases, substitute for sales calls.
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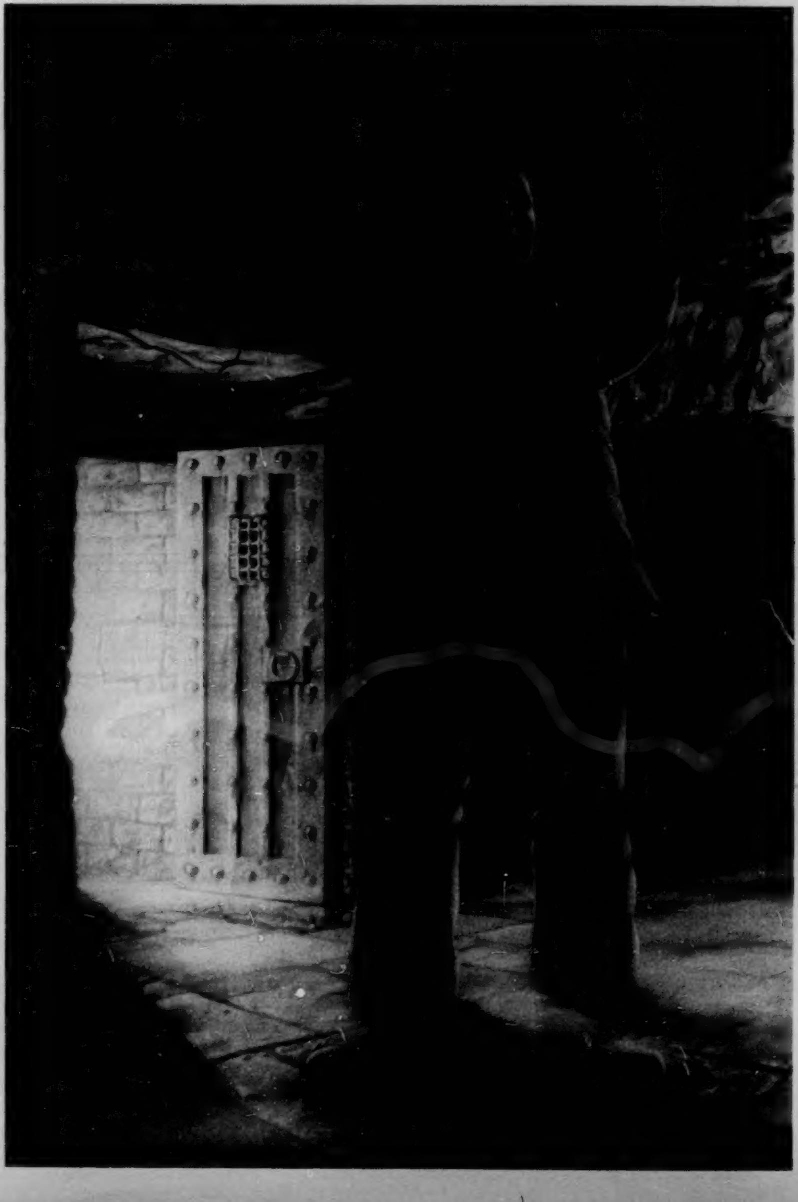

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Morris

(Continued from Page S-1)

pet products--has exceeded company expectations.

With the fourth issue coming out this month, the company is at a crossroads, "paws-ing" to look at ways to increase circulation and inspire subscription renewals.

The publishers plan to conduct research before changes are made, to see how the publication has affected consumer purchase behavior, and to test some new ideas, Mr. Brown says.

This effort will begin with implementation of a renewal program for current subscribers using a series of mailings. Included will be a formal research questionnaire asking consumers for demographic information and their attitudes toward cat ownership and toward the magazine.

"*The Morris Report* is truly an interactive forum for cat owners under the 9 Lives/Morris name," says Mr. Brown. "We're committed to it for the long term."

Data bank — Direct Marketing

Top 25 U.S. agencies in direct response billings

Rank/Agency	Direct response billings '87	Direct response billings'86	U.S. billings '87	U.S. billings '86
1. **Ogilvy & Mather Direct Response**	**260,000,000**	240,000,000	**260,000,000**	240,000,000
2. **Wunderman Worldwide**	**259,896,550**	224,525,540	**260,000,000**	224,500,000
3. **Foote, Cone & Belding Communications**	**213,102,920**	71,064,731	**1,369,697,737**	1,389,230,800
4. **Direct Marketing Group**	**148,302,000**	134,539,000	**149,800,000**	138,700,000
5. **Telephone Marketing Programs**	**144,500,000**	118,000,000	**144,500,000**	118,000,000
6. **MARCOA DR Group**	**107,700,000**	90,700,000	**119,200,000**	110,100,000
7. **Rapp & Collins USA**	**99,400,000**	81,800,000	**99,400,000**	81,800,000
8. **Grey Advertising**	**92,500,000**	55,100,000	**1,455,400,000**	1,358,000,000
9. **Kobs & Brady Advertising**	**85,278,000**	80,987,441	**85,278,000**	80,987,441
10. **Barry Blau & Partners**	**64,378,000**	51,396,000	**72,335,000**	60,010,000
11. **Ketchum Advertising**	**58,230,000**	58,057,000	**610,000,000**	488,467,000
12. **Omni Marketing**	**52,220,000**	34,500,000	**57,000,000**	46,000,000
13. **Lally, McFarland & Pantello**	**39,400,000**	24,908,300	**67,581,646**	43,260,861
14. **Yellow Pages Marketing Services**	**37,546,000**	34,810,730	**37,546,000**	34,810,730
15. **Vicom/FCB**	**37,482,130**	24,771,599	**74,964,263**	49,543,200
16. **Bernard Hodes Advertising Group**	**32,669,000**	22,980,000	**180,256,000**	138,700,000
17. **Earle Palmer Brown Cos.**	**26,500,000**	N/A	**248,650,000**	142,062,981
18. **N W Ayer**	**26,434,000**	N/A	**878,048,000**	672,000,000
19. **Grant/Jacoby**	**19,000,000**	12,000,000	**61,350,000**	55,500,000
20. **Admarketing**	**18,800,000**	17,800,000	**201,000,000**	184,000,000
21. **D'Arcy Masius Benton & Bowles**	**15,717,849**	13,664,266	**1,332,300,000**	1,278,500,000
22. **Ross Roy Group**	**15,300,000**	13,100,000	**475,300,000**	416,000,000
23. **Kallir, Philips, Ross**	**14,734,000**	14,330,000	**123,877,000**	112,957,500
24. **Marketing Resources Inc./WB& H Advertising**	**14,450,000**	7,100,000	**35,600,000**	20,253,000
25. **Bozell, Jacobs, Kenyon & Eckhardt**	**13,600,000**	13,500,000	**1,150,000,000**	1,090,000,000

Notes: Data is compiled from 442 agencies reporting billings by media. Direct response includes Yellow Pages, direct mail, catalogs, direct response TV, direct response radio, direct response newspaper, direct response magazine, telemarketing and free-standing inserts. Some internal production fees may be included in billings figures in this table.

Source: Advertising Age U.S. Advertising Agency Profiles, March 30, 1988. Figures represent agencies' reporting for the AA 500 only.

Associate editor Pat Gray Thomas coordinated this report on Direct Marketing.

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	Current month		Year-to-date	
	1988	1987	1988	1987
Auto/cycle/rec. vehicles				
ATV Sports	30.2	43.9	119.1	169.7
Autoweek (52X)	163.6	142.3	766.1	544.2
Car & Driver	101.4	98.9	392.0	337.9
Car Collector & Car Classics	15.3	20.2	68.2	66.6
Car Craft	86.6	95.8	287.8	299.1
Circle Track	82.3	66.5	317.4	279.0
Cycle World	64.4	77.5	189.5	229.4
Dirt Rider	46.5	41.9	151.3	138.3
Dune Buggies & Hot VWs	76.6	75.2	281.2	292.3
Family Motor Coaching	160.9	139.1	710.4	624.6
4 Wheel & Off-Road	91.0	89.5	308.0	299.0
Four Wheeler	91.0	97.0	324.0	319.0
Hot Rod	91.9	82.9	337.1	271.7
Motorcyclist	71.4	69.6	181.3	187.0
Motor Trend	112.3	87.5	333.3	282.8
Motorhome	87.9	83.1	337.5	314.1
Rider	54.0	64.2	153.1	170.1
Road & Track	116.3	107.3	435.0	360.9
Trailblazer	74.3	61.0	205.0	172.0
Trailer Life	92.1	108.6	359.5	392.4
Total Group	**1,709.8**	**1,651.9**	**6,256.7**	**5,750.1**
% change	**3.5%**		**8.8%**	
Boating & yachting				
Boating	—	—	—	—
Chesapeake Bay	50.5	46.0	182.4	170.3
Cruising World	159.0	165.3	481.6	481.4
Lakeland Boating (11X)	94.5	81.5	354.9	304.7
Motor Boating & Sailing	157.3	170.0	736.1	754.5
Sail	119.7	147.4	430.3	476.5
Small Boat Journal(6X)	—	—	109.9	122.9
Trailer Boats(11X)	89.0	68.4	313.6	269.2
Western Boatman(6X)	—	—	109.6	82.4
Yachting	150.4	136.3	629.5	609.2
Total Group	**820.5**	**814.9**	**3,347.9**	**3,271.1**
% change	**0.7%**		**2.3%**	
Civic/fraternal				
American Legion	24.7	29.8	145.4	135.7
Elks (10X)	14.4	17.8	70.9	88.5
Kiwanis	13.9	19.1	55.1	54.4
Lion (10X)	6.3	8.0	24.5	33.2
Rotarian	14.2	16.6	64.6	60.5
V.F.W. (11X)	27.6	29.3	122.4	127.5
Total Group	**101.1**	**120.6**	**482.9**	**499.8**
% change	**-16.2%**		**-3.4%**	
General				
American Health (10X)	59.9	62.2	219.9	216.7
American Heritage (8X)	32.5	30.3	102.7	56.2
American West (6X)	47.5	43.3	80.5	72.5
The Atlantic A.	64.8	65.9	171.3	174.3
Bon Appetit A.	81.6	83.0	291.6	313.8
Cable Guide	38.6	25.4	124.7	95.4
Changing Times	59.0	61.6	243.0	260.2
Conde Nast's Traveler	56.1	—	192.2	—
Connoisseur	98.7	92.7	315.4	265.5
Consumers Digest (6X)	—	—	43.3	53.8
Ebony	98.7	83.9	385.5	345.5
Fifty Plus	39.7	49.5	138.6	176.6
Food & Wine	54.1	68.2	196.2	204.3
Games (6X)	15.3	12.1	50.3	46.3
Golden Years	41.4	24.6	171.2	110.8
Gourmet	119.1	112.3	383.0	364.8
Harper's A.	33.7	48.9	125.6	137.4
Harrowsmith (6X)	—	—	124.2	104.6
Let's Live	68.0	49.0	209.0	188.0
Life	68.2	62.8	188.8	190.7
Mature Outlook	—	—	—	—
Modern Maturity (6X)	36.0	47.6	74.9	98.2
Money	120.8	150.8	461.6	505.0
Money Maker	7.3	—	15.3	—
Mother Jones (9X)	—	—	—	—
National Geographic	24.9	21.8	103.4	69.6
National Geographic Traveler(4X)	—	—	34.0	44.3
Natural History	50.4	32.9	163.0	152.2
Prevention	66.6	57.6	239.4	264.0
Psychology Today	27.1	28.2	121.7	128.0
Reader's Digest A.	122.5	107.3	407.1	338.8
Saturday Evening Post (9X)	33.4	37.9	109.8	121.8
Smithsonian	81.0	81.6	363.4	306.0
Sylvia Porter's Personal Finance (10X)	37.7	52.3	126.8	169.2
Town & Country	136.9	146.4	511.1	451.5
Travel-Holiday	67.4	71.7	237.9	251.3
Travel & Leisure	132.7	128.8	441.5	390.1
Vanity Fair	89.1	67.7	304.1	207.9
Writer's Digest	27.7	28.8	113.1	106.9
Yankee	75.7	98.5	312.3	321.9
Total Group	**2,214.1**	**2,135.3**	**7,897.6**	**7,304.0**
% change	**3.7%**		**8.1%**	
Home				
Americana (6X)	20.9	21.2	37.5	35.7
Architectural Digest A.	188.9	142.2	597.3	437.6
Better Homes & Gardens	120.5	137.6	421.2	413.3
Colonial Homes (6X)	67.2	67.0	109.8	111.0
Columbus Monthly-Homes (4X)	49.7	29.8	79.5	52.4
Country Home (6X)	60.8	51.8	102.7	88.0
Country Living	110.9	105.3	338.1	332.5
Family Handyman (10X) A.	62.6	62.8	195.9	213.7
Florida Home & Garden	63.6	39.8	223.4	152.6
Flower & Garden (6X)	47.5	52.6	101.9	104.4
Home	85.8	57.2	240.3	201.5
Home Mechanics	64.8	77.9	200.6	278.1
The Homeowner (10X)	32.7	35.5	120.5	123.5
Horticulture	49.8	47.1	189.4	161.7
House Beautiful	72.6	76.1	255.9	260.4
House & Garden	91.9	115.0	334.5	346.0
Metropolis	57.4	57.6	175.1	177.4
Metropolitan Home	148.1	108.5	359.1	264.8
1,001 Home Ideas	65.5	67.3	221.5	208.1
Organic Gardening	53.5	68.9	240.8	256.5
Phoenix Home/Garden	81.2	76.2	325.7	305.0
Practical Homeowner	36.4	42.5	183.3	193.5
San Diego Home/Garden	73.0	54.7	257.3	245.3
Southern Accents (6X)	—	—	207.9	179.9
Southern Living	171.1	149.1	490.3	472.7
Sunset Magazine A.	159.1	150.9	499.5	440.6
Workbench (6X)	—	—	91.8	109.1
Total Group	**2,035.2**	**1,894.4**	**6,600.7**	**6,165.1**
% change	**7.4%**		**7.1%**	
In-flight & other passenger				
Aboard Group (7X)	—	—	60.2	52.1
Alaska Airlines	57.0	53.8	223.8	217.6
America West Airlines	62.7	43.2	243.8	171.4
American Way (24X)	131.5	95.6	508.2	369.6
Brighton Inflight Group:				
Hawaiian Air (6X)	—	—	—	—
East/West Network:				
Continental	40.0	—	194.0	—
Eastern Review	52.0	75.8	228.2	314.8
Northwest	41.3	40.3	159.5	174.3
Pan Am Clipper	42.4	40.7	166.5	158.1
Spirit	61.3	54.7	249.8	236.5
TWA Ambassador	37.0	44.3	189.4	187.3
Vis 'A Vis	50.5	59.2	204.5	235.8
Halsey Publication:				
Delta Sky	81.0	83.7	325.5	305.7
Pace Communications:				
Piedmont Airlines	99.6	91.5	345.8	328.4
US Air	62.2	44.2	264.9	171.5
Spirit of Aloha (6X)	20.1	30.4	81.9	128.8
Total Group	**838.5**	**757.4**	**3,446.0**	**3,051.9**
% change	**10.7%**		**12.9%**	
Men's				
Esquire A.	101.7	103.3	327.4	321.0
Firehouse Magazine	40.0	43.0	161.3	163.8
Gentlemen's Quarterly A.	183.9	158.2	612.1	526.2
M Magazine	80.4	66.5	290.1	265.2
Muscle & Fitness	117.0	120.3	480.6	463.5
Penthouse A.	43.6	41.5	177.6	156.3
Playboy A.	43.9	46.8	195.2	187.1
Salute (10X)	27.9	24.4	84.1	52.7
Total Group	**638.3**	**604.0**	**2,328.4**	**2,155.8**
% change	**5.7%**		**8.0%**	
Metropolitan				
Aloha (6X)	29.4	31.5	48.1	59.4
Atlanta	70.3	60.3	243.8	214.5
Baltimore	67.9	76.3	246.0	280.7
Boston	157.3	150.2	561.2	560.5
California	68.8	50.1	256.3	220.2
Chicago	104.6	114.1	400.4	379.9
Chicago's North Shore	89.7	78.2	347.1	306.4
Cincinnati	45.7	65.7	182.8	205.3
Cleveland	68.5	75.3	291.5	362.1
Coast (39X)	205.7	278.0	509.2	590.3
Columbus Monthly	105.2	88.1	270.0	244.0
Connecticut	120.5	120.8	398.5	392.5
D/Magazine, Dallas/Ft. Worth	112.5	107.4	363.5	430.1
Denver	40.5	39.3	137.7	120.8
Detroit Monthly	120.3	83.0	302.9	284.5
Grand Rapids	49.2	49.3	140.8	145.7
Gulfshore Life (10X)	87.0	86.5	394.0	375.5
Honolulu	53.4	52.3	229.1	215.2
Houston Metropolitan Magazine	86.4	97.2	250.5	271.8
Louisiana Life	—	—	55.9	65.5
Madison	45.0	57.4	160.0	215.2
Memphis	78.0	77.8	290.0	294.8
Mid Atlantic Country	34.5	41.2	108.9	147.5
Milwaukee	58.2	56.8	210.4	208.1
Minneapolis/St. Paul	135.5	121.5	385.2	394.0
Nashville	46.0	42.0	178.0	205.0
New England Monthly	55.3	55.0	178.7	151.0
New Jersey Monthly	115.2	92.7	376.8	337.4
New Mexico	32.0	24.8	160.5	110.5
Ohio	50.6	47.4	191.5	212.2
Oregon (6X)	—	—	—	—
Orlando	91.0	104.5	361.6	377.8
Palm Beach Life	65.2	77.0	354.9	384.6
Palm Springs Life	—	—	—	—
Philadelphia	173.4	166.2	557.9	531.4
Phoenix	64.4	69.2	234.7	297.3
Pittsburgh	73.2	71.2	269.7	228.3
St. Louis	—	—	—	—
San Diego	160.7	157.8	752.3	675.1
San Francisco Focus	96.2	115.6	333.6	339.4
South Florida Magazine	107.1	67.3	375.4	215.2
Texas Monthly	116.6	94.5	361.4	349.6
Twin Cities	84.7	82.2	269.2	224.9
The Virginian (6X)	—	—	119.5	114.6
Washington (7X)	74.2	56.0	121.6	96.0
The Washingtonian	157.3	165.3	584.1	594.2
Total Group	**3,587.0**	**3,547.1**	**12,564.8**	**12,428.9**
% change	**1.4%**		**1.1%**	
Music/entertainment				
Audio	60.1	66.7	324.5	295.6
Dance Magazine	57.6	56.3	236.7	232.6
Playbill	46.1	44.3	179.6	164.2
Stereo Review	—	—	—	—
Video Magazine	52.0	63.0	244.0	291.0
Total Group	**215.8**	**230.3**	**984.8**	**983.4**
% change	**-6.3%**		**0.1%**	
Outdoor & sport				
Alaska	44.5	41.5	163.2	144.0
The American Handgunner (6X)	—	—	100.0	83.0
American Hunter	22.2	22.9	77.1	76.7
American Rifleman	26.2	30.5	98.1	104.0
Backpacker (6X)	—	—	—	—
Bass Master (10X) A.	95.3	69.1	402.3	345.4
Bicycling (9X)	143.0	127.6	364.4	298.3
Ducks Unlimited (6X)	—	—	43.2	40.0
Field & Stream	168.1	84.9	407.1	358.2
Fins & Feathers A.	25.2	47.3	85.2	175.5
Fishing World (6X)	—	—	111.4	111.7
Florida Sportsman	153.1	136.1	634.0	588.5
Golf Digest	134.3	108.2	470.8	409.0
Golf Magazine	121.2	79.5	512.2	396.4
Gun Dog (6X)	—	—	65.4	60.8
Guns	33.0	26.0	134.0	109.0
Guns & Ammo	39.3	60.6	188.4	171.6
In-Fisherman (6X)	149.0	117.0	294.0	276.0
Outdoor Life	100.3	79.8	334.5	334.4
Outside Magazine	71.5	74.7	200.0	192.5
Petersen's Hunting	31.7	68.8	180.2	173.6
Runner's World (12X)	35.5	44.5	138.9	137.8
Salt Water Sportsman	116.4	110.6	572.4	515.0
Sierra (6X)	—	—	79.7	82.2
Shooting Times	32.8	24.2	152.9	135.2
Ski (8X) A.	33.2	36.4	293.4	252.2
Skiing (7X) A.	—	—	263.1	203.3
Skin Diver	121.3	100.6	439.9	394.4
Southern Outdoors (9X)	61.3	50.8	288.0	216.7
Southern Saltwater(8X)	49.0	32.0	171.4	97.6
Sport	49.7	46.7	167.5	152.9
Sports Afield	102.2	98.0	333.0	407.6
Tennis	91.4	73.1	284.2	244.0
Waterski (8X)	81.3	66.0	224.0	126.0
Western Outdoors (10X)	46.2	62.1	224.0	202.9
Wildfowl (6X)	14.7	7.9	29.5	16.7
Wing & Shot (6X)	—	—	28.2	20.5
World Tennis	86.9	32.5	248.4	90.8
Total Group	**2,279.7**	**1,959.8**	**8,803.9**	**7,744.3**
% change	**16.3%**		**13.7%**	
Photography				
American Photographer	29.2	31.3	112.8	117.8
Petersen's Photographic	29.3	32.0	95.9	101.6
Popular Photography	79.8	74.3	317.7	267.2
Total Group	**138.3**	**137.6**	**526.4**	**486.6**
% change	**0.5%**		**8.2%**	
Science/electronic/mech				
Discover	40.3	42.9	158.0	181.8
Family & Home Office Computing	43.2	40.1	176.3	195.5
Omni	64.0	58.0	229.9	220.3
Personal Computing	202.4	131.2	932.4	506.5
Popular Mechanics	95.7	102.3	330.8	354.0
Popular Science	85.7	69.2	280.3	268.4
Scientific American	50.2	27.0	153.9	132.1
Spectrum	51.3	62.3	254.2	269.1
Total Group	**632.8**	**533.0**	**2,515.7**	**2,127.6**
% change	**18.7%**		**18.2%**	
Woman/fashion/service				
Bride's Magazine (6X) A.	365.6	327.9	1,069.2	909.8
Cosmopolitan A.	199.8	200.8	714.3	765.0
Elle Magazine	208.6	187.0	629.7	694.9
Essence	—	—	—	—
Family Circle (17X) A.	200.1	128.9	566.4	460.6
Glamour	196.9	240.0	665.9	741.0
Good Housekeeping A.	139.7	165.6	474.0	509.1
Harper's Bazaar	134.1	131.3	473.8	544.9
Health	41.5	48.5	176.9	171.4
Ladies' Home Journal	110.6	114.5	[illegible]	393.1
Mademoiselle	170.1	188.7	[illegible]	578.8
McCall's	80.1	89.0	[illegible]	300.6
Military Lifestyle	32.1	46.9	165.[illegible]	186.8
Modern Bride (6X)	297.2	242.4	852.9	817.4
Ms.	23.5	38.3	119.2	144.0
New Woman	99.3	101.5	429.9	409.4
Parents Magazine A.	107.0	122.5	379.6	389.6
Redbook	98.0	92.2	386.2	360.7
Savvy	46.6	41.8	175.3	144.5
Self	105.4	127.1	384.1	386.2
Seventeen	155.4	139.7	450.1	485.9
Shape	76.0	76.5	274.3	280.9
Soap Opera Digest (26X)	24.0	22.2	81.9	65.9
Soap Opera Update	9.3	—	39.0	—
Teen Magazine	69.8	62.0	184.0	192.2
True Story A.	41.4	52.9	184.9	190.7
Vogue	243.6	251.5	1,076.0	1,068.1
W Magazine	108.6	94.6	512.5	508.3
Weight Watchers	37.8	30.0	151.0	130.7
Woman (10X)	45.3	35.5	128.6	99.0
Woman's Day (16X) A.	116.1	108.1	497.5	496.1
Women's Sports & Fitness	—	—	—	—
Workbasket	24.4	32.2	112.3	136.7
Working Mother	71.3	78.3	268.8	302.9
Working Woman	97.9	106.7	360.7	359.9
Total Group	**3,778.0**	**3,725.1**	**13,233.4**	**13,285.3**
% change	**1.4%**		**-0.4%**	
Youth				
Boys' Life	17.9	10.4	70.7	58.1
Campus Life (10X)	36.2	36.5	190.8	182.0
Total Group	**54.1**	**46.9**	**261.4**	**240.1**
% change	**15.3%**		**8.9%**	
Business/national				
Barron's	190.8	219.0	720.8	811.1
Black Enterprise	48.8	35.0	267.3	223.4
Business Week (52X) A.	454.6	439.1	1,278.4	1,286.5
Business Month	47.4	24.8	135.5	102.6
Financial World (26X)	80.7	79.4	228.2	253.1
Forbes (26X)	351.3	381.1	953.6	971.2
Fortune (26X)	354.3	375.7	984.0	870.8
Frequent Flyer	57.3	61.8	213.6	207.2
Futures	38.7	42.9	231.8	207.7
Income Opportunities	94.9	73.7	302.9	258.4
Industry Week (25X) A.	96.5	72.2	283.9	269.9
Venture	52.4	51.5	204.0	247.1
Total Group	**1,867.6**	**1,856.3**	**5,813.7**	**5,710.0**
% change	**0.6%**		**1.8%**	
Business/regional				
Advantage-Nashville's Bus. Monthly	73.0	58.0	242.0	204.0
Arizona Bus. Gazette (52X)	73.5	67.5	282.8	252.2
Baltimore Bus. Jrnl	94.3	80.7	322.6	336.8
Boston Bus. Jrnl (52X)	124.7	127.3	491.2	474.1
Bus First of Buffalo	—	—	—	—
Bus First of Columbus	88.6	86.7	288.7	377.2
Bus Jrnl-Milwaukee	120.8	113.7	504.5	451.2
Bus Jrnl-Sacramento	—	—	—	—
Bus North Carolina	29.2	38.0	123.0	147.3
Capital Dist. Bus. Review (52X)	93.7	—	315.4	—
Caribbean Business	—	—	—	—
Cincinnati Bus Courier	120.2	112.4	429.5	417.3
Corporate Rpt Kansas City	20.7	22.8	64.9	73.1
Corporate Report Minnesota	68.0	68.0	271.0	281.0
Crain's Chicago Bus. (52X)	156.1	147.0	548.2	562.0
Crain's Cleveland Bus. (52X)	71.1	66.7	241.8	208.5
Crain's Detroit Bus. (52X)	74.4	80.4	287.6	285.5
Crain's New York Bus. (52X)	59.0	43.0	190.0	126.0
Florida Trend (13X)	126.2	194.3	305.0	466.4
Georgia Trend	90.1	103.0	246.1	306.5
Grand Rapids Bus. Jrnl	36.5	47.6	182.6	172.9
Hawaii Business	38.8	41.0	146.8	160.0
Houston Bus. Jrnl (52X)	74.0	64.0	285.0	212.0
Indianapolis Bus. Jrnl (52X)	161.7	136.1	511.2	516.5
Kansas City Bus. Jrnl	79.7	79.0	290.5	372.7
Manhattan Inc.	64.3	83.2	220.7	284.1
New England Bus. (20X) A.	68.2	80.7	222.7	244.1
New Orleans City Bus.	51.1	45.8	200.0	199.5
Pacific Bus. News (52X)	102.3	111.2	404.5	426.5
Philadelphia Bus. Jrnl (52X)	148.3	139.5	581.0	528.7
Pittsburgh Bus. Times (52X)	102.0	84.0	395.2	369.1
Providence Bus News	79.4	70.0	283.1	224.5
Regardie's/Washington	188.0	166.0	593.0	551.0
San Diego Bus. Jrnl (52X)	52.7	—	174.8	—
San Jose Bus. Jrnl	62.7	—	226.7	—
South Florida Bus. Jrnl	67.0	83.7	290.7	370.1
St. Louis Bus. Jrnl (52X)	134.7	134.2	433.2	485.0
Texas Business	28.6	31.6	101.8	129.0
Warfields Monthly Baltimore	91.1	68.6	261.9	248.2
Total Group	**3,114.8**	**2,875.5**	**10,959.7**	**10,462.9**
% change	**8.3%**		**4.7%**	
National Sunday magazines				
Parade (52X)	52.6	48.8	210.4	203.1
USA Weekend (52X)	53.3	46.0	200.9	167.6
Vista Magazine	19.7	13.4	58.8	39.4
Total Group	**125.7**	**108.1**	**470.1**	**410.1**
% change	**16.2%**		**14.6%**	
Newspaper Sunday magazines				
Boston Globe	—	—	—	—
Chicago Tribune	106.5	134.1	410.2	429.6
Cleveland Plain Dealer	79.3	81.7	253.8	216.5
Columbus Dispatch	34.4	56.1	109.6	152.6
Detroit News	52.0	74.0	226.0	263.0
L.A. Times	108.2	125.9	302.4	260.1
Louisville Courier-Jrnl	33.0	58.0	138.0	218.0
Miami Herald	37.0	39.3	150.3	202.7
New York Times Magazine	392.6	344.7	1,331.5	1,300.3
Philadelphia Inquirer	93.0	97.0	303.2	276.0
Seattle Times	68.0	74.0	239.0	214.0
St. Louis Post Dispatch	70.9	83.3	281.2	285.7
Toledo Blade Magazine	40.4	65.2	129.3	174.1
Washington Post	111.9	154.9	420.8	535.5
Total Group	**1,227.3**	**1,388.2**	**4,295.3**	**4,528.1**
% change	**-11.6%**		**-5.1%**	
Weeklies/bi-weeklies				
The Advocate (26X)	141.9	120.3	562.8	487.5
Army Times Military Group:				
Air Force Times (52X)	149.4	172.1	604.8	636.3
Army Times (52X)	144.5	167.7	576.6	617.3
Navy Times (52X)	170.2	189.7	672.1	698.2
The Blood-Horse (52X)	255.5	276.1	1,416.3	1,741.9
Capper's (26X)	18.6	21.0	102.9	137.8
Commonweal (22X)	9.9	9.5	24.2	27.0
Golf World (43X)	167.7	143.5	499.2	397.5
Grit (52X) A.	28.7	24.3	124.7	123.0
National Jrnl (50X)	86.2	107.5	252.2	253.7
National Review (25X)	51.6	33.9	147.6	124.4
New Republic (48X)	36.5	43.6	149.4	141.5
New York Magazine (50X)	329.7	265.8	3,293.5	3,142.7
New Yorker	226.6	181.5	741.6	737.1
Newsweek (52X) A.	197.5	222.4	740.5	787.0
People (52X)	299.4	299.5	1,043.7	1,033.9
Rolling Stone (25X)	166.2	158.4	542.2	469.3
Sporting News (52X)	54.5	62.4	198.6	202.8
Sports Illustrated (52X) A.	232.0	244.5	991.9	842.7
Time (52X) A.	213.7	205.6	773.9	770.4
Travelhost (52X) C.	3,248.5	3,219.0	11,847.5	11,739.0
TV Guide (52X) A.	—	—	—	—
US Magazine (26X)	49.6	78.8	181.2	178.9
U.S. News & World Rpt (52X)	153.5	116.4	567.7	478.1
Total Group	**6,431.8**	**6,363.6**	**26,055.0**	**25,768.0**
% change	**1.1%**		**1.1%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

NEWSPAPER

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May 23, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Prodigy TV spots show celebrities such as Linda Ellerbee around the home, which in each case has a personal computer.

Linkup

IBM, Sears set ads for videotex venture

By JUDITH GRAHAM

Advertising introducing the long-awaited videotex joint venture of IBM Corp. and Sears, Roebuck & Co. to Atlanta; Hartford, Conn.; and San Francisco breaks on cable TV soon after Memorial Day.

The commercials are designed to build awareness of what the new Prodigy Services Co. offers: home shopping, information, news and message capabilities via home computer. Broadcast TV spot buys break in the fall as Prodigy expands to several unidentified new markets.

People in the computer and communications industries will be watching closely to see how Prodigy fares. Although videotex was predicted to grow into a $1 billion market by 1992, virtually all early videotex ventures have flopped, generating little consumer enthusiasm.

But Prodigy could have a shot at breaking the market open, in part because of the deep pockets and marketing orientation of

(Continued on Page 93)

4A's sounds its battle cry

By GARY LEVIN
and JON LAFAYETTE

Faced with prospects for an even more depressed advertising climate in 1989, agency executives at the annual meeting of the American Association of Advertising Agencies defended the "value added" role of their business to clients.

At the 70th annual meeting, held in White Sulphur Springs, W.Va., speakers continued to rally against the "commoditization" of agencies and warned members against losing a "unique perspective" by "becoming too much like our clients."

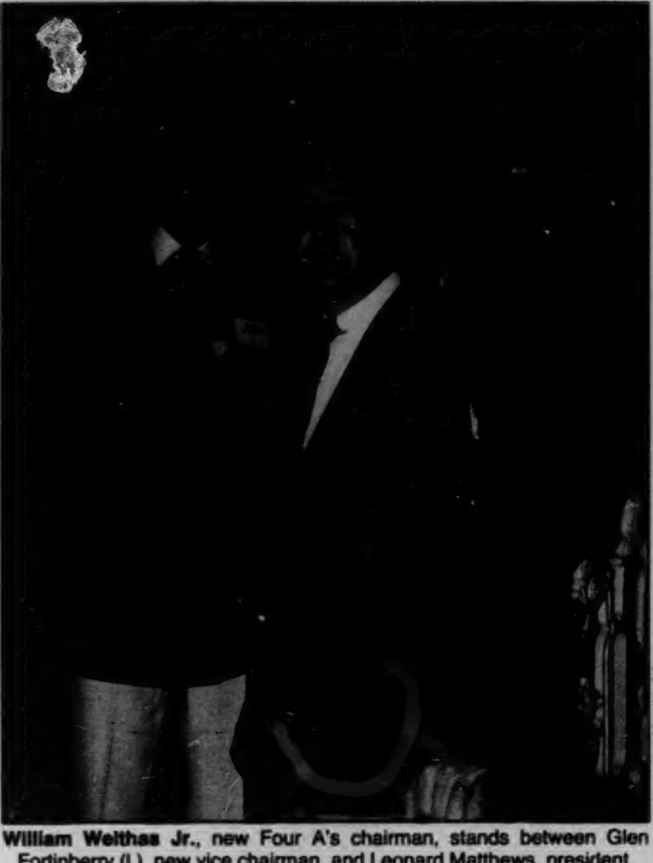
Although similar concerns have been voiced before, the tone of the meeting and comments from those in attendance signal a more concerted attempt to grapple with the problem.

Economic pressures have squeezed agency profits and are leading advertisers to view agencies more as "interchangeable vendors of marketing services" whose offerings can be picked out like "ordering Chinese takeout food," said Leonard Matthews, Four A's president.

The trend is "aided and abetted by a few misguided consultants who seem to think that all agency services can be bought by the hour the way nuts and bolts are bought by the pound.

"In too many cases, what used to be true marketing partnerships

(Continued on Page 92)



Staff photo by Mary Hanley

William Welthas Jr., new Four A's chairman, stands between Glen Fortinberry (l.), new vice chairman, and Leonard Matthews, president.

Writers strike a boon to Games

Olympic win for NBC

By VERNE GAY
and PATRICK McGEEHAN

New York—The Writers Guild of America strike appears to be *helping* NBC.

The delay that the strike is causing in the fall prime-time TV season is forcing several major package-goods advertisers to break with tradition and purchase time on the 1988 Summer Olympics.

NBC-TV has confirmed that it's close to deals with several major advertisers but declined to identify them.

Procter & Gamble Co., which earlier had said it wouldn't be an Olympics sponsor, is believed to be among them, though neither P&G nor NBC would comment.

Lever Bros. sources also confirmed that it has been talking to NBC about a Summer Games buy. One source said the company was "still trying to figure out fourth-quarter budgets," adding that a buy is possible.

NBC said it had "at least" $150 million in Olympics buys pending, though some of that is expected to come from traditional sponsors, including telecommunications companies such as AT&T Co. and MCI Communications Corp.

The network already has sold about $450 million in ad time, or more than 80% of its sales goal. NBC claims it will sell out its total Olympic ad inventory by the end of July.

NBC has been aggressively pitching its scheduled telecasts of the Olympics and the World Series as the only likely "original" non-news programming on network TV from September to November.

CBS earlier indicated its fall season may not start until November. It remains unclear whether CBS will schedule original movies or miniseries against the Olympics in September. That

(Continued on Page 93)

Last Minute News

Kodak, Sterling to juggle media buying

Rochester, N.Y.—Eastman Kodak and its newly acquired Sterling Drug unit are expected to reshuffle some $160 million in national TV billings among their existing New York shops. Sources said that Kodak met with its agencies here May 20 and that an announcement could be made as early as this week. J. Walter Thompson USA handles some $50 million as network TV agency of record for Kodak. Lintas:New York does daytime and network buys for Sterling, while N W Ayer handles Sterling's cable TV, news and syndication buying. Slater Hanft Martin is agency of record for Sterling's sports buys. Young & Rubicam is also a Kodak agency; Lowe Marschalk and Warwick Advertising have some Sterling business. Separately, Kodak this week breaks a $25 million-to-$35 million TV campaign for its con-

(Continued on Page 8)

How agency salaries stack up—P. 3
New Saatchi home lookin' good—P. 40
Who's tops in ad efficiency?—P. 48

FOCUS ON TOBACCO

Tobacco giants dig deeper into promotion

By JUDANN DAGNOLI

U.S. Surgeon General C. Everett Koop's branding of cigarette smoking as an addiction might add some fuel to the fiery arguments against cigarette ads, but advertising is only a minor part of today's media mix for tobacco marketers.

Although U.S. tobacco companies spent $871 million on advertising in 1987, they put $1.5 billion into promotion, according to ADVERTISING AGE estimates.

Direct mail also is rapidly increasing as a medium for tobacco marketers, with R.J. Reynolds Tobacco Co. spending more than $100 million a year in direct marketing, according to one estimate.

The industry claims an ad ban is unthinkable and refuses to consider the consequences of one. Some sources said there would be only one effect of an ad ban: Brand shares would freeze.

Brennan Moran, assistant to the president of the Tobacco Institute, said the effect of a ban would be that "Company X would no longer be able to compete with company Y," because consumption in tobacco is declining and the only way to compete is to steal share from competitors, mainly through advertising.

She said the effect of an ad ban would be on "competition, not consumption."

John C. Maxwell Jr., analyst with Wheat First Securities, said the impact of a ban would be to "stabilize what's already going on." He said Philip Morris Cos. would continue to gain share, while shares for Brown & Williamson Tobacco Corp. and Liggett & Myers would continue to decline.

But share stealing can be done through direct mail. Reynolds has built up a state-of-the-art data base of 25 million smokers to target users of competing brands.

Joe Furnia, senior account manager at JFY/Audit America, Melville, N.Y., the primary contractor of the data base, said, "R.J. Reynolds certainly could survive an ad ban and Philip Morris, too, at this point, by marketing directly to their customers."

James Rosenfield, president of Rosenfield/Vinson Direct, San Diego, said he also believes the industry "can live on direct marketing alone. I also think they could live with retail distribution and vending machines closed to them. Certainly Reynolds and Philip Morris could."

Some marketing professors believe an ad ban could actually be beneficial to tobacco companies. John Deighton, assistant professor of marketing at the University of Chicago Graduate School of Business, said that if cigarettes weren't advertised—and therefore less in the public eye—smoking would become a "less political issue."

The tobacco industry has been girding for ad restrictions for some time. "No responsible international tobacco company hasn't prepared for that eventuality," said L. Douglas Keeney, president-ceo of C.A. Blockers Inc., a private-label tobacco company.

In the U.S., Philip Morris and Reynolds are running promotions that have little or nothing to do with smoking.

For more than 10 years, PM has offered consumers western-style merchandise with a largely direct-mail program called the Marlboro Country Store. This year, the company began the Benson & Hedges Quality Choice Collection, a direct effort offering big discounts on big-ticket items such as stereos.#

Judith Graham and Alison Fahey in New York contributed to this story.

Breakdown of tobacco spending in '87

Media category	$ in millions	% of total
Trade promotion	[illegible]	[illegible]
Direct marketing	483.6	20
Magazines	334.0	14
Outdoor	294.5	13
Point of purchase	168.8	7
Sampling	161.7	7
Sports marketing	100.0	4
Newspapers	95.2	4
Non-sports events sponsorships	66.5	3
TOTAL:	$2.32 billion	

Source: Ad Age estimates.

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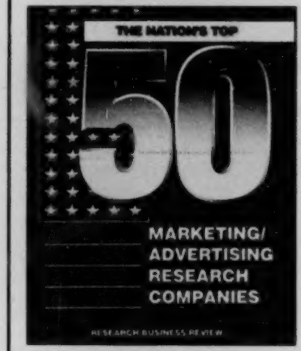

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Publishers fear cigarette uproar

By PATRICK REILLY

The ruckus raised by the U.S. Surgeon General made publishers of magazines that accept tobacco ads more concerned than ever about a possible ad ban.

For many years, magazine publishers have resigned themselves to the continued erosion in tobacco ad spending, but tobacco spending in magazines actually rebounded in 1987 by 4% to $334 million and represents a significant chunk of many magazines' revenue streams.

"Losing cigarette ads would be a major loss for us," said Thomas Hickey, advertising sales director, *Sports Illustrated*. "Tobacco is still a great deal of business for us, and as long as it's a legalized product, we will solicit the business."

An ad ban would immediately hurt youth and male-oriented magazines, such as *Rolling Stone* and *Sports Illustrated*, which have traditionally relied on tobacco dollars.

In 1987, *Sports Illustrated* accepted $29 million in cigarette and tobacco ads, or 11% of its total ad revenue. In the first three months of 1988, the magazine's tobacco pages are up 15% and revenue up 28%, from the same period in 1987.

For *Rolling Stone*, tobacco ad pages increased 20% in 1987 to 161. "I would hate to lose cigarette ads, especially at a time when we are gaining the business," said Les Zeifman, VP-associate publisher.

The negative effect would also spread to national newsweeklies and women's service magazines, which derive between 5% and 10% of their revenue from tobacco ads.

But a ban would be particularly devastating to such special-interest magazines as *Sport* and *Soap Opera Digest*, where tobacco ad pages represent 21% and 49%, respectively, of their total ad pages.

"Any time you might lose 20% of your business means trouble," said Chuck Stentiford, *Sport* publisher.

Magazines aren't the only medium that could feel the effects of a tobacco ad ban.

About 22% of the $1.3 billion spent annually on outdoor advertising is for cigarette ads. But spending declined 14.8% to $286.6 million in 1987, according to the Institute of Outdoor Advertising.

Industry experts predict a ban would only harm them for the short term, because outdoor companies have begun to attract such non-traditional users as package-goods and service-related companies, an institute spokesman said.#

Alison Fahey in New York and Ira Teinowitz in Chicago contributed to this story.

Tobacco's top books

(Tobacco spending in millions of dollars)

Magazine	1987
1. TV Guide	$31.6
2. Sports Illustrated	28.9
3. People Weekly	25.4
4. Time	22.2
5. Newsweek	13.9
6. Better Homes & Gardens	11.6
7. Family Circle	9.8
8. Playboy	9.3
9. Women's Day	8.4
10. Cosmopolitan	7.2

Source: Leading National Advertisers

Meese makeover?

PR shop ready to take assignment

By STEVEN W. COLFORD

Illustration by David Krainik

WASHINGTON—U.S. Attorney General Edwin Meese quietly has been talking to Hill & Knowlton about a public-image makeover. But since that news leaked out just as he was firing his longtime spokesman, Terry Eastland, it may all be off.

Chuck Crawford, regional general manager of H&K's office here, said he isn't sure whether the attorney general is still interested in retaining the public relations agency's services.

"I still hope it's on, but the people at the Department [of Justice] said, 'Give us a few days' to decide," he said. "Now it's a question whether this could be effective; to really be effective, we would have had to be invisible."

The plan, confirmed by the Justice Department, was to improve the public's perception of the department and Attorney General Meese as drug fighters.

"The attorney general wanted to see if the communication of the drug enforcement effort . . . could be enhanced," Mr. Crawford said. But "we never really got to first base in the talks, because word got out . . . making it look like a political job, which it wasn't going to be."

But if the H&K assignment wasn't politically oriented, perhaps it should have been. Reaction to Mr. Meese's firing of Mr. Eastland last week for not defending him strongly enough triggered outcries from some of the attorney general's staunchest supporters.

For the second time this year, professionally produced color posters saying "Meese is a pig" are turning up all over town, plastered onto bus shelters, construction sites, government buildings, offices and vacant sites.#

Coca-Cola to shake Tropicana

By JENNIFER LAWRENCE

Coca-Cola Foods will take direct aim at Tropicana Products' stranglehold on the premium ready-to-serve orange juice segment with next month's introduction of Minute Maid Premium Choice.

In its largest, most aggressive marketing push ever, the Coca-Cola Co. division will initially roll new Minute Maid Premium Choice into the Northeast—the heart of Tropicana's ready-to-serve, chilled orange juice market.

Ad spending will be the national equivalent of $40 million, more than Coca-Cola Foods has spent on any other product launch.

A 30-second TV spot breaking the week of June 20 will position the product with the tag "Minute Maid is gourmet OJ."

The commercial, created by Lowe Marschalk, New York, features different kinds of people drinking the product.

Coca-Cola Foods wouldn't reveal specific rollout plans but confirmed that the Northeast introduction of Minute Maid Premium Choice is the first step of a national rollout.

The move by Coca-Cola Foods is expected to shore up the orange juice category, where double-digit growth in ready-to-serve, chilled orange juices has offset declines in the frozen concentrate segment.

Though Coca-Cola Foods leads the $2.6 billion orange juice category with an overall 23.6% market share, the Minute Maid brand has been soundly tromped in the fast-growing chilled segment by No. 2 Tropicana, whose growth has been driven by its Pure Premium orange juice.

Tropicana Products, acquired in March by Seagram Co., has held a competitive edge over Minute Maid and Procter & Gamble Co.'s third-ranked Citrus Hill Select.

Tropicana has been the only juice marketer to offer a ready-to-serve orange juice that's not made from frozen concentrate.

Last year, Tropicana held a 31% share of the $1.4 billion ready-to-serve orange juice market, compared with Minute Maid's 18.6% share for its chilled line made from

(Continued on Page 89)

World News Roundup

LONDON—Saatchi & Saatchi Co. is expected to report pretax profits of $120 million for the six-month period ended March 31. The agency announces its interim financial results next week.

SAO PAULO—BBDO Worldwide and Alcantara Machado, Periscinoto Comunicacoes, Brazil's No. 2 agency, will announce their new association by mid-June, sources say (AA, Jan. 18). BBDO, however, first has to dissolve its majority affiliation with Lage Stabel/BBDO.

LONDON—The British government announced the creation of a Broadcasting Standards Council to examine TV programs for sex and violence and draw up a code of conduct for broadcasters. William Rees-Mogg, former British Broadcasting Corp. vice chairman, was named chairman.

AUCKLAND—Cadbury Schweppes Hudson moved its $4.1 million account to DDB Needham Worldwide from BBDO affiliate Colenso Communications.

MOSCOW—Visa International and Sony Corp. of America decided at the last minute to sponsor "Pozner in America," a five-part TV

(Continued on Page 67)

New General Foods plan teaches ABCs to agencies

By JUDANN DAGNOLI

General Foods Corp. unveiled a new agency payment policy for its GF USA Division last week, and the agency people working under the same old grind at Coffee & International and Oscar Mayer Foods are sure to be pressing for corporate-wide implementation.

The improved compensation package gives agencies up to 3 percentage points more in revenue for outstanding advertising. The agencies have suffered revenue declines on GF's coffees since coffee ad budgets were cut in favor of promotional spending.

Hardest hit was Ogilvy & Mather, which handled Maxwell House. Spending for that brand dropped from $70 million to nearly zero last year. GF resumed Maxwell House advertising this month, but it's not known whether spending will reach previous levels.

Still, most GF agencies will get in on the new policy. D'Arcy Masius Benton & Bowles, Grey Advertising, O&M and Young & Rubicam, all New York, work for GF USA. All except Grey also handle a coffee brand. DMB&B handles Brim and Yuban, and Y&R has Sanka.

Oscar Mayer Foods is handled by J. Walter Thompson USA, Chicago, and DMB&B.

"Eventually what is being done for one division will be done for the other divisions," one source said. "But that doesn't mean the form of payment will be the same."

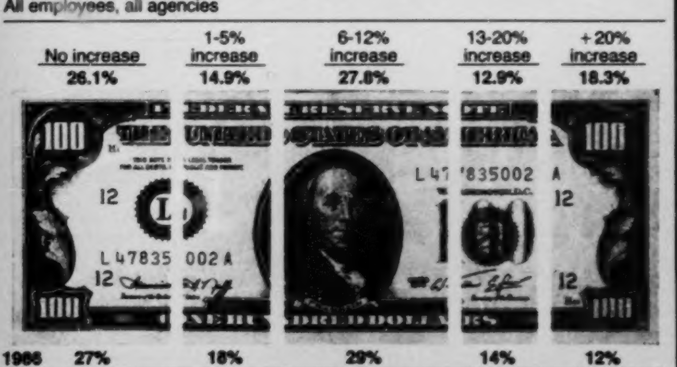
Under the new compensation system going into effect January 1989,

(Continued on Page 90)

Agency pay: performance counts

How many got how much* in 1987

All employees, all agencies



*Salary and bonuses.

©1988 by Cole Surveys, Inc.

Overall increases average 9.6%

By BEN S. COLE and MATT SIZING

Ad agencies reserved the big money for their best performers in 1987, while offering little or nothing in the way of pay gains to a large segment of the work force.

About three-quarters (74%) of the matched sample in this third annual survey of agency compensation got an increase.

Of those who received total pay—base salary and bonuses—boosts, the average increase was 15.6%, up from 14.6% a year ago.

One of every six employees who got an increase received a hike of 25% or more.

But by not giving an increase to 26.1% of their employees, U.S. agencies were able to hold overall increases to an agency average of 9.6%.

Agencies with billings of less than $10 million set the pay-increase pace by awarding 72% of their work force with an average total increase of 17%.

This year's Cole Survey of Compensation in Advertising Agencies, conducted for ADVERTISING AGE, is the largest study so far and features information on 5,250 executives, managers, copywriters and other key employees, nearly double last year's sample of 2,667.

About two-thirds (68%) of the employees in this year's study made a combined salary and bonus of up to $50,000, while another 22% earned between $50,000 and $100,000, and 10% made more than $100,000.

Of the 498 employees who hit six figures, 74 earned at least $250,000, and nine made more than $500,000.

At the very top of the agency hierarchy, it was feast or famine. Close to half the ceos saw no increase in

(Continued on Page 34)

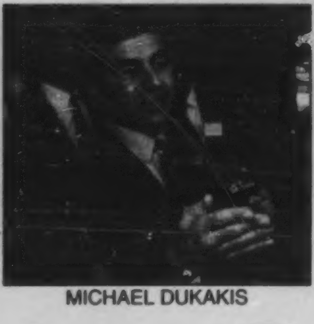


Photo by John Coletti

MICHAEL DUKAKIS

GEORGE BUSH

Photos by Tim Petros

JESSE JACKSON

Let George do it, AA readers agree

By PETER CUNNINGHAM

Republican George Bush is the overwhelming choice for president by advertiser, media and ad agency officials, according to a spot check by ADVERTISING AGE.

Of 254 industry people surveyed, culled from the AD AGE subscriber list, 164—or 65%—said they would vote for Vice President Bush over his Democratic rivals, Massachusetts Gov. Michael Dukakis and the Rev. Jesse Jackson.

Even the Democrats' combined totals barely exceeded half the total in favor of Vice President Bush. The unscientific "sample of convenience" showed Gov. Dukakis was the choice of 79 respondents—31%—while the Rev. Jackson got the nod from only 11 respondents, or 4%.

Vice President Bush scored his highest totals among male client respondents and his lowest percentage among female client respondents—which is where the Rev. Jackson did his best by far.

Gov. Dukakis did best among female media respondents.

The vice president also outpolled the combined totals of the Democrats in every region but the West. Even in the more liberal Northeast, where Gov. Dukakis has exhibited the most strength, Vice President Bush was the clear winner with 75 of 120 responses.

In his home state, Gov. Dukakis barely was the favorite, garnering just seven of 13 responses; the Rev. Jackson got one vote, and Vice President Bush got five. In New York, 41 of 74 people reached said they would vote for the vice president while 32 said they would vote for Gov. Dukakis; only one person was for the Rev. Jackson.

In California, 11 people said they would vote for Vice President Bush, eight were for Gov. Dukakis and four were for the Rev. Jackson.

Of the 24 who responded in Illinois, 18 were for the vice president and six were for Gov. Dukakis. None named the Rev. Jackson, a fellow Illinoisan.

Nine of 10 Michigan respondents were for the vice president, with the only other respondent pulling for the Rev. Jackson. Nine of 12 respondents in Ohio were for Vice President Bush, with the rest going to Gov. Dukakis. Five of eight Texans were for the vice president.

The breakdown by category:

- Among agency people, 58 of 89 favored Vice President Bush, 27 favored Gov. Dukakis and four favored the Rev. Jackson.
- Among media people, 49 of 78 favored Vice President Bush, 27 favored Gov. Dukakis and two said they would support the Rev. Jackson
- Among advertisers, 57 of 87 favored Vice President Bush, 25 were for Gov. Dukakis and five were for the Rev. Jackson.

Fifty-four of the 93 women surveyed, or 58%, favored the vice president; of the remaining 39 responses, Gov. Dukakis was favored by 33 and the Rev. Jackson by six.

Men favored the vice president more heavily, giving him 110, or 68%, of 161 responses. Forty-six favored Gov. Dukakis and five were for the Rev. Jackson.

One of three people reached wouldn't answer because they hadn't made up their minds or, more typically, weren't enthusiastic about any of the candidates.

These comments may tell as much as the numbers about where the ad industry stands on campaign '88:

- "I don't like any of them."
- "I'm hoping some white knight will come out of the hills."
- "Reluctantly, oh gee, oh God, oh dear, gosh—Bush."
- "Realistically and unfortunately . . . Dukakis."
- "None of the ones I want are in the running."
- "I'm for Richard Nixon."#

Peter Cunningham is a Chicago-based free-lance writer.

Campaign 88

Diamandis likes his fellow Greek for White House

There's no doubt about who'll get Peter Diamandis' vote.

"If I don't vote for [Massachussets Gov. Michael Dukakis], they will throw me out of the Greek Club," said Mr. Diamandis, 57, president-ceo of Diamandis Communications Inc. and the son of a Greek immigrant. "Unless he [Gov. Dukakis] comes up with some harebrained idea, I'll stick with him."

Mr. Diamandis said he's a registered independent but has voted Republican in the past.

"If you are in business, you tend to think in the Republican camp. The creeping cost of government was a concern before Reagan, but despite the rhetoric, Republicans have not done a great job of cutting costs," Mr. Diamandis said.

What makes Gov. Dukakis, a Democrat, appealing, he said, is that he's "solid."

"Dukakis is not too exciting, he's a centrist," Mr. Diamandis said. "I've given up on the geniuses. I am looking for basic integrity in the human being, and that's what he has."

And Mr. Diamandis said Gov. Dukakis "comes across better" on TV than Vice President George Bush.

"I still remember when Bush went after Geraldine Ferraro in the debates. He looked foolish," Mr. Diamandis said.#

Presidential sweepstakes

Category Breakdown

	Agencies		Media		Clients	
	Men	Women	Men	Women	Men	Women
Bush	68%	61%	65%	57%	72%	56%
Dukakis	26	36	33	39	26	32
Jackson	6	3	2	4	2	12

Regional Breakdown

	Bush	Dukakis	Jackson
Northeast	63%	36%	1%
Southeast	73	18	9
South Central	57	43	0
Midwest	75	21	4
Plains	67	25	8
Mountains	71	29	0
West	45	41	14
Total	65%	31%	4%

Source: ADVERTISING AGE

Execs say mum's the word on presidential preference

Some top corporate executives are playing their political hands close to their vests in this presidential election.

Samuel C. Johnson, chairman of S.C. Johnson & Son, said he intends to vote for Vice President George Bush. He declined to cite any reasons.

But other top advertisers contacted by ADVERTISING AGE refused to say who they intend to vote for this November.

John Smale, chairman-ceo of Procter & Gamble Co., said as far as he knows, "America still conducts a secret ballot" for president.

Jack Collins, chairman of Clorox Co., said he'd "just as soon not discuss my politics," while Gordon McGovern, ceo-president of Campbell Soup Co., said that "voting is a private matter, and I'm going to make my decision on Election Day . . . and keep it to myself."

Reuben Mark, Colgate-Palmolive Co. chairman, also declined to comment, saying he didn't want to be seen as influencing the company's employees to vote for any particular candidate.#

Agency heads split on Bush

Philip Geier Jr., chairman-ceo of Interpublic Group of Cos., New York, is unequivocal: He's for Vice President George Bush, period.

"His domestic national experience via Congress and the executive branch, plus living overseas and working in the foreign affairs arena, qualifies him as the best man to get the job done with Congress and foreign governments. The one concern I had with him faded when he took Dan Rather on and won."

Jerry Siano, vice chairman of N W Ayer, is a Bush man, too. "I think from an economic point of view, regardless of what's happened to Reagan over the last year or two, that the continuity of keeping the country going is better than a new Democratic person."

But John Noble, president of John Noble Advertising, Tiburon, Calif., has a different perspective. When asked who he was going to vote for, Mr. Noble's response was "Dukakis. What's his name? Michael. Michael Dukakis." His reasoning: "George Bush is the kind of guy who, when he's taking a shower and has to go to the bathroom, he gets out. He's too prissy for me."

William A. Robinson, chairman of William A. Robinson Inc., Chicago, a unit of Ketchum Communications, was more subdued in his answer. "If the election were tomorrow, I'd vote for Mike Dukakis. It's a more philosophical than pragmatic choice, but some of his domestic views appeal to me."

Gerrold Rubin, president, Rubin Postaer & Associates, Los Angeles, declined to answer the question, saying he'd "prefer to hide behind the surgeon general's warnings and just say, 'Such a comment could be hazardous to my health.' "#

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McGraw Hill

Pay raises favor South

(Continued from Page 3)

total compensation. But those who did got big boosts, an average 22% hike. That would be even higher if the survey results had included three ceos whose big bonus checks raised their earnings by 360%, 101% and 78%. They were left out so as not to throw the total picture askew.

Creative directors who got pay raises did well. Seven of every 10 creative directors (68%) got an increase and boosted their take-home pay by an average of 19%.

Salary plus bonuses

Examining increases in total compensation—base salary plus bonus—is the best way to measure overall pay gains.

This survey calculated total increases by comparing compensation for a one-year period for each "matched" employee in the sample (those reported in both the 1986 and 1987 surveys). In most cases, bonuses were paid in 1987 for the previous year's performance.

The 26% of the sample who got no increase in pay were joined on the low end by another 15% who received small or modest total cash boosts of between 1% and 5%. Another 28% reported more substantial increases of between 6% and 12%.

On the high side, almost a third of the sample (31%) received a total earnings increase of 13% or more *(see chart on Page 3)*.

In the largest ad agencies (more than $100 million in billings), increases averaged 11.6% overall and 84% of the work force got one—the highest overall increase and largest percentage receiving increases reported among the five agency size groups. (The overall average takes into account all matched employees—those who did and those who didn't get an increase.)

In agencies with up to $100 million in billings, overall gains were smaller: 9.8% in agencies billing up to $5 million, 7.9% in the $5 million-to-$10 million group, 7.8% in the $10 million-to-$25 million group and 8.7% in the $25 million-to-$100 million group.

The percentage getting increases ranged from a low of 70% to a high of 74%, and pay hikes for those who got one ranged from a high of 17.2% in the smallest agencies to a low of 14.6% in the $10 million-to-$25 million group.

By region

Pay increase results by region favored agencies in the South, where raises averaged 13.7% overall and 20.9% for the 83% who got one. Agencies in the West were in the runner-up spot, with increases averaging 12.4% overall and 19.8% for the 71% who collected one.

Well behind were agencies in the Midwest, which reported gains of 8.9% overall and 14.5% for the 74% who received one, and those in the East, which awarded increases of 8.2% overall and 13.9% for the 72% who got one.

Agencies put the brakes on bonus pay in 1987, offering incentives to a much smaller proportion of the work force than in the two previous years.

Less than one-quarter (24%) of the sample earned a performance-based bonus, compared with 37% in the previous year and 41% the year before that.

Even with 1987's largest individual bonus included, the average bonus shrank to 19% of base salary from 22% of base in the previous two years.

In the nation's largest agencies, the percentage of employees receiving bonus pay dropped from 50% to just 20%, and the average bonus check was trimmed *(see chart on Page 36)*.

Executives with broad managerial responsibilities—ceos, presidents, branch office managers, VPs—experienced the bonus cutbacks first-hand: 39% of these key executives earned bonuses in 1987, compared with 48% in 1986 and 62% in 1985.

For advertising's highest-paid executives, bonuses are more often than not an essential element of cash compensation.

For example, of the 10 highest-paid ceos in this year's survey, the seven who got bonus checks made almost as much in bonus as in salary: They averaged $288,000 in bonus and $310,500 in salary. The highest-paid executive in the survey, the ceo of a large subsidiary agency, added a $573,600 bonus to a $372,500 salary to earn an extraordinary $946,100.

Base salary increases

For most agency staff, pay gains came from raises in base salary rather than bonuses. The average salary increase for all matched employees was a solid 9.5%, an improvement from the previous year's average raise of 8.2%. The average salary raise for the 75% of the sample who got one was 13.4%, just below last year's 13.6% clip *(see chart on Page 36)*.

The quarter of the sample who got no raise at all were offset by another quarter who earned an increase of 13% or more. Raises for the other

(Continued on Page 36)

1987 "Hall of Fame"

Highest total compensation reported by position

CEO (subsidiary)	$946,100
Creative director	746,400
CEO (independent)	638,600
President/COO	540,000
Chief financial officer	421,000
Executive vice president	330,000
Director account management	320,000
Branch office manager	300,000
Business development manager	289,400
Associate creative director	210,500
Creative supervisor	185,000
Senior account executive	182,300
Market research manager	168,000
Media director	160,000
Controller	152,000
Senior art director	150,000
Broadcast production manager	135,000
Public relations manager	130,000
Producer	127,500
Associate media director	126,000
Account planning manager	125,000
Senior copywriter	125,000
Traffic manager	125,000
Human resources director	120,600
Art director	110,000
Print production manager	97,500
Copywriter	96,000
Data processing manager	85,000
Account executive	80,000
Junior copywriter	55,000

Source: ©1988 by Cole Surveys Inc.

About the survey

BOSTON—The third annual Cole Survey of Compensation in Advertising Agencies features information submitted by 260 agencies, including 14 multi-unit headquarters, 218 independent agencies, 22 subsidiaries and six branch offices.

For comparison, agencies were divided into five billing-size groups—up to $5 million, $5 million to $10 million, $10 million to $25 million, $25 million to $100 million and more than $100 million. They were also put into four regional designations (East, South, Midwest and West).

Of the 5,250 employees reported this year, 5,091 (or 97%) were assigned by their agencies to one of 30 defined survey positions; the remaining 159 (3%) occupied positions involving duties other than those described for the 30 defined positions.

Each agency submitted data for base salaries and total compensation as of Oct. 1, 1987 (total compensation is the sum of base salary at that date and any bonus paid during all of 1987).

All agencies submitted information for individual employees, using employee numbers for identification—the employee numbers were used to calculate base salary and total cash increases of "matched" employees (those reported by the same employee number and company in both last year's and this year's surveys).

Complete survey results are available in two comprehensive reports prepared by Cole Surveys.

Each agency that participated in the survey can order a 125-page "Confidential Report" that features customized displays comparing its data to that of two peer groups of other agencies.

Agencies also may order a "Cole Edition" of the report, a non-customized version with detailed salary and total pay information for all 30 positions.

For more information, call Cole Surveys at 1-800-343-2215.#

Average total compensation* by position — 1987

By agency billings size ($ in thousands)

	Up to $5 million	$5-10 million	$10-25 million	$25-100 million	Over $100 million
CEO (independent)	$67.3	$141.9	$166.9	$202.8	$418.8
CEO (subsidiary)	**	101.5	132.2	170.5	425.7
President/COO	54.1	100.9	104.6	168.4	254.3
Branch office manager	35.4	54.7	69.6	89.6	192.0
Executive vice president	47.6	73.4	84.6	117.2	200.1
Chief financial officer	33.0	60.3	61.1	75.0	156.6
Controller	27.1	31.8	41.0	43.6	79.2
Data processing manager	18.6	22.7	33.1	30.8	52.5
Human resources director	21.5	34.5	37.7	36.1	82.7
Traffic manager	20.5	26.2	26.3	26.0	41.9
Creative director	41.2	71.7	73.1	111.6	192.0
Associate Creative Director	36.7	44.7	59.8	75.0	107.2
Creative Supervisor	36.7	**	52.7	55.5	83.0
Senior art director	33.7	40.0	43.6	53.3	74.4
Art director	23.3	30.5	33.9	35.2	43.5
Senior copywriter	29.5	40.8	41.0	49.1	71.2
Copywriter	22.5	31.2	35.5	35.4	42.7
Junior copywriter	16.5	21.0	24.3	23.8	32.0
Media director	27.0	34.0	45.9	59.8	104.2
Associate media director	20.1	20.1	28.9	40.7	60.0
Broadcast production manager	21.0	22.1	37.1	43.9	86.2
Producer	**	24.7	28.3	40.9	57.6
Print production manager	25.3	33.6	36.5	40.9	52.6
Public relations manager	31.2	47.4	47.8	49.0	68.8
Business development manager	39.1	45.0	68.0	68.7	145.0
Market research manager	30.9	42.0	46.4	64.6	56.3
Director account management	45.5	62.4	67.0	84.0	134.4
Account planning manager	36.5	45.7	54.3	65.7	63.5
Senior account executive	40.2	43.1	48.7	54.5	49.5
Account executive	25.6	34.1	32.5	32.4	35.3

* Salary and bonuses ** Limited sample

Source: ©1988 by Cole Surveys Inc.

Ceos on par with other industries

(Continued from Page 34)

half fell between the two extremes: 18% received increases of between 1% and 5%, while 32% earned raises of between 6% and 12%.

The most popular salary raise was 5%, earned by one of every 10 employees.

Agencies billing more than $100 million awarded an average increase of 11%. In agencies billing up to $100 million the average raise varied little, from a high of 9.1% in agencies billing up to $5 million to a low of 7.9% in the $10 million-to-$25 million group.

Salary results by region show the South on top with an average raise of 14.5%, the East and West deadlocked at 9.9%, and the Midwest lowest at 7.6%.

Salary increases in the East and West illustrate the relationship between three key increase statistics: the average increase for all employees, the percentage who got an increase and the average increase for those who got one.

Base salary increases*

Billings size	Percent receiving an increase	Average increase for those who received one
Up to $5 million	69.2%	14.6%
$5-10 million	66.7	16.6
$10-25 million	72.1	12.4
$25-100 million	77.1	12.2
Over $100 million	87.3	13.6
All agencies	74.7%	13.4%

Bonuses**

Billings size	Percent receiving a bonus	Bonus as a percent of base salary
Up to $5 million	25.2%	17.8%
$5-10 million	26.5	22.9
$10-25 million	19.3	25.4
$25-100 million	31.6	19.9
Over $100 million	19.7	15.9
All agencies	23.7%	18.9%

*From October 1, 1986, to October 1, 1987. **Paid in 1987 for the previous year's performance.

Source: ©1988 by Cole Surveys Inc.

Chief executive perquisites

Percent receiving

Billings size	Incentive plan payout	Company car	Supplemental medical insurance	Pension	Supplemental retirement	Stock option
Up to $5 million	30%	70%	46%	21%	5%	9%
$5-10 million	52	77	46	40	17	17
$10-$25 million	40	79	26	35	9	12
$25-100 million	42	86	39	29	7	29
Over $100 million	75	77	46	39	23	39
All agencies	39%	75%	42%	28%	8%	14%

Source: ©1988 by Cole Surveys Inc.

In both regions, the overall increase was 9.9%. In the East, the 72% who got a raise averaged 14.1%; in the West, the 62% who got an increase averaged 19.1%.

Increases for those who got one were clearly higher in the West, and only the West's larger proportion of "zero increases" brought its average increase for all employees down to the same 9.9% figure reported by agencies in the East.

Position by position

Pay levels are driven first and foremost by agency size, as measured in client billings. But positions are another important factor, by area of expertise *(see chart on Page 34)*.

Ceos of independent and subsidiary agencies generally are the highest-paid executives in advertising. While ceo pay levels rose steadily in relation to billings in agencies billing up to $100 million, the big jump came in the largest agencies, where the average paycheck surpassed the $400,000 mark.

In the largest independent agencies, the ceo's cash earnings soared to an average of $418,800, on a par with the paychecks earned by ceos in banking and other major industries.

Subsidiary heads made an average of $30,000 to $40,000 less than independent-agency ceos in agencies with billings between $5 million and $100 million, but they surpassed their independent counterparts in the largest agencies, earning an average of $425,70.

Ceos of subsidiaries, unlike independent-agency heads, are often paid by very large parent companies with compensation programs that emphasize performance-based bonus pay.

The ceo bonus results bear out this distinction: More than half (55%) of the subsidiary heads earned a bonus averaging 57% of base salary (or $99,900), while a little more than one-third (37%) of the independent-agency ceos received bonus pay averaging 46% of base salary (or $49,500).

The total package for ceos is often supplemented by a variety of other company-paid perquisities *(see chart on this page)*.

Just below the ceos in the management hierarchy are presidents and exec VPs. Presidents made more than exec VPs in agencies of every size, but their pay edge grew considerably larger as agency billings increased.

In the smallest agencies, for example, presidents earned total cash averaging $54,100, or 13.7% more than the exec VPs' $47,600. In the largest agencies, the pay gap widened to more than $54,000, with total cash averaging $254,300 for presidents and $200,100 for exec VPs.

Respondents by region

	% of total
East	29.6%
South	18.5%
Midwest	33.5%
West	18.4%

Source: ©1988 by Cole Surveys Inc.

A president's bonus was about twice as big, averaging 36% of base salary; exec VP bonuses averaged about 18% of base.

Branch office manager pay started at an average of $35,400 in the smallest offices and rose to $89,600 in the $25 million-to-$100 million group. In branch offices billing more than $100 million, however, total cash for branch managers jumped to an average of $192,000, just shy of the $200,100 average for exec VPs.

To many ad agencies, cost control and profitability are survival issues, and "dollars and cents" positions like chief financial officer and controller are where the action is. Financial officers are among the highest-paid advertising executives, particularly in the largest agencies, where they earned an average of $156,600. The highest-paid financial officer made $421,000; total salary/-bonus compensation for all chief financial officers averaged $68,500.

Controllers' pay started at an average of $27,100 in the smallest agencies and rose moderately to $43,600 in agencies billing $25 million to $100 million; in the largest agencies, controllers made an average of $79,200.

In bonus pay, 43% of the chief financial officers earned bonuses averaging 19% of base salary, while 29% of the controllers earned bonuses averaging 12% of base.

The top creative talents—creative directors, associate directors and supervisors—are also among the highest-paid professionals in advertising.

Top-paid creative: $746,400

In the largest agencies, creative chiefs earned an average of $192,000, and the highest-paid creative director made $746,400, the second-largest paycheck reported this year. The average for all 216 creative directors was $103,600. In the smallest agencies, creative directors took home an average of about $40,000 in total cash pay.

While associate creative directors and creative supervisors each earned $36,700 in the smallest agencies, associate directors pulled ahead in the $10 million-to-$25 million group, averaging total cash of $59,800 to the creative supervisors' $52,700. The pay differential was even larger in the largest agencies, where total cash for associate directors and supervisors averaged $107,200 and $83,000, respectively.

Performance-based bonuses were awarded to 33% of the creative directors, 31% of the associate directors and 21% of the creative supervisors. Creative directors earned bonuses averaging 22% of base salary, about twice the size of the average incentive paid to associate directors (11% of base) and supervisors (10%).

The pay lines for comparable positions in art and copy are remarkably similar. For example, senior art directors earned average total cash of $50,500, while senior copywriters averaged $49,500. Bonus results are also similar: 19% of the senior art directors received bonuses averaging 10% of base salary; 19% of the senior copywriters earned bonuses equal to 9% of base.

Art directors averaged $36,500 in total cash, only $1,700 less than the $38,200 average for midlevel copywriters. Bonuses as a percent of base pay averaged 7% for art directors and 6% for copywriters.

Total cash for junior copywriters started at $16,500 in the smallest agencies, rose to an average of $21,000 to $24,000 in agencies billing $5 million to $100 million and topped off at $32,000 in the largest agencies. Six percent of the junior copywriters earned bonuses equal to about three weeks' pay.

New business

The goal for business development managers is to land new clients, a challenge that offers generous rewards for success, particularly in large agencies where new accounts can mean millions of dollars in billings.

Total cash for business development specialists jumped to $145,000 in the largest agencies, not far behind the $156,600 average for chief financial officers. For the smallest agencies, the starting average was $39,000.

Nearly half (45%) earned performance-based bonuses, second only to the 55% rate for subsidiary-agency ceos.

Directors of account management act as the chief liaison between agency and client, while account planning managers are responsible for developing longer-term strategies to accomplish client objectives.

In the smallest agencies, directors earned an average of $45,500, or $9,000 more than planning managers; in agencies billing $25 million to $100 million, the total cash difference was about twice as large—$84,000 for directors vs. $65,700 for planners.

In the largest agencies, directors earned an average of $134,400, more than double the $63,500 average for account planners.

Although senior and junior account executives earn respectable salaries and bonuses, agency size has less impact on pay levels in these positions than in most other jobs. Total pay for senior account executives averaged $40,200 in the smallest agencies and rose to $49,500 in the largest shops. Thirty percent of the senior account executives collected bonuses averaging 14% of base pay.

Media directors and associate directors in the nation's largest agencies earn far more than their peers in smaller agencies. In the four smallest agency-size groups, media directors earned paychecks averaging $27,000, $34,000, $45,900, and $59,800; in the largest agencies, their total cash jumped to an average of $104,200.

For broadcast production heads, like media specialists, the big money lies in the big agencies. In agencies billing up to $10 million, broadcast managers earned about $21,000 to $22,000; in the $25 million-to-$100 million group, their total cash just about doubled, to $43,900; in the largest agencies, paychecks for broadcast chiefs nearly doubled again, to an average of $86,200.

The producer position is found primarily in agencies billing more than $25 million. In the $25 million-to-$100 million size group, producers earn an average of $40,900; in the largest agencies, producers make $57,600.

Market research heads earn solid paychecks in agencies of every size: their total cash started at an average of $31,000 in the smallest agencies and climbed to a peak of $64,600 in agencies billing $25 million to $100 million. About one of every three market research heads (33%) earned a bonus averaging 8% of base pay. equal to about one month's salary.

Average total cash for public relations managers started at $31,200 in the smallest agencies. In the three size groups of agencies billing $5 million to $100 million, average paychecks for PR managers varied by less than $2,000, in a range of $47,400 to $49,000.

Nothing average about bonuses

Boston—In advertising and other major industries, bonuses are often the wild card of compensation. Huge bonus checks account for some of the largest pay hikes reported this year—so large, in fact, that nine increases of 75% or more were excluded from the averages to avoid distorting the results for all employees.

For example, in last year's survey, the ceo of a midsize independent agency earned a $19,500 bonus on top of a $100,000 base salary, or total cash of $119,500.

This year, the same ceo collected a $400,000 bonus—more than 20 times larger than the previous year's—and a $150,000 salary, raising his total pay to $550,000—an increase of 360%.#

In the largest agencies, the PR chief earned an average of $68,800.

Some 29% of the PR managers earned bonuses totaling 8% of base pay.

The human resource director, a position found primarily in the larger agencies (over two-thirds reported work in agencies billing more than $25 million). Average total cash pay for human resource directors starts at $21,500 in the smallest shops and jumps into the $34,000-to-$38,000 range in agencies with billings between $5 million and $100 million. In the largest agencies, broader responsibilities offer a huge jump in compensation: their total pay soars to an average of $82,700.

Traffic managers earn an average of $20,500 in the smallest agencies and about twice that amount—$41,900—in the largest agencies. Although traffic managers are not among the industry's top earners, the highest-paid traffic boss in this survey gets $125,000.#

Ben Cole is president-founder of Cole Surveys, Boston, and VP-director of the company's parent, the Wyatt Co. Cole was established in 1956 and is a leader in the compensation survey field. Wyatt is an international benefits, compensation and risk-management consulting company with offices in more than 50 cities in the U.S., Canada and overseas. Matt Sizing is senior writer and editor at Cole.

Whirlpool is tops in ad efficiency

By R. CRAIG ENDICOTT

Whirlpool Corp. blew past other leading national advertisers in ADVERTISING AGE's first advertising efficiency rating report by boosting sales per $1 of advertising 87.6% in the fourth quarter 1987 compared with the corresponding period in 1986.

Ad efficiency, a critical measurement in determining the effectiveness of a marketing strategy, is derived from dividing a company's U.S. sales by its U.S. measured media, resulting in sales per ad dollars.

The AD AGE survey, to run quarterly, found that 58 of the 100 companies surveyed improved their ad efficiency, although 37 of these big spenders boosted efficiency by reducing advertising as sales improved—Whirlpool among them.

Whirlpool's ad efficiency for the quarter was $121.19, up from $64.61. This compares with a 9.3% increase averaged by the 100 companies charted, or $89.22 in 1987, up from $81.65 in 1986.

Chrysler Corp. led a select group of only 16 advertisers who grew in efficiency *and* increased advertising. Chrysler's ad efficiency improved 24.8% in the two measured quarters as its sales expanded 37% on a 9.8% growth in advertising.

In the aggregate, measured advertising for the 100 increased 3.5% to $3.6 billion and sales expanded 8.6% to $247.1 billion. Lower measured advertising was reported by 52 companies, 85 increased sales and 42 improved their ad-to-sales ratio—a flipside of ad efficiency.

The efficiency swing at Whirlpool resulted from a 45% decline in measured advertising and a 3.1% growth in revenues between the comparable quarters. Ad spending dropped at the Benton Harbor, Mich.-based company when it diverted advertising budgeted for the period to the second and third quarters to back its new "100% Customer Commitment" product guarantee for Whirlpool and KitchenAid lines, according to the company.

Texas Air Corp. and Kraft Inc. actually had greater movement in efficiency between the two quarters. Texas Air grew 194.3% but its comparable results were distorted by the inclusion of Eastern Airlines in only the fourth quarter 1987. Eastern was purchased at the end of 1986. Kraft's efficiency growth of 102.9% was distorted by heavy acquisitions in the foodservice industry that boosted sales 28%.

Measuring ad efficiency is not a perfect science. Quarterly measured spending is available in only eight major media, although that media represented 91.9% of all measured media of AA's 200 leading national advertisers in 1987. *(See chart footnotes for media used.)*

There naturally is a bias against other media forms and below-the-line spending.

Most companies on the chart were AA's 100 Leaders in 1987. AA dipped into the Second 100 to replace the private companies and the foreign-based companies in the top 100 that do not issue quarter financial reports.

Seventy of the 100 companies charted obtain revenue from outside the U.S. But quarterly statements, unlike annual reports, do not break out sales on a geographic basis. In these cases, U.S. sales were estimated by applying the U.S. share of worldwide returns in 1986.

For the few that do not regionalize financial returns, AA estimated U.S. sales after consulting the companies. The fourth quarter used for this report is October-December, or the fiscal period of a company that approximates this time frame.#

Revenues per $1 in advertising expenditures for 100 leading national advertisers

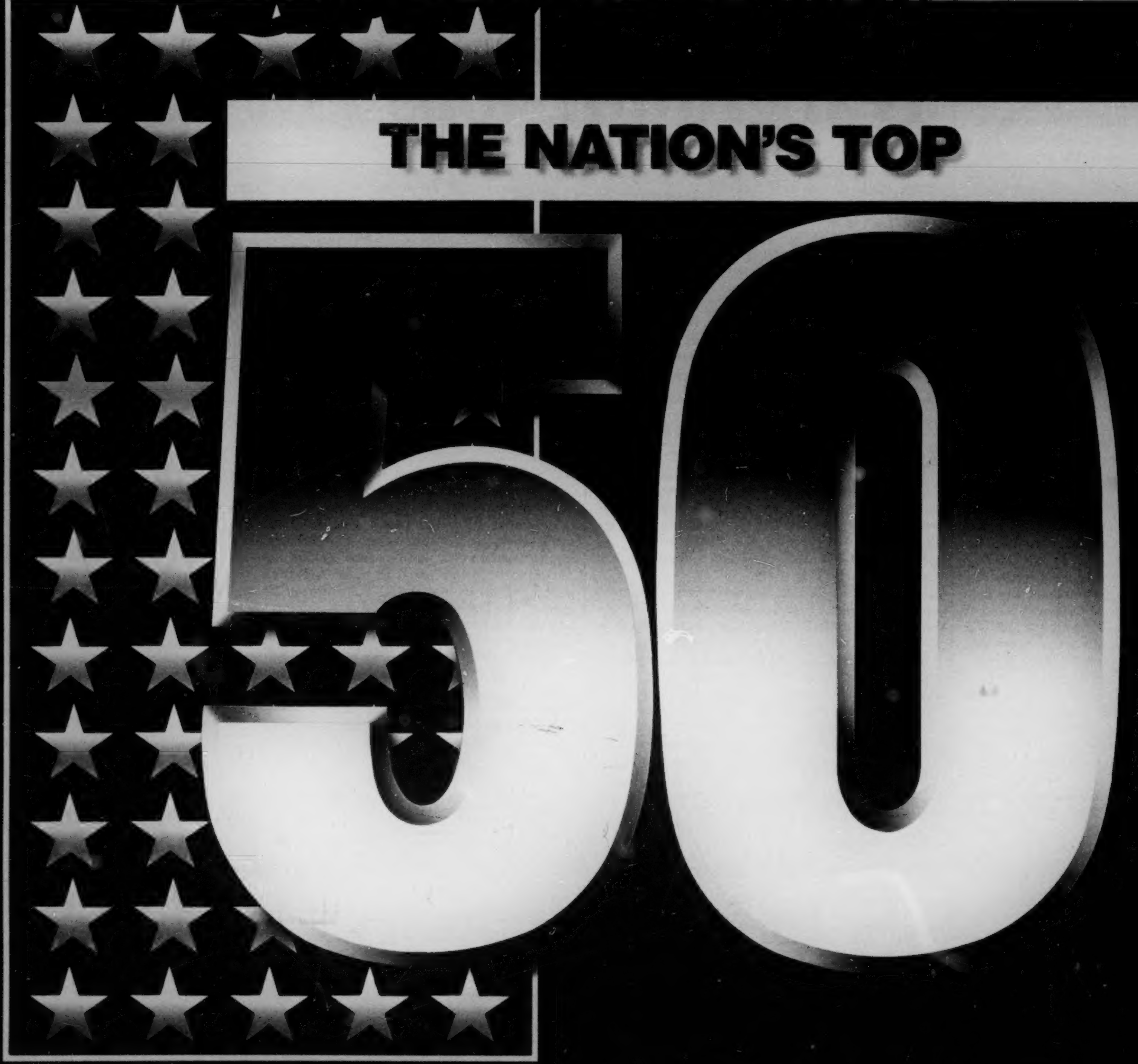
		U.S. ad spending		U.S. 4th qtr. sales		Sales per $1 advertising		%
Primary business	**Advertiser**	**1987**	**1986**	**1987**	**1986**	**1987**	**1986**	**chg.**
AIRLINES	Texas Air Corp.	$6,491	$10,073	$2,078,554	$1,096,023	$320.25	$108.81	194.3%
	AMR Corp.	12,153	13,067	1,694,700	1,349,100	139.45	103.25	35.1%
	Allegis Corp.	19,890	14,834	2,100,000	2,536,000	105.58	170.96	-38.2%
	Delta Air Lines	17,955	15,435	1,614,856	1,137,150	89.94	73.67	22.1%
	Trans World Airlines	8,667	7,787	638,629	570,087	73.68	73.21	0.6%
APPLIANCES	General Electric Co.	29,277	27,262	10,952,760	11,163,880	374.10	409.51	-8.6%
	Xerox Corp.	11,450	10,087	2,940,000	2,590,000	256.77	256.76	0.0%
	International Business Machines	36,622	42,762	8,824,900	8,305,500	240.98	194.23	24.1%
	Hewlett-Packard Co.	6,629	5,458	1,183,680	939,600	178.57	172.15	3.7%
	Whirlpool Corp.	8,022	14,594	972,100	942,900	121.18	64.61	87.6%
	Matsushita Electric Industrial Co.	15,349	26,141	1,401,010	1,302,860	91.28	49.84	83.1%
	Eastman Kodak Co.	30,222	33,100	2,302,800	2,682,800	76.20	81.05	-6.0%
	Philips N.V.	27,267	26,488	1,151,400	1,288,200	42.23	48.63	-13.2%
	Tandy Corp.	29,816	29,906	1,120,580	1,028,560	37.58	34.39	9.3%
	Polaroid Corp.	16,522	11,156	300,133	301,254	18.17	27.00	-32.7%
AUTO	Ford Motor Co.	108,692	112,534	15,040,000	13,040,000	138.37	115.88	19.4%
	General Motors Corp.	225,983	166,480	23,476,420	22,719,030	103.89	136.47	-23.9%
	Chrysler Corp.	118,287	107,726	6,976,060	5,090,540	58.98	47.25	24.8%
CHEMICALS	Mobil Corp.	11,550	11,650	5,794,940	4,625,000	501.74	396.99	26.4%
	E.I. du Pont de Nemours & Co.	25,705	29,999	5,479,290	4,607,130	213.16	153.58	38.8%
	Monsanto Co.	7,460	9,731	1,236,820	1,051,900	165.80	108.09	53.4%
	Goodyear Tire & Rubber Co.	12,963	13,045	1,679,360	1,498,240	129.55	114.86	12.8%
	Dow Chemical Co.	13,873	15,753	1,654,620	1,283,860	119.27	81.50	46.3%
	American Cyanamid Co.	13,596	9,163	676,698	626,736	49.77	68.40	-27.2%
ENTERTAINMENT	Gulf & Western Industries	11,343	9,186	1,365,820	950,340	120.41	103.45	16.4%
	Capital Cities/ABC	14,490	11,291	1,408,139	1,187,324	97.18	105.16	-7.6%
	Warner Communications	10,318	10,568	846,600	682,260	82.05	64.56	27.1%
	CBS Inc.	11,615	12,685	672,510	691,650	57.90	54.52	6.2%
	Time Inc.	35,519	35,186	1,081,100	977,550	30.44	27.78	9.6%
	MCA Inc.	21,887	15,013	532,780	507,485	24.34	33.80	-28.0%
	Walt Disney Co.	32,079	23,570	734,600	660,900	22.90	28.04	-18.3%
FOOD	Borden Inc.	7,282	4,197	1,461,240	1,098,360	200.66	261.70	-23.3%
	Geo. A. Hormel & Co.	6,463	5,071	554,887	440,480	85.85	86.86	-1.2%
	Castle & Cooke	3,348	1,442	286,898	281,348	85.70	195.06	-56.1%
	Kraft Inc.	36,719	58,384	2,065,600	1,619,200	56.25	27.73	102.8%
	IC Industries	18,454	23,407	1,025,280	922,040	55.56	39.39	41.0%
	CPC International	7,474	7,523	362,681	444,666	48.52	59.11	-17.9%
	RJR Nabisco	115,141	118,452	4,419,000	4,217,000	38.38	35.60	7.8%
	Sara Lee Corp.	59,846	53,496	2,247,400	2,028,100	37.55	37.91	-0.9%
	Philip Morris Cos.	164,904	202,006	4,874,160	4,521,570	29.56	22.38	32.1%
	Hershey Foods Corp.	23,545	21,459	665,719	614,971	28.27	28.66	-1.3%
	Ralston Purina Co.	54,989	58,264	1,323,450	1,285,200	24.07	22.08	9.1%
	H.J. Heinz Co.	29,176	22,458	701,680	660,276	24.05	29.40	-18.2%
	Pillsbury Co.	77,516	78,497	1,516,500	1,424,700	19.56	18.15	7.8%
	Campbell Soup Co.	63,260	57,765	1,095,602	1,023,852	17.32	17.72	-2.3%
	General Mills	99,508	88,764	1,511,700	1,334,700	15.19	15.04	1.0%
	Quaker Oats Co.	71,669	66,185	896,440	791,320	12.51	11.96	4.6%
	Kellogg Co.	85,025	57,098	656,200	550,324	7.72	9.64	-19.9%
	Wm. Wrigley Jr. Co.	29,196	39,935	130,901	117,207	4.48	2.93	52.8%
MISCELLANEOUS	Greyhound Corp.	5,168	7,523	714,614	559,004	138.27	74.31	86.1%
	American Express Co.	30,994	27,587	3,469,230	3,289,410	111.93	119.24	-6.1%
	Hasbro Inc.	64,241	61,492	276,232	261,924	4.30	4.26	0.9%
PHARMACEUTICALS	Pfizer Inc.	28,095	21,272	701,360	639,595	24.96	30.07	-17.0%
	Johnson & Johnson	55,566	70,537	1,155,960	995,220	20.80	14.11	47.4%
	Bristol-Myers Co.	50,470	42,263	979,200	864,000	19.40	20.44	-5.1%
	Sterling Drug	21,038	18,360	373,212	329,868	17.74	17.97	-1.3%
	Carter-Wallace	5,105	5,662	88,062	80,574	17.25	14.23	21.2%
	American Home Products	54,997	55,728	909,750	894,750	16.54	16.06	3.0%
	Schering-Plough Corp.	25,169	14,278	358,290	324,054	14.24	22.70	-37.3%
	Warner-Lambert Co.	53,058	52,423	509,407	455,056	9.60	8.68	10.6%
RESTAURANTS	Jerrico Inc.	6,734	7,849	158,772	143,704	23.58	18.31	28.8%
	Wendy's International	17,059	20,803	254,016	265,949	14.89	12.78	16.5%
	McDonald's Corp.	102,099	84,133	699,080	586,784	6.85	6.97	-1.8%
RETAIL	American Stores Co.	11,224	9,750	3,811,921	3,687,600	339.61	378.22	-10.2%
	Wal-Mart Stores	15,262	17,774	5,000,240	3,845,539	327.62	216.36	51.4%
	Kroger Co.	13,957	13,324	4,408,305	4,376,257	315.86	328.45	-3.8%
	May Department Stores Co.	13,220	16,098	3,344,000	3,403,000	252.95	211.39	19.7%
	Federated Department Stores	14,053	14,886	3,551,200	3,440,000	252.70	231.09	9.4%
	F.W. Woolworth Co.	7,481	11,261	1,817,940	1,656,400	242.99	147.09	65.2%
	Sears, Roebuck & Co.	68,600	71,626	14,050,000	12,969,700	204.81	181.08	13.1%
	K mart Corp.	39,719	30,328	7,754,000	7,352,000	195.22	242.42	-19.5%
	Dayton Hudson Corp.	20,812	17,942	3,679,100	3,115,500	176.78	173.64	1.8%
	J.C. Penney Co.	29,541	26,662	4,745,280	4,789,440	160.63	179.64	-10.6%
	VF Corp.	9,926	7,012	576,606	420,433	58.09	59.96	-3.1%
SOAPS	Colgate-Palmolive Co.	18,610	28,551	732,500	624,500	39.36	21.87	79.9%
	Clorox Co.	10,230	11,222	214,600	207,100	20.98	18.45	13.7%
	Procter & Gamble Co.	229,385	230,360	3,339,600	3,194,400	14.56	13.87	5.0%
	Unilever N.V.	81,798	83,506	1,185,660	1,194,840	14.50	14.31	1.3%
SOFT DRINKS	PepsiCo	100,490	77,395	3,015,420	2,640,450	30.01	34.12	-12.0%
	Coca-Cola Co.	37,766	38,133	936,240	808,887	24.79	21.21	16.9%
TELEPHONE	ITT Corp.	10,266	5,228	3,952,000	3,572,000	384.98	683.24	-43.7%
	Pacific Telesis Group	7,414	11,165	2,415,000	2,187,400	325.74	195.92	66.3%
	Ameritech	7,656	7,701	2,447,900	2,375,400	319.75	308.47	3.7%
	BellSouth Corp.	11,517	12,565	3,170,000	3,820,000	275.26	304.01	-9.5%
	GTE Corp.	15,001	13,842	3,871,086	3,794,174	258.05	274.11	-5.9%
	Southwestern Bell Corp.	9,787	7,325	2,152,700	2,014,700	219.96	275.05	-20.0%
	Bell Atlantic Corp.	14,541	14,104	2,603,300	2,602,700	179.03	184.54	-3.0%
	Nynex Corp.	17,856	12,285	3,103,400	2,956,000	173.80	240.61	-27.8%
	MCI Communications	9,256	8,826	1,038,000	920,000	112.14	104.24	7.6%
	American Telephone & Telegraph	97,412	92,673	8,345,880	8,273,130	85.68	89.27	-4.0%
	U.S. Sprint Communications	9,411	13,586	746,000	589,000	79.27	43.35	82.8%
TOBACCO	Loews Corp.	15,316	20,066	1,947,604	1,813,035	127.16	90.35	40.7%
	American Brands	18,580	14,446	768,700	623,900	41.37	43.19	-4.2%
TOILETRIES	Gillette Co.	17,121	16,253	337,857	308,334	19.73	18.97	4.0%
	Alberto-Culver Co.	8,029	7,915	104,130	87,906	12.97	11.11	16.8%
	Noxell Corp.	17,454	12,665	100,423	95,371	5.75	7.53	-23.6%
WINE, BEER & LIQUOR	Seagram Co. Ltd.	20,723	16,853	629,125	550,670	30.36	32.68	-7.1%
	Anheuser-Busch Cos.	93,927	103,806	2,217,886	2,097,924	23.61	20.21	16.8%
	Brown-Forman Corp.	14,502	14,499	307,961	300,158	21.24	20.70	2.6%
	Adolph Coors Co.	28,420	18,874	293,152	275,926	10.31	14.62	-29.4%

NOTES: Dollars are in thousands except revenues per $1 in ad spending which are in real dollars.

Sources: Fourth quarter ad spending from Broadcast Advertisers Reports/Leading National Advertisers and Radio Expenditure Reports. Figures include magazine and newspaper spending from Publishers Information Bureau as reported by LNA; spot TV, network TV, cable TV networks and network radio spending as reported by BAR; outdoor spending as reported by LNA, and spot radio spending as reported by Radio Expenditure Reports. Revenues are for U.S. sales only and are AA estimates based on worldwide fourth quarter revenues and annual U.S. revenues as a percent of worldwide revenues. (See story at left.)

AA chart: Kevin Brown. Compiled by Tony Ralenkotter

Special Report



THE NATION'S TOP 50 MARKETING/ ADVERTISING RESEARCH COMPANIES

RESEARCH BUSINESS REVIEW

AVID Productions

Top 50 researchers' 'real growth' tops 13%

But operations outside U.S. make numbers appear higher because of weaker dollar

By Jack J. Honomichl

Top-line data from this, the 14th Annual Industry Review compiled exclusively for ADVERTISING AGE, indicate that 1987 was an extraordinary growth year, with revenues up 16.8% from 1986.

However, closer analysis of revenue gains, 1987 over 1986, for 136 marketing, advertising and public opinion research companies, reveals a healthy but not extraordinary growth rate.

The main element in this analysis comes from the 1986-87 revenue records of 50 leading U.S. research organizations, which in aggregate had worldwide revenues of $2,308,600,000 in 1987, up 16.8%. After adjustment for inflation (3.6% according to the U.S. Department of Labor Consumer Price Index-U, monthly average), this boils down to a "real growth" rate of 13.2%.

Of this $2.3 billion, however, $734.1 million, or 31.8%, came from operations outside the U.S., and to that extent the Top 50 growth rate was hyped by the declining value of the dollar vis-a-vis most major foreign currencies. This makes the Top 50 growth rate, when expressed in U.S. dollars, appear significantly higher than it was.

When these giant operations—A.C. Nielsen Co., IMS International, Research International, MRB Group and Louis Harris & Associates—with a major share of revenues coming from outside the U.S. are subtracted out, the remaining 45 top companies show a growth rate of 11.1%, or 7.5% after adjustment for inflation.

Another set of depreciating data comes from the Council of American Survey Research Organizations. The $204.9 million reported by 86 CASRO members not included in the Top 50 listing represented a 7.0% gain over 1986, or 3.4% after inflation adjustment.

To arrive at a realistic indication of the 1987 growth rate of domestic-only U.S. research industry, subtract out the five big overseas operations and then add in the CASRO numbers, making a base of 136 companies that get almost all their revenues from within the U.S. The result is a growth rate of 10.5%, or 6.9% after inflation adjustment. This is a healthy growth rate by any standard, and especially good when compared with that of the Top 50 U.S. advertising agencies *(see story below)*.

This year's listings grew to 50 companies despite the loss of three—SAMI/Burke and Decisions Center (which had line identity last year but are now included via acquisition in new listings, namely Arbitron/SAMI/Burke and Research International) and Ehrhart-Babic Group, which chose not to participate. Newcomers in 1987 include Pharmaceutical Data Services, Conway/Milliken, CLT Research, Cambridge Reports, Directions for Decisions, Vanderveer Group and Research International.

As in previous years, the 1987 revenues for each top organization are actual and may include revenues gained from acquisitions during the year, as explained in the profiles that follow. Their growth rates, however, have been calculated on a comparable base from year to year. So, if company A bought company B anytime during 1987, company A's growth rate is calculated on its total revenues for 1987, plus those of company B for the whole year, vis-a-vis the same base in 1986. If this procedure were not followed, the industry growth rate would appear to be much higher, but would be to some degree merely a reflection of acquired revenues.

Also, as in past listings, the revenues for the Top 50 are for research activities only; certain companies, as explained in individual company profiles, have significant additional revenues from non-research areas.

A top executive of Dun & Bradstreet is quoted privately as saying, "We want to be the IBM of the marketing information industry." A big step toward that goal of worldwide dominance took place in 1984 when D&B acquired A.C. Nielsen Co. *(see Page S-18)*. Then in 1987, D&B tried to acquire Information Resources Inc., a move thwarted by the FTC, which cited restraint of trade. Last Feb. 8, D&B announced its intention to acquire IMS International (No. 3) for about $1.77 billion, which would be the largest marketing service company acquisition in history.

Assuming that the IMS acquisition goes through later this spring as expected, D&B would control about $1,062,600,000 in research revenues around the world. That's nearly one and one-half times the revenues of the worldwide revenues of Young & Rubicam, the largest U.S. advertising agency.

There's no question that research is big international business. Of the Top 50 companies listed this year, six are either partly or wholly owned by European companies; two others, while registered U.S. corporation, in fact have their top management in London.

The company-by-company profiles that follow *(on Page S-8)* detail the operations of each of 1987's Top 50, major changes that took place during 1987, and their expansion plans for the remainder of 1988. ■

Jack J. Honomichl is ADVERTISING AGE'S *research columnist.*

Growth comparisons explain buys

The 50 largest U.S. advertising agencies had gross worldwide revenues of $8,449,000,000 in 1987, according to the recent U.S Advertising Agency Profiles in ADVERTISING AGE. This was an increase of 13.7%; 42% of those revenues came from outside the U.S.

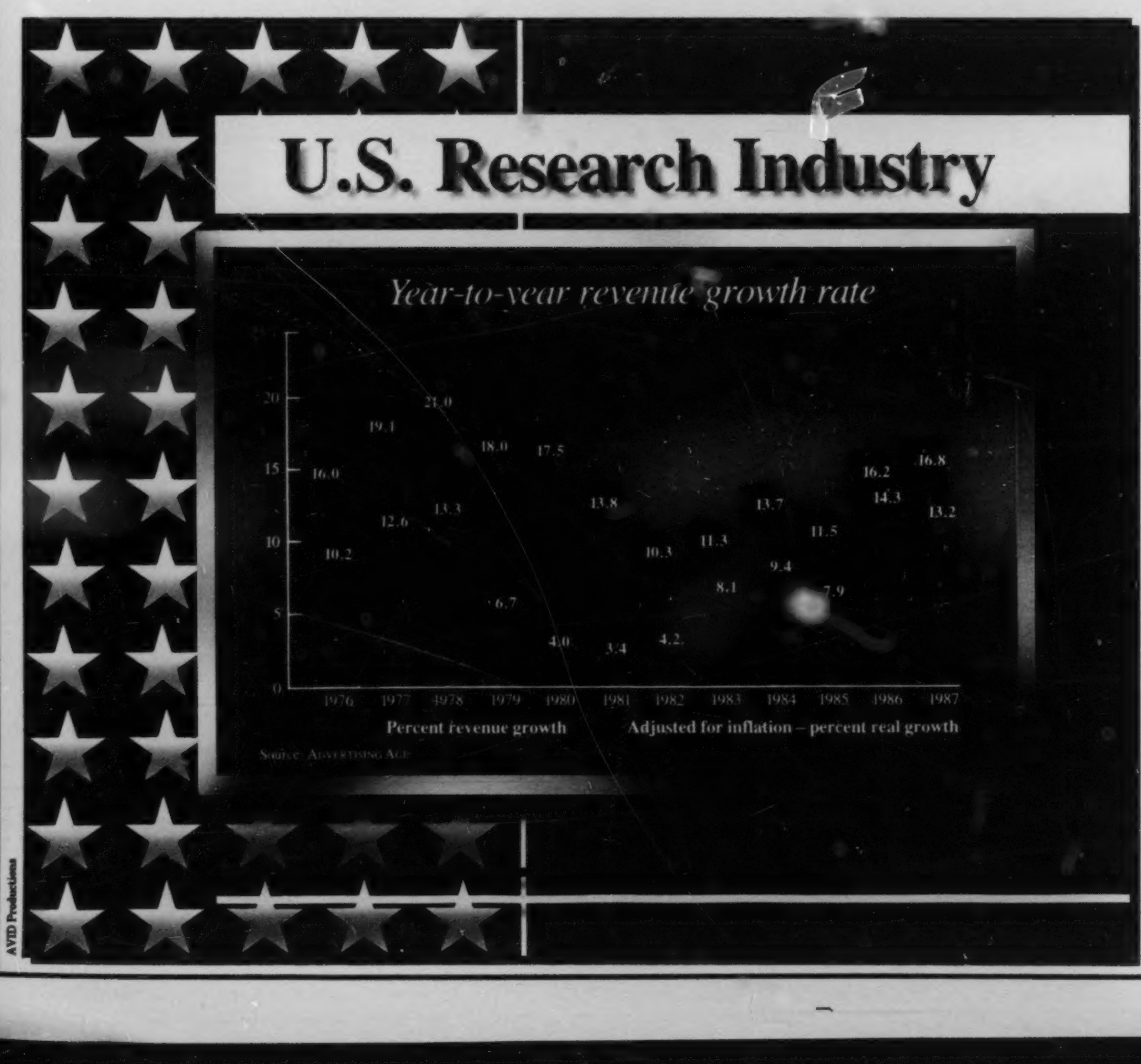
The Top 50 research agencies had worldwide gross revenues of $2,308,600,000 in 1987, up 16.8% from 1986; 31.8% of those revenues came from outside the U.S.

In both cases, the growth rate was hyped by the weakening U.S. dollar vis-a-vis most major currencies in the world, and especially the U.K., West Germany and Japan. The growth rates are far different when we look at U.S. revenues only. On this basis, the 50 largest advertising agencies grew just 3.8% from 1986 to 1987 (and only 0.2% after adjustment for inflation), and the Top 50 research agencies grew about 10.9%, or 7.3% after adjustment for inflation.

It should be noted that these are not pure apple-to-apple comparisons. The advertising agency revenues in many cases include non-advertising activities, such as public relations, research or direct-marketing subsidiaries. In the case of the Top 50 research organizations, every attempt has been made to screen out non-research activities.

These growth comparisons help explain why some major advertising agencies—notably Saatchi & Saatchi, Ogilvy Group and WPP Group—have been acquiring large research operations and why the financial community is so bullish on marketing information as a growth industry.

—Jack J. Honomichl



Source: ADVERTISING AGE

AVID Productions

Data bank—Research Business Review

Top 50 U.S. research organizations

Rank 1987	Rank 1986	Organization	Address/ phone	Total research revenues* ($ in millions)	Percent change from 1986**	Revenues and % from outside U.S. ($ in millions)	
1	1	A.C. Nielsen Co.	Nielsen Plaza, Northbrook, Ill. 60062, 312/498-6300	$765.0***	17.6%***	$459.0***	60.0%***
2	4/3	Arbitron/SAMI/Burke†	8100 34th Ave. South, Minneapolis, Minn. 55440-4700, 612/853-8100	325.0	6.2	3.0	.9
3	2	I.M.S. International Inc.	800 Third Ave., New York, N.Y. 10022, 212/371-2310	297.6	21.3	152.1***	51.0***
4	5	Information Resources Inc.	150 N. Clinton St., Chicago, Ill. 60606, 312/726-1221	105.5	12.7	6.9	6.5
5	—	Research International Ltd.	17a Great Peter St., London SW1P 2BX, England, 01/799/2363	89.6	14.0	72.4	80.8
6	11	WESTAT	1650 Research Blvd., Rockville, Md. 20850-3129, 301/251-1500	61.3	74.3	N/A	N/A
7	6	MRB Group Inc.	380 Madison Ave., New York, N.Y. 10017, 212/916-8985	61.1	14.9	26.3	43.0
8	7	M/A/R/C Inc.	7850 North Belt Line Rd., Irving, Texas 75063, 214/506-3400	50.3	5.9	N/A	N/A
9	8	NFO Research Inc.	2 Pickwick Plaza, Greenwich, Conn. 06830, 203/629-8888	38.9	6.0	N/A	N/A
10	12	Maritz Marketing Research	1395 N. Highway Drive, Fenton, St. Louis County, Mo. 63026, 314/225-2325	38.0	11.5	N/A	N/A
11	9	Market Facts Inc.	676 N. St. Clair St., Chicago, Ill. 60611, 312/280-9100	37.4	3.8	N/A	N/A
12	13	Elrick and Lavidge Inc.	10 S. Riverside Plaza, Chicago, Ill. 60606, 312/726-0666	28.8	7.9	N/A	N/A
13	10	NPD Group	900 W. Shore Road, Port Washington, N.Y. 10050-0402, 516/625-0700	25.7	18.2	0.6	2.3
14	14	Yankelovich Clancy Shulman	8 Wright St., Westport, Conn. 06880, 203/227-2700	24.0	13.4	N/A	N/A
15	16	Chilton Research Services	1 Chilton Way, Radnor, Penn. 19089-0193, 215/964-4606	21.2	8.7	N/A	N/A
16	15	Walker Research Inc.	3939 Priority Way South Drive, Indianapolis, Ind. 46280-0432, 317/843-3939	20.1	-5.6	N/A	N/A
17	19	Louis Harris and Associates	630 Fifth Ave., New York, N.Y. 10111, 212/698-9600	18.6	20.0	10.6	57.0
18	17	ASI Market Research Inc.	79 Fifth Ave., New York, N.Y. 10003, 212/807-9393	16.7	-2.3	N/A	N/A
19	20	Opinion Research Corp.	419 N. Harrison St., Princeton, N.J. 08542-0183, 609/924-5900	15.7	3.3	N/A	N/A
20	23	Harte-Hanks Marketing Services	65 Route 4, River Edge, N.J. 07661-1924, 201/342-6400	14.7	20.5	N/A	N/A
21	22	National Analysts	400 Market St., Philadelphia, Pa. 19106, 215/627-8110	14.5	17.9	N/A	N/A
22	—	Pharmaceutical Data Services	9060 E. Via Linda, Scottsdale, Ariz. 85258-5499, 602/391-4731	14.0	48.0	N/A	N/A
23	28	Decision Research Corp.	33 Hayden Ave., Lexington, Mass. 02173, 617/861-7350	13.0	32.7	N/A	N/A
24	33	National Research Group Inc.	7046 Hollywood Blvd., Los Angeles, Calif. 90028, 213/856-4400	11.5	29.2	1.8	15.7
25	26	Custom Research Inc.	10301 Wayzata Blvd., Minneapolis, Minn. 55426-0695, 612/542-0800	11.4	9.6	N/A	N/A
26	41	Birch/Scarborough Research	12350 39th St., Coral Springs, Fla. 33065-2404, 305/753-6043	11.2	34.9	N/A	N/A
27	24	Mediamark Research Inc.	341 Madison Ave., New York, N.Y. 10017, 212/599-0444	11.2	12.2	N/A	N/A
28	32	Starch INRA Hooper Inc.	566 E. Boston Post Road, Mamaroneck, N.Y. 10543, 914/698-0800	11.0	20.9	1.4	12.7
29	25	Data Development Corp.	600 Third Ave., New York, N.Y. 10016, 212/867-2440	10.8	2.9	N/A	N/A
30	29	The Gallup Organization Inc.	53 Bank St., Princeton, N.J. 08542, 609/924-9600	10.1	3.5	N/A	N/A
31	31	Admar Research Inc.	304 Park Avenue South, New York, N.Y. 10010, 212/677-1700	9.6	2.1	N/A	N/A
32	34	McCullom/Spielman Research	235 Great Neck Road, Great Neck, N.Y. 11021, 516/482-0310	8.7	3.6	N/A	N/A
33	30	Market Opinion Research	243 West Congress, Detroit, Mich. 48826, 313/963-2414	8.5	-8.5	N/A	N/A
34	35	Guideline Research Corp.	3 W. 35th St., New York, N.Y. 10001, 212/947-5140	8.5	13.3	N/A	N/A
35	36	Response Analysis	377 Wall St., Princeton, N.J. 08542, 609/921-3333	8.0	16.4	N/A	N/A
36	27	Wirthlin Group	1363 Beverly Road, McLean, Va. 22101, 703/556-0001	8.0	-23.1	N/A	N/A
37	37	J.D. Power & Associates	30401 Agoura Road, Agoura Hills, Calif. 91301, 818/889-6330	7.6	24.6	N/A	N/A
38	44	Lieberman Research West	1900 Avenue of the Stars, Los Angeles, Calif. 90067, 213/553-0550	6.9	28.2	N/A	N/A
39	38	Ad Factors/Millward Brown Inc.	751 Roosevelt Road, Glen Ellyn, Ill. 60137, 312/858-3760	6.6	11.9	N/A	N/A
40	45	Kapuler Marketing Research	3436 N. Kennicott Ave., North Arlington Atrium, Arlington Heights, Ill. 60004 312/870-6700	6.6	29.4	N/A	N/A
41	39	Marketing Research Services Inc.	15 E. Eighth St., Cincinnati, Ohio 45202, 513/579-1555	6.4	10.3	N/A	N/A
42	—	Conway/Milliken & Associates	John Hancock Center, 875 N. Michigan Ave., Chicago, Ill. 60611, 312/787-4060	6.0	7.6	N/A	N/A
43	—	Vanderveer Group	555 Virginia Drive, Fort Washington, Pa. 19034, 215/646-7200	5.8	34.9	N/A	N/A
44	46	Total Research Corp.	Princeton Corporate Center, 5 Independence Way, Princeton, N.J. 08540, 609/921-8100	5.6	11.4	N/A	N/A
45	42	Newman-Stein Inc.	902 Broadway, New York, N.Y. 10010, 212/777-2700	5.5	3.8	N/A	N/A
46	—	CLT Research Associates Inc.	600 Third Ave., New York, N.Y. 10016, 212/661-7870	5.4	7.0	N/A	N/A
47	—	Directions For Decisions Inc.	99 Madison Ave., New York, N.Y. 10016, 212/683-9595	5.4	10.2	N/A	N/A
48	—	Cambridge Reports Inc.	675 Massachusetts Ave., Cambridge, Mass. 02139, 617/661-0110	5.2	14.4	N/A	N/A
49	43	Field Research Corp.	234 Front St., San Francisco, Calif. 94111, 415/392-5763	5.2	2.0	N/A	N/A
50	40	Oxtoby-Smith Inc.	150 E. 58th St., New York, N.Y. 10155, 212/421-6100	5.1	-12.1	N/A	N/A
			Subtotal, top 50	$2,308.6	16.8	$734.1	31.8
			All other (86 CASRO member companies not included in top 50)	204.9††	7.0		
			Total (136 organizations)	$2,513.5	16.0		

*Total revenues that include non-research activities, for some companies, are significantly higher. This information is given in the individual company profiles in the main article.

**Rate of growth from year to year has been adjusted so as not to include revenue gains from acquisition. See main article for explanation.

***Estimate.

†In 1986, Arbitron Ratings Co. ranked 4th; SAMI/Burke ranked 3rd.

††Total revenues of 86 survey research firms—over and beyond those listed in top 50 list—that provide financial information, on a confidential basis, to the Council of American Survey Research Organizations (CASRO).

Source: Jack Honomichl survey for ADVERTISING AGE

Top 50 research companies profiled

39 **Ad Factors/Millward Brown**, Glen Ellyn, Ill. Founded 1975; since 1986, a wholly owned subsidiary of Millward Brown PLC, Leamington, England. Revenues in 1987 were $6.6 million, up 11.9% from 1986.

AF/MB specializes in custom consumer and industrial survey research through client service offices in Glen Ellyn, Monroe, Conn., and Riverside, N.J. There are central telephone interviewing operations in each of those offices plus others in Rockford, Ill., and Racine, Wis. AF/MB has more than 275 WATS stations, of which 132 are CRT-equipped. The company has 350 employees, 60 of whom are full-time salaried.

During 1987, AF/MB began marketing the Advanced Tracking Program, a common methodology in the U.K. that uses continuously collected data to model advertising awareness.

The model is designed to separate the effects of creative content from media weight.

President-ceo of AF/MB is Robert D. Meyers, 39.

31 **Admar Research**, New York. Founded in 1960; since 1985 a wholly owned subsidiary of Sprigg Lane Investment Co.

Revenues in 1987 were $9.6 million, up 2.1% from 1986.

Revenues include those from two field affiliates, Market Trends Inc. and Survey Research Inc. During 1987, a new central telephone facility was opened in Charlottesville, Va., to raise the number of interviewing stations to 55.

Admar specializes in tracking surveys, product testing and advertising studies employing copyrighted methodologies. There are 55 full-time employees.

Chairman-president is Henry D. Ostberg.

2 **Arbitron/SAMI/Burke**, Minneapolis. Units within Business Services Group of Control Data Corp.; '87 revenues are estimated at $325 million, up about 6.2% from '86. These do not include Broadcast Advertisers Reports and its Radio-TV Reports subsidiary acquired by Arbitron in 1987.

This conglomerate includes Arbitron Ratings Co., founded in 1949 and since 1967 a wholly owned subsidiary of CDC; SAMI/Burke, an organization created by the merger in 1986 of Selling Areas-Marketing Inc., founded in 1966; and Burke Marketing Services, founded in 1931, which was then acquired by CDC from Time Inc. in December, 1987. The growth rate is calculated on a common base, 1986 to 1987.

Arbitron produces radio, television and cable audience studies at the local-market level using mail diaries, or panels of meter-equipped or people meter-equipped households. Audience data are provided for 213 TV markets (ADIs), 13 of which are measured by a combination of meters and diaries, and one of which—Denver—is measured by a people meter service, ScanAmerica. TV reports account for about 52% of Arbitron's revenues.

The balance comes from measurement of 259 radio markets, with year-around audience ratings in 79 markets. In 1987, Arbitron redesigned its local-market reports to contain data on listening locations and audience location.

Arbitron has 1,673 full-time employees in 29 U.S. locations and a central telephone interviewing facility in Laurel, Md., which has 55 stations. The SAMI/Burke operation includes six units.

SAMI provides product movement reports in 54 SAMI-defined marketing areas based on warehouse withdrawal data from supermarket, drugstore and mass merchandisers.

Samscan, a new product tracking service, is based on panels of UPC-equipped grocery stores in 48 major markets.

Bases offers market modeling services to support product, promotion, advertising and competitive strategy decisions. Two new services, Coupon Advantage and Deal Advantage, help marketers evaluate the volume and profit impact of promotional events and provide bottom-line impact analysis of trade deals. Burke's TV copy testing group and the ScanAmerica analytical group were merged into Bases in '87.

Test Marketing Group employs the AdTel markets, controlled store testing and market models to provide a comprehensive set of test marketing services for new products, advertising, and promotion evaluation.

Burke Marketing Research, a custom, ad hoc survey division, offers consulting, comprehensive survey, and field and tab services. Burke International Research is a full-service research company coordinating custom projects in more than 40 countries. Burke Canada is a wholly owned subsidiary.

SAMI/Burke has more than 2,600 employees, of whom 1,790 are full-time and 825 are part-timers.

Arbitron is headed by Anthony J. "Rick" Aurichio, 51. SAMI/Burke is headed by Jack E. Brown, 44. Both are VPs of Control Data and report to David P. White, 50, president of CDC's Business Services Group.

18 **ASI Market Research**, New York. Founded in 1962; owned by Apollo Partners Ltd. Revenues in 1987 were $16.7 million, down 2.3% from 1986.

In December, 1987, ASI's parent, IDC Services, was acquired by Apollo partners, a private company founded by former Viacom executives. The revenue decline from 1986 is because of various operations being closed down at the end of that year. The continuing business activities described here grew about 13% from 1986 to 1987.

ASI activities are concentrated in two areas: Advertising Research, specializing in controlled audience pre-testing and on-air testing of TV commercials and testing of print ads, and Entertainment Research, specializing in evaluating entertainment projects, including pilots for TV and movie films.

ASI's TV commercial persuasion testing system, Persuasion Plus, uses as its key methodological component Tru-Share, a validated measurement of persuasive impact. As with ASI's other service, Recall Plus, this is CATV-based and operates in 11 to 15 cities. ASI's Apex system, which fuses recall, persuasion and diagnostics, is thought to be the most comprehensive TV commercial testing procedure.

ASI R&D includes two data bases, one dealing with the nature of the underlying structure of recall, and one with a means of harnessing mood and emotion in advertising. The company recently launched a new service, Attention Linkage, which is designed to diagnose and improve recall performance.

President-ceo of ASI is Gerald Lukeman, 56.

26 **Birch/Scarborough Research**, Coral Springs, Fla. Founded in 1978; majority interest owned by VNU Business Information Services, a unit of United Dutch Publishing Cos. (VNI), Haarlem, The Netherlands.

This organization, a merger of Birch Research Corp. and Scarborough Research Corp. in October, had revenues of $11.2 million in '87, up 34.9% from '86.

Birch has 120 full-time salaried employees, about 600 part-time employees.

Birch Radio, via telephone surveys, develops syndicated radio audience ratings, providing syndicated measurement in more than 240 markets, of which 101 are measured on a continuous, year-around basis. In the top 100 markets, Birch reports include qualitative, product usage and cross-media comparisons, a new development in 1987. Also in 1987, Birch started specialized ratings reports on target market segments, specifically blacks (34 markets), Hispanics (15 markets), and Airline Market Reports (101 markets).

This year is expected to see completion of the Electronic Media Ratings Council accreditation for Birch Radio, as well as the availability of several new specialized ratings services and a system, Radio SpotBuyer, for computerized pre-buy and post-buy radio audience analysis, which is a cooperative venture with Nielsen Media Research (No. 1 in these rankings).

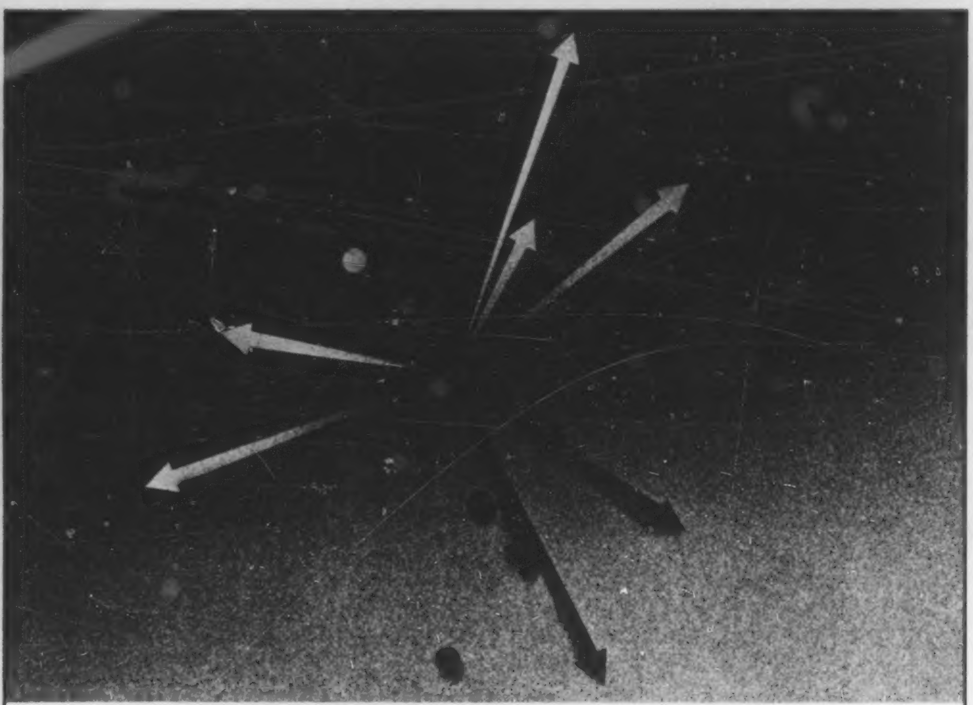
The Scarborough Research Division completed five of its Top 10 market multimedia Scarborough reports in '87 and plans completion of the others in mid-1988. Also, Birch/Scarborough will offer a new single-source, multimedia study, the Multi-Media Consumer Market Profile, in the remaining Top 25 markets in 1988 (and an expansion to Top 50 markets in '89).

In addition to the home office, there are sales/marketing offices in Englewood Cliffs, N.J., Chicago, Los Angeles and Dallas. There are four central telephone survey centers in Coral Springs, Sarasota, Fla., San Antonio and Louisville.

Chairman-ceo of Birch/Scarborough is Thomas C. Birch, 35.

48 **Cambridge Reports Inc.**, Cambridge, Mass. Founded in 1974; privately held corporation. '87 revenues were $5.2 million, up 14.4% from '86. CRI specializes in syndicated and ad hoc survey research, with emphasis on regulated industries including electric and gas utilities, financial services and insurance, telecommunications and healthcare. Since 1974, CRI has done quarterly national surveys (1,500 cases, face-to-face) measuring public perceptions, opinions and attitudes on consumer and public issues.

The results of this work form the basis of CRIndex—Cambridge Reports Consumer and Public Opinion Database, which in turn feeds three syndicated reports, Cambridge Report, Quarterly Opinion Review and Quarterly Opinion Briefing, and three publications: *Topical Reports*, *Opinion Leader Outlook* and *Cambridge Reports Trends & Fore-*



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casts. CRI also produces publication-based research programs for two trade associations, The Edison Electric Institute and the Insurance Information Institute.

CRI has 40 full-time salaried exempt employees. President is Gene Pokorny, 41.

15

Chilton Research Services, Radnor, Pa. Founded in 1957; since 1979 a wholly owned subsidiary of Capital Cities/ABC. Revenues in 1987 were $21.2 million, up 8.7% from 1986.

Chilton, whose core business is ad hoc custom marketing research, maintains specialty groups in telecommunications, computers, healthcare, financial institutions, consumer package goods, utilities and retailing. There are in-house capabilities for modeling/forecasting and complex statistical analysis. Its polling unit conducts the ABC election polls and monthly opinion polls for ABC News.

Chilton also operates dedicated telephone interviewing centers for customer service measurement on behalf of four Bell operating companies: Ameritech, NYNEX, Bell Atlantic and SNET.

The Chilton field department yearly conducts more than 30,000 personal interviews through a national network of 1,000 field personnel. Telephone interviewing facilities are located in Radnor (86 stations), Havertown, Pa. (72 stations), and—new in 1988—Allentown, Pa. (38 stations). All are fully CATI-equipped; the CATI system incorporates on-line sample control, interactive cross tabulations and a flexible software system for computerized questionnaire development.

Vice president-general manager is Ronald Hoxter, 40.

46

CLT Research Associates, New York. Founded 1970; privately held corporation. Revenues in 1987 were $5.4 million, up 7% from 1956.

This full-service custom research company employs 38 full-time professionals and specializes in strategic research (segmentation, market and attitude studies). It also works in concept, advertising and product development studies, concept development, trade-off analyses, tracking, communications/persuasion, package and product optimization and legal claims research.

CLT now is involved in new forms of respondent-interactive computerized interviewing, offering instant data retrieval along with controlled interviewing environments and digital translation of concepts, storyboards or storymatic commercials.

CLT is jointly headed by President Lowell Allen, 45, and Leslie Moran, 45.

42

Conway/Milliken & Associates, Chicago. Founded in 1963; revenues in 1987 were $6.0 million, up 7.6% from 1986.

CMA focuses on the consumer market. Services include custom and proprietary survey research; product development support systems covering sensory and in-home testing, ingredient screening and RSM product optimization; client and consumer-based idea generation; and qualitative research services. Continuous tracking and telephone interviewing work is supported by two CRT-equipped facilities, one in Chicago (30 stations) and one in St. Louis (50 stations).

In 1987, CMA integrated and expanded its Concept Development Program, linking Super Group service idea formulation, development and refinement, Q-2 SORT concept screening and optimization, and concept-product full interaction testing.

Founder and CEO is Foy Conway, 57. Roger Ehle, 50, is president.

25

Custom Research Inc., Minneapolis. Founded in 1974; privately held corporation. Revenues in 1987 were $11.4 million, up 9.6% from 1986.

This custom-survey organization has 75 full-time salaried employees (plus 175 part-timers) and is organized by divisions: Consumer Research, Medical Research Bureau, Custom Research Telephone (central telephone interviewing facility with 50 stations, all CRT-equipped), Corporate Services, Custom Research International, and Services, which specializes in financial institutions, travel/leisure, and telecommunications. This year CRI began Service Quality Audit, a joint venture with Ron Zemke, author of "Service America."

CRI has a CRT interviewing network in 58 mall locations to conduct personal interviews, and a regularly scheduled omnibus survey, Criterion, is used for concept testing. CRI is managed by two partners: Jeffery L. Pope, 47, and Judith S. Corson, 45.

29

Data Development Corp., New York. Founded in 1960; privately held corporation. Revenues were $10.8 million in 1987, up 2.9% from 1986.

Data Development is a full-service, custom survey organization with 74 full-time salaried employees in two offices, including DDC, New York Conference Center, The Conference Center and The Telephone Center, with 70 stations, 60 CRT-equipped. The latter two units are in New Rochelle, N.Y.

DDC does custom research with emphasis on design and analysis, such as strategy and market studies, attitude, usage and tracking studies, and concept/product and TV copy testing. Proprietary methodologies include Combo (product testing), Copy II (copy strategy), Adopter (pretest market measurement system), a joint venture with Edward Tauber of the University of Southern California, and TBE (total brand equity), a multivariate approach identifying corporate equity. Later this year, DDC will launch an omnibus study for the foodservice industry and update its Marketscore survey of the restaurant and hotel markets.

Jerry Rosenkranz, 52, is chairman and Joseph Goldstein, 52, is president-CEO.

23

Decision Research Corp., Lexington, Mass. Founded in 1971; wholly owned subsidiary of Temple, Barker & Sloane. Revenues in 1987 were $13.0 million, up 32.7% from 1986.

This full-service marketing research company specializes in custom ad hoc surveys for consumer goods and business-to-business marketers. Specialization includes computer, telecommunications, professional service companies (including advertising agencies), financial, healthcare, travel and leisure, package goods, utilities, and media and direct marketing.

DRC also conducts market research training seminars emphasizing the interaction of qualitative and quantitative techniques. DRC also conducts jury simulation work for legal clients, including mock trials during which arguments and appeals are evaluated.

DRC has 60 full-time employees in two offices, Lexington, Mass., and New York. The company has a 36-station WATS central telephone interviewing facility.

General manager is Robert Duboff, 39.

47

Directions for Decisions, New York. Founded in 1971; privately held corporation. Revenues in 1987 were $5.4 million, up 10.2% from '86.

With 20 full-time salaried employees and 10 full-time hourly employees, this custom research company specializes in market structure and strategy studies as well as tracking studies, copy, concept and product testing and claims substantiation research.

Restructuring of DFD in 1987 included organizational changes, expansion and upgrading of its networked computer facilities, development of a data base of normative information for key decision-making measurements and installation of the Uncle Tabulation System.

Plans for 1988 include a WATS facility with 60 CRT-equipped interviewing stations and omnibus surveys for teens and senior citizens.

Chairman-CEO is Joseph F. Baldi Jr., 48. President-Chief Operating Officer is Linda Lauri.

12

Elrick & Lavidge, Chicago. Founded in 1951; since 1980, a wholly owned subsidiary of Equifax Inc. Revenues in 1987 were $28.8 million, up 7.9% from 1986. These revenues include those of a subsidiary, Quick Test Opinion Centers, Philadelphia, a national network of 20 mall interviewing sites, which accounts for about 40% of E&L revenues.

E&L specializes in survey research for consumer and business-to-business clients with full-service offices in Atlanta, Chicago, Cincinnati, Downers Grove, Ill., Los Angeles, Paramus, N.J. and San Francisco. These offices, along with the company's field facilities, employ a full-time salaried staff of about 225 (180 of whom are exempt), plus 750 part-time employees.

During 1987, the Quick Test subsidiary opened a new telephone interviewing center with 50 stations in Bethlehem, Pa. E&L has 200 stations; about 80% are CATI-equipped. Also, E&L continued expansion of its data processing capability in 1987, expanding its computer capacity by 40%. President is J. Edward Shrawder, 51.

49

Field Research Corp., San Francisco. Founded in 1945; privately held corporation; '87 revenues were $5.2 million, up 2% from '86. This full-service, custom survey organization has 75 full-time salaried employees (18 professionals) in two offices, San Francisco and Los Angeles.

FRC clients tend to come from these fields: public utilities, oil companies, financial services, health services, consumer products

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The Field Institute, an FRC division, publishes the California Poll, a public opinion news service. It also publishes the California Opinion Index, dealing with survey data related to public policy issues.

FRC maintains central location telephone centers in San Francisco and Los angeles with 80 interviewing stations, the majority CATI-equipped. Data processing is through two VAX 11/750 computers, a UNIX operating system, and a variety of multi-variate and other software programs.

Mervin Field, 66, is founder and chairman of FRC. Aaron Levy, 53, is president-ceo.

30

Gallup Organization, Princeton, N.J. Founded in 1935; privately held corporation. Revenues in 1987 were $10.1 million, up 3.5% from 1986.

This organization, best known for its syndicated Gallup Poll column —now available for inclusion in local TV newscasts via the Conus satellite system—has 140 full-time employees, some located in a WATS telephone interviewing facility with 72 stations near Princeton.

Gallup also specializes in quantitative studies and public opinion research, such as the People, Press & Politics series of surveys sponsored by Times Mirror Co., Los Angeles, which is said to be the largest such research survey of its kind.

The company collects data through face-to-face interviews (national sample, 360 PSUs and about 50,000 interviews a year) and telephone interviewing.

Gallup has joint ventures with Applied Science Group (eye tracking research), SRI Research Center (hospital research) and Alexander & Alexander Consulting Group (defining impact of management policies and practices on employees).

Co-chairmen are George H. Gallup, Jr., 59, and Alec M. Gallup, 57. Joint executive officers are Andrew Kohut, 45, and Leonard A. Wood, 48.

34

Guideline Research Corp., New York. Founded in 1969; privately held corporation. Revenues in 1987 were $8.5 million, up 13.3% from 1986.

GRC, with more than 50 full-time salaried employees in New York and Los Angeles, includes Guideline Research, Topline Research, Guideline-West and Tabline Tabulating Services.

GRC specializes in custom market research—concept product test, AAU tracking studies, TV copy research, strategic and image (product and corporate) studies, industrial research, advertising claim substantiation studies, as well as the use of magnitude estimation for product development optimization.

This year GRC plans new branch offices as well as a new division, Legal Guidelines, which will provide legal expertise in the areas of evidence general studies, research services for use in litigation, claim substantiation, etc.

GRC is headed by Norman Passman, 55, Jay Friedland, 48, and Leonard Resnicoff, 42.

17

Louis Harris & Associates, New York. Founded in 1956; since 1975, wholly owned subsidiary of Gannett Co. Revenues in 1987 were $18.6 million, up 20% from 1986.

Subsidiaries outside the U.S.—Louis Harris International and Louis Harris Medical Surveys, both London, and Louis Harris France, Paris—account for 57% of the revenues.

Founded by pollster-columnist Louis Harris, the U.S. operation includes these divisions: telecommunications, computers, healthcare, banking and financial services, automobiles, public policy and corporate affairs. A new division specializes in marketing and social research among school children.

Multiclient surveys track corporate, financial, public and leadership opinions and behavior. About 30% of the company's U.S. work and 15% of the international is for foundations, governmental agencies and other non-profit entities. International survey work has been conducted in 60 countries, including recent studies in mainland China, Poland, Hungary, Zimbabwe, Senegal and Jamaica, as well as major countries in Europe, Latin America, the Middle East and the Far East.

Harris' New York office has 100 full-time salaried employees and a telephone interviewing facility (40 stations, CATI-equipped).

Chairman-CEO is Louis Harris, 67; President-chief operating officer is Humphrey Taylor, 53.

20

Harte-Hanks Marketing Services, River Edge, N.J. Founded in 1975; a unit within Harte-Hanks Direct Marketing, which is part of Harte-Hanks Communications. Research revenues were $14.7 million in 1987, up 20.5% from 1986.

This group consists of RMH Research, into which another unit, National WATS Service, a telephone interviewing facility with 75 stations, was folded during 1987, and Urban Data Processing, Billerica, Mass., an EDP service bureau that provides data base processing for marketing and research applications.

RMH, a full-service survey company, specializes in communications and media research and conducts research related to Harte-Hanks' direct marketing activity. An emphasis during 1987 was that as one of 19 licensees to the U.S. Postal Service, the Marketing Services group could use the National Change of Address file to provide new mover research services to a wide range of retail, healthcare and package good clients.

President of Harte-Hanks Direct Marketing and its Marketing Services group is Richard Hochhauser, 43.

3

IMS International, New York. Founded in 1954; public company traded NASDAQ.

IMS revenues in 1987 were $375.5 million, of which $240.4 million were attributable to its Market Research Division. Some MRD revenues from computer-based mailing and marketing activities have been subtracted resulting in a research-only revenue of $297.6 million, up 21.3% from the comparable figure for 1986.

Though IMS is a U.S. corporation, top executives are located in London, and revenues from subsidiaries in 64 countries break down roughly: North America (U.S., Canada), 49.6%; Europe, 36.0%; Pacific region, 9.5%; Latin America, 3.6%; Africa, 1.3%. Accordingly, MRD's growth rate is hyped by the growing strength of major foreign currencies vs. the U.S. dollar.

IMS' syndicated service product mix includes ongoing reports on the movement of ethical pharmaceuticals, over-the-counter pharmaceuticals, medical diagnoses and treatments, medical promotion efforts, hospital laboratory supplies, animal health products and personal care products. Data delivery for the most part is via the Multinational Integrated Data Analysis System, which services access to 18 national data bases around the world.

IMS data reports are produced for 97 countries, although not all services are available in all countries. Major clients for these services are 40 to 50 huge multinational pharmaceutical companies.

Data collection is from physicians (estimated at 100,000), pharmacies and drug wholesalers (estimated at 7,000), hospitals, veterinarians, hatcheries and medical laboratories. In the hospital field alone, IMS has a hospital pharmaceutical audit, a hospital supply index and a lab diagnostic audit, among others.

In early 1988, Dun & Bradstreet, parent of A.C. Nielsen Co., announced its intention to acquire IMS, and that deal is expected to be completed in the near future, after which IMS would report directly to Robert E. Weissman, president-chief operating officer of D&B.

IMS' President-CEO is Robert Louis-Dreyfus, 41. Christian Tourres, a senior VP of IMS, is president of the Market Research Division.

4

Information Resources Inc., Chicago. Founded in 1978; public company traded NASDAQ. Revenues in 1987 were $105.5 million, up 12.7% from 1986.

This conglomerate has five information services. The BehaviorScan System is a network of single-source data collection facilities in six mini-markets that collect data via UPC scanning-equipped stores, panels of households whose purchases are linked to the stores, and capability to target TV spots to specific households. These BehaviorScan facilities are used to test consumer promotions, advertising and new product introductions.

The Marketing Fact Book takes purchasing dynamics data gathered from the BehaviorScan market households plus those from similar "sampling pods" in major U.S. urban areas, and makes it available to clients in hard copy form, product class by product class.

InfoScan is a national and local-market tracking service for the grocery products industry, based on 2,380 UPC scanner-equipped stores linked to a panel of 70,000 households. In addition to product movement data, InfoScan also records causal data such as couponing, store features, etc.

Assessor is a simulated test market service that enables marketers to evaluate the viability of new product concepts and estimate their sales potential without the exposure of a full-scale test market.

Decision Support Systems, made available through the use of IRI's principal software product, Express, are applicable to marketing, finance and corporate planning and analysis.

During 1987, IRI acquired ABA Groups, which markets Apollo, a shelf-space management system

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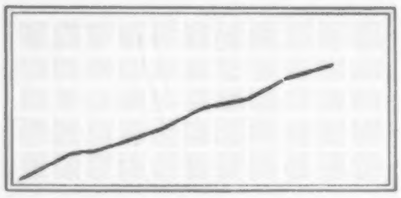

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that enables retailers and manufacturers to measure the performance of retail shelf space.

IRI has 1,561 full-time employees (902 salaried) and 941 part-time employees in eight offices in the U.S. IRI markets to international clients through subsidiaries in the U.K., France and Australia.

In late 1987, Dun & Bradstreet, parent of A.C. Nielsen Co., moved to acquire IRI, an offer withdrawn because of an FTC ruling that such a merger would constitute restraint of trade.

Founder-Chairman of IRI is John Malec, 43. Gian Fulgoni, 40, is president-ceo.

40

Kapuler Marketing Research, Arlington Heights, Ill. Founded in 1974; privately held corporation. Revenues in 1987 were $6.6 million, up 29.4% from 1986.

This custom survey operation, with a full-time salaried staff of 41 plus 35 full-time hourly employees, provides a broad range of quantitative and qualitative custom marketing research services, including Quanti-Focus, a system designed to measure national advertising campaign impact and wear-out, and UniFocus, a one-on-one, in-depth interviewing and analytical system used for advertising and campaign development and analysis.

These systems grew out of extensive experience in continuous and multiwave WATS tracking, product testing systems (mall and telephone), and qualitative research. The current emphasis is on measures of the role and impact of promotional activities.

The Kapuler Survey Center has 140 stations, 90 CRT-equipped. President and founder is Stanley J. Kapuler, 47.

38

Lieberman Research West, Los Angeles. Founded in 1973; privately held corporation. Revenues in 1987 were $6.9 million, up 28.2% from 1986. LRW revenues include those of a subsidiary, Interviewing Service of America.

A full-service, custom research operation with 50 full-time salaried employees and 150 hourly non-exempt, LRW conducts copy, concept and product testing, tracking and strategic market studies. It specializes in package goods, fast food, healthcare and the entertainment industry (pretesting of movie and TV pilots).

ISA, a 50-station (40 CRT-equipped) WATS interviewing facility, offers full-service field and tab. There are plans to add a focus group facility in Los Angeles later this year.

LWR is managed by two partners: Chairman Arnold Fishman, 43, and President Michael Liebergall, 41.

8

M/A/R/C Inc., Irving, Texas. Founded in 1965; public corporation traded NASDAQ.

Research revenues for fiscal year ending March 31, 1988, were $50.3 million, up 5.9% from the previous year. Total revenues for the same period were $58.2 million.

M/A/R/C has two primary businesses: Custom Marketing Research and Database Marketing. The Custom Research Group provides full-service research, consultation, marketing sciences design and analysis, predictive modeling for new product testing and forecasting through its Entro model, software and facilities management, and customer satisfaction measurement programs, new in 1988.

Data collection is via: Central telephone interviewing centers in Dallas, Greensboro, and Pittsburgh, totaling 235 CRT-equipped stations; Local Market Network, an on-line system that electronically ties independent mall or central location facilities in 33 markets to M/A/R/C's central computer system; National Neighborhood Panel service based on 38,000 households clustered around the 33 LMN sites; and the National Panel, a fixed mail panel of 100,000 households.

M/A/R/C's automated interviewing and tabulation system, which can be used to collect data electronically on mini-computers as well as PCs, is now used through licensing agreements in eight European countries, and a Chinese language version is in place in Hong Kong.

The Database Marketing Group provides consultation for targeted promotions, program design, computer data base management, mailing and fulfillment services, predictive modeling and promotion-related research services. The company added 13 new clients for this service in 1987.

M/A/R/C has a full-time staff of 437 in 12 offices, plus 228 full-time hourly staffers and a weekly hourly payroll of about 950.

President-Chief Operating Officer is Sharon Munger, 41. Chairman-CEO is Cecil B. "Bud" Phillips.

10

Maritz Marketing Research Inc., St. Louis. Founded in 1973; wholly owned subsidiary of Maritz Inc. Revenues in 1987 were $38 million, up 11.5% from 1986.

While primarily involved in custom survey research and data collection (through its Quality Controlled Services unit—QCS), MMRI also fields syndicated studies for the agricultural and automotive industries. Sales of marketing research services, including new product clinics, to the automotive industry alone in 1987 topped $12 million.

In '87, MMRI acquired Alpha Research Group, Chicago, a full-service specialist in consumer package goods and services marketing research. This brought to seven the number of fully staffed, full-service divisions: Chicago, Detroit, Los Angeles, Minneapolis, New York, St. Louis and Toledo. Sales offices are also located in Atlanta and Dallas.

MMRI in 1987 also opened a new QCS field data collection branch in Tampa and added mall interviewing facilities in Minneapolis/St. Paul, New Jersey and Boston. QCS's extensive data collection operation includes 18 branch offices, 36 focus group suites, 581 central telephone lines, 23 mall locations, 28 test kitchens. The company has 228 CATI phone and mall interviewing stations.

New products introduced in 1987 include Initial-Buyer Studies, which determine owner satisfaction with newly introduced cars and trucks; a custom store auditing group; and, through its Agricultural Division, a syndicated study of the Latin American agri-chemical market.

MMRI plans to this year introduce a syndicated study related to the travel industry as well as expand capability for customer satisfaction research. A new public opinion poll, Maritz AmeriPoll, is under test and could become a regular service. MMRI employs 340 full-time staff, 230 of whom are salaried exempt, plus about 2,000 part-time interviewers and supervisors. MMRI President is William H. Lewellen, 57.

11

Market Facts, Chicago. Founded in 1946; public company traded OTC; '87 revenues were $37.4 million, up 3.8% from '86. These include Market Facts-New York, a wholly owned subsidiary, but do not include Market Facts of Canada, which is 50% owned by Market Facts.

Most of MF revenues come from custom marketing research studies conducted for marketers of consumer package goods and services, industrial products and various governmental agencies and associations. Some syndicated research is conducted through the Financial Services Group and Healthcare Information Group, although both are primarily occupied with industry-specific custom research projects.

MF utilizes a variety of data collection facilities it owns and manages. These include a network of shopping mall interviewing facilities, a control mail panel data base of 250,000 households, and three national telephone interviewing centers including 144 stations (110 CATI-equipped). MF also offers controlled store audit services through its Marketest facility for in-store experimentation and new product testing, shared cost surveys through TeleNation, a weekly omnibus national telephone interviewing service, and Data Gage, a shared-cost monthly screening and data collection service of its Consumer Mail Panel operation.

There are 501 full-time salaried employees and client service offices in Van Nuys, Calif., Washington, Framingham, Mass., Dallas, New York and Chicago.

Chairman is Verne B. Churchill, 55. Thomas Payne became president-chief operating officer in '87.

33

Market Opinion Research, Detroit. Founded in 1941; privately held corporation. Revenues in 1987 were $8.5 million, down 8.5% from 1986.

MOR is organized by divisions: Consumer and Industrial Marketing Research; Media (especially newspaper) Studies; Social and Public Policy Research; Healthcare; Public Utilities; and Political. Because of the importance of political polling to MOR, its revenues vary with election waves; 1987 was a down year. Recently, MOR President Robert N. Teeter resigned to devote full time to the campaign of George Bush, Republican Presidential frontrunner.

MOR has a client service office in Washington and recently opened another in the Phoenix area. There are 85 full-time employees, 60 of them salaried exempt. For phone interviewing, MOR operates central facilities with 120 stations, all CATI-equipped.

Chairman-CEO is Frederick P. Currier, 64.

41

Marketing Research Services, Cincinnati. Founded in 1973; privately held corporation. Revenues in 1987 were $6.4 million, up 10.3% from 1986.

MRS is a full-service marketing research organization providing custom studies and consulting to service industries, commercial/industrial and consumer package goods marketers, with an emphasis on tracking studies. Custom research, including customer satisfaction and service measurement studies, is designed for service companies in banking, energy, retail, restaurant/fast food, travel and shipping/cargo. Access, an interactive tabulation package, lets clients work with data while being collected, or during its analysis.

MRS data collection capabilities include a 125-station, all CRT-equipped WATS center in Cincinnati, high traffic mall facilities in Cincinnati and Springfield, Ohio, and a staff of traveling supervisors who audit subcontracted studies conducted across the U.S.

There are 90 full-time employees (53 exempt), about 200 part-time employees. Founder and president-CEO is Edward D. Horgan, 46.

32

McCollum/Spielman Research, Great Neck, N.Y. Founded in 1968; privately held corporation. Revenues in 1987 were $8.7 million, up 3.6% from 1986.

MSR activities are organized by division. The AC-T division's main service is AC-T TRIAD, a multiregion, central-location TV copy testing methodology, along with two evaluative models: Potential Attitude Motivation Shift, which provides a perspective on how a brand's advertising performs relative to its position in the category, and Advertising Weight Simulation Model (AD-SIM), which studies how brand share and volume are affected by specific ads and media weight. AC-T services are available in Germany and Japan through affiliates, and in Canada and Puerto Rico through MSR.

The Prolog division specializes in a service, based on data collection in malls, designed to evaluate advertising, providing frame-to-frame real-time reaction to TV commercials, followed by delayed playback of a respondent's non-verbal response to the advertising stimulus.

Child Research Services Division specializes in one-on-one focus group and large-sample studies among children, teens and their parents. Studies include communications research, product/concept tests, concept evaluation and parent-child interaction analysis.

MSR has 90 full-time salaried employees in four cities. Chairman is Donald H. McCollum, 65. CEO is Harold M. Spielman, 61.

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27

Mediamark Research Inc., New York. Founded 1979; 80% owned by MAI PLC, London; '87 revenues were $11.2 million, up 12.2% from '86.

MRI operates a syndicated/product research service based on personal interviews with 20,000 adults each year regarding their exposure to advertising media and, via leave-behind questionnaires, purchase data on a broad line of products and services.

Clients—including advertising agencies, advertisers, magazines, newspapers, broadcasters and cable networks—can have on-line access to 25 MRI reports. Also, data are linked to Prizm, Acorn and Vision geodemographic systems and the Vals psychographic system.

MRI also produces special reports each year based on a two-year data base: a business-to-business report; the Upper Deck (affluent market); plus reports related to the top local markets, including audience data on newspaper and broadcast stations. The company makes available a microcomputer system called Memri, which enables subscribers to process MRI and other data bases. MRI's Custom Research Division specializes in studies of special markets, including the recontacting of MRI's existing annual sample to collect additional data.

During 1987, MRI closed its Nabscan scanner panel subsidiary. MRI's year-to-year growth rate has been adjusted to put 1986 and 1987 on a common base. MRI has 46 full-time salaried employees in New York, Chicago and San Francisco.

Chairman-CEO is Timothy Joyce, 54. President-Chief Operating Officer is Alain J. Tessier, 54.

7

MRB Group, New York. Since 1987, wholly owned subsidiary of WPP Group PLC, London; '87 revenues were $61.1 million, up 14.9% from '86.

During 1987, this conglomerate divested two units, Market Behavior Ltd. in the U.K. and Merac in Bahrain. The revenue growth rate is adjusted to give a common base, 1986 to 1987.

MRB consists of Simmons Market Research Bureau and Winona Market Research Bureau (accunting for 57% of MRB revenues); British Market Research Bureau, Mass-Observation and MRB International in U.K.; Basisresearch in West Germany; Hellas MRB in Greece; Japan MRB in Japan. The largest MRB service is the Simmons Study of Media & Markets, in its 25th year, based on a sample of 19,000 adults and including information on media usage, product and brand purchase behavior, leisure activities, lifestyle and life stage. This data base is put on Bernoulli discs for use on PCs through Simmons' Choices software system. These data are also enhanced via links with other data suppliers, such as Donnelley's ClusterPlus and Claritas' Prizm for geodemographic target marketing.

In conjunction with Arbitron Ratings, the SMM provides local broadcasters with Product Target-Aid and CrossTraQ. In cooperation with Nielsen Media Research, a new service, TV Conquest, is being introduced to give stations, agencies and advertisers another way to target local customers.

SMRB conducted and published in 1987 the national Study of Local Newspaper Ratings, based on a study of readership practices of more than 60,000 adults in 56 leading markets, along with their buying behavior.

In conjunction with these newspaper data, SMRB recently teamed with Arbitron to develop a comprehensive single-source local-market data base. The prototype is being tested in Phoenix.

Winona operates a 210-station CATI phone interviewing system from its facility in Phoenix. During 1987, this unit derived more than half of its revenues from full-service surveys related to concept, product and home-use studies. Winona will this year introduce new syndicated studies, SampleAmerica and HispanicAmerica, based on 20,000 Hispanic households.

MRB employs a full-time staff of 660 in 12 offices worldwide. Chairman-CEO is Frank Stanton, 58.

21

National Analysts, Philadelphia. Founded in 1943; Since 1970 a division of Booz, Allen & Hamilton; '87 revenues were $14.5 million, up 17.9% from '86. NA conducts custom ad hoc surveys for both commercial clients and not-for-profit institutions, including federal, state and local governmental agencies. More than 75% of revenues come from commercial clients; for that work NA is organized by staff specialists in the following fields: automotive, financial services, information/telecommunications, litigation support, retailing, pharmaceuticals and medical equipment, and utilities.

Also, NA conducts qualitative research (focus groups and individual depth interviews), market segmentation and trade-off analyses and multi-variate modeling. Medicaster, a new model, predicts market share and volume for new health-care products based on physician surveys.

In '87, NA developed and began testing NA-lyzer, an interactive, PC-based software package for rapid analysis of survey data, which will be marketed worldwide through World Research Systems.

NA has 57 full-time salaried employees and 120 full-time non-exempt employees in Philadelphia and New York offices.

President is Marshall G. Greenberg, 52.

24

National Research Group, Los Angeles. Founded in 1978; privately held corporation. Revenues in 1987 were $11.5 million, up 29.2% from 1986.

This survey research company, which works almost entirely for the movie industry, specializes in audience surveys, studies to develop advertising strategy, and tracking for awareness, imagery and interest. Early in 1988, NRG was in the process of being acquired by Saatchi & Saatchi PLC, London.

Through offices in London, Tokyo and Sydney, NRG conducts full research services in 12 major entertainment market countries worldwide. About 16% of NRG revenues come from outside the U.S.

There are 300 full-time employees, and in Los Angeles NRG maintains a central telephone interviewing facility with 80 stations.

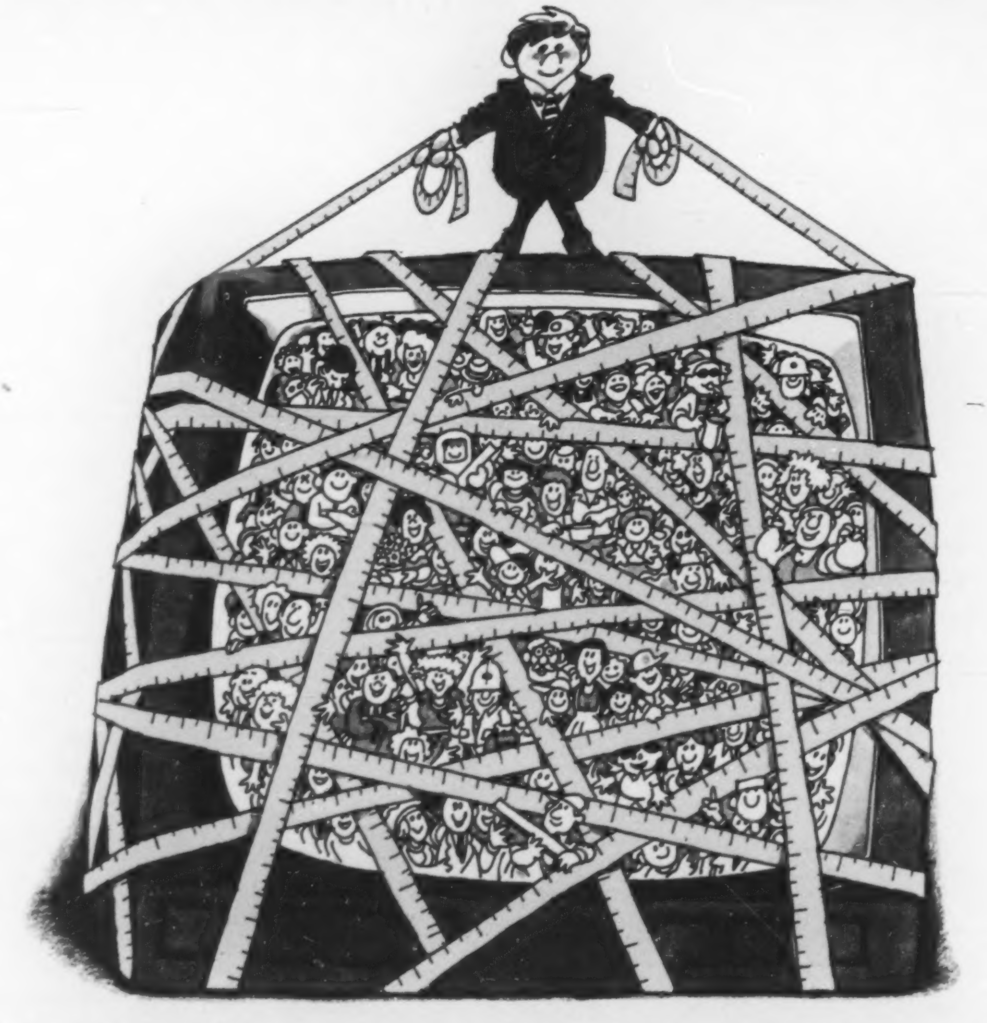
Co-founders are Joseph Farrell, 52, chairman-ceo, and Catherine Paura, 37, president-chief operating officer.

45

Newman-Stein, New York. Founded in 1974; privately held corporation; '87 revenues were $5.5 million, up 3.8% from '86.

Newman-Stein has a subsidiary in San Francisco and Shelf Power, a standardized package design testing company co-founded in 1986 with DGM Inc., New York.

This survey researcher, with 50 full-time salaried employees, specializes in providing concept, product, package and advertising testing, tracking studies and all



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elements of strategic research—attitude, image and market segmentation studies. The company also offers complete qualitative research services, including focus groups and face-to-face interviewing.

Newman-Stein is jointly headed by Lawrence Newman, 48, William Stein, 49.

9 **NFO Research**, Greenwich, Conn. Founded in 1946; since 1982, a wholly owned subsidiary of AGB Research PLC; '87 revenues were $38.9 million, up 6% from '86. (These do not include another U.S. AGB operation, AGB Television Research, and subsidiary AGB/Information & Analysis, Hicksville, N.Y.) Total '87 AGB U.S. revenues were about $43.4 million.

This full-service survey research company maintains a fixed mail panel of more than 400,000 households (more than 1 million individuals), categorized according to demographic and product ownership characteristics. Samples are interviewed via mail or telephone through central phone facilities in Toledo and Greensboro, N.C., with more than 200 stations supported by CATI interviewing systems.

This system is used for concept and product testing, attitude and usage studies, tracking and segmentation studies. Several proprietary segmentation systems are available for analytical purposes.

NFO provides syndicated services for the beverage industry (SIP), mail order (MOMS), and carpet and rug industry (CARS). In 1987, NFO introduced the syndicated National Yellow Pages Monitor Service. Also in 1987, NFO expanded its Screen Test service, which presents concepts and new products to respondents via videotape, to include young children.

There are 700 NFO employees and marketing offices in Greenwich, Conn., Toledo, Chicago, St. Louis and San Francisco.

NFO, through its NFO/SRG International subsidiary in White Plains, N.Y., provides access to the AGB Research Group of companies in 35 countries. William E. Lipner, 40, is president and CEO.

1 **A.C. Nielsen Co.**, Northbrook, Ill. Founded in 1923; since 1984, wholly owned subsidiary of Dun & Bradstreet Corp.; '87 research revenues are estimated at $765 million. After accounting for acquisitions made during '87 (Majers, NPD Packaged Goods Division and a research company in Finland) and putting both years on a common basis, growth rate, 1987 over 1986, is estimated at 17.6%. About 60% of ACN research revenues come from operations in 27 countries outside U.S.

Last year was an extraordinary one for the largest marketing research company in the world. Its Marketing Research Group started a Confectionery Index market measurement service; expanded its Scantrack (and Scantrack Plus) scanner panel service to 14 new U.S. markets and introduced comparable services in Canada, U.K., France, Germany, The Netherlands, New Zealand and Australia; acquired the NPD Packaged Goods Division of NPD Group and started to build the NPD/Nielsen Electronic Household Panel, a single-source system to relate product purchasing with TV viewing; announced ScanPro marketing models; launched TestSite Services, a new service in Canada; and in Japan, started Vendex, a measurement of vending machine sales.

The most traumatic event of the year was the attempt by ACN-parent D&B to acquire arch competitor Information Resources Inc., a move stopped by the Federal Trade Commission for possible restraint of trade.

In early 1988, Nielsen Marketing Research Group USA announced it was phasing out its ERIM single-source test marketing service and that it intended to acquire Syndicated Data Consultants, Ltd., London. Also early this year, D&B announced its intention to acquire IMS International the third-largest marketing research organization in the world.

Nielsen Media Research in the U.S. completed its Nielsen Television Index service conversion to Nielsen People Meter with 2,800 households in the sample. It also expanded its local-market meter panel service to Seattle and Hartford. It announced Advertiser Tracking System, a service monitoring purchase and audience delivery of spot, network, syndication, cable and adjacent-market viewing; Client Cume System, a service to determine the number of households or persons reached by a commercial aired on different TV programs; Dailies Plus, a PC-based system that lets clients retrieve national TV ratings overnight; and Monitor Plus, analyses of competitive TV-commercial occurrence data for brands or product classes.

Also early this year, Nielsen Media Research announced expansion of local-market meter panel service to the Sacramento-Stockton market area, Alaska, Hawaii and Minneapolis-St. Paul.

Chairman-CEO is John C. Holt, 49. He also is an exec VP of D&B and on that company's board. Richard W. Vipond, 60, president of Nielsen Marketing Research Group, retired May 1; his successor is Albert J. Kretch. James D. Lyons, 53, is president of Nielsen's Media Research Group.

13 **NPD Group**, Port Washington, N.Y. Founded in 1953; privately held corporation. Research revenues in 1987 were $25.7 million, up 18.2% from 1986. These revenues and the growth rate exclude all revenues related to NPD's Packaged Goods Division, which was spun off in '87 into a joint venture company, NPD/Nielsen. About 2.3% of NPD revenues come from outside the U.S.

NPD Group consists of two business units. Syndicated Services provides tracking data bases covering store movement, consumer purchasing and consumer attitude/awareness data series to industries such as toys, apparel, textiles, sporting goods, jewelry, petroleum/automotive, electronics, foodservice and in-home food consumption, with data collection via mail diary panels, store audits, point-of-sale computerized audits and telephone interviewing techniques.

Custom Services consists primarily of NPD's HTI Custom Research and Marketing Models Divisions, operating a 200,000-household fixed mail panel and a related CRT central telephone interviewing facility in College Park, Md. The Marketing Models Division provides proprietary mathematical modeling, services such as ESP and BrandStar, for pre-test marketing and new product simulation.

Last year NPD acquired Smart Inc., a research company specializing in the sporting goods field, which has been merged into NPD's sports services, and started Intelect, a consumer electronics product audit program; started TOPS, a toy attitude/awareness tracking service; and through HTI, launched a single-question monthly large-scale survey, A to Z Insta-Vue.

So far in '88, NPD has acquired Marketing Network, a Atlanta-based telephone research company specializing in business-to-business studies, and announced a new healthcare tracking service developed in conjunction with the Insti-

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tute for Healthcare Marketing at the University of Houston. The NPD Group has 320 full-time salaried employees located in offices in Port Washington, N.Y., Chicago, Mission Viejo, Calif., Houston, College Park, Md., and Atlanta.

Tod Johnson, 43, is president-CEO.

19

Opinion Research Corp., Princeton, N.J. Founded in 1938; since 1975 a wholly owned subsidiary of Arthur D. Little Inc. Revenues in 1987 were $15.7 million, up 3.3% from 1986.

This survey research organization provides full-service market research from field and tab through sophisticated multivariate, conjoint and market segmentation studies. Special model-based services profile specific market segments, analyze consumer needs and wants, address pricing and positioning for new products, determine advertising message effectiveness, and forecast new product acceptance. A Corporate Research Division specializes in studies of corporate image, issues and communications, as well as organizational effectiveness and employee satisfaction studies.

ORC offers staff expertise in telecommunications, computer technology, financial services, healthcare/pharmaceuticals, travel and tourism. Shared-cost surveys include the every-other-weekly General Public Caravan and a quarterly Executive Caravan among business executives.

ORC operates a CATI-based telephone interviewing facility with 125 stations. ORC has 180 full-time salaried employees in Princeton and branch offices in New York, Washington, Chicago and San Francisco. Later this year, ORC will open an office in Boston. Also, later this year, ORC will move into a new headquarters building in Princeton, and the company will introduce a new R&D laboratory service to work directly with clients to create unique research techniques and models. President-CEO is Andrew Brown, 43.

50

Oxtoby-Smith, New York. Founded in 1956; privately held corporation. Revenues in 1987 were $5.1 million, down 12.1% from 1986.

This survey research company, with 65 full-time salaried employees, is distinctive in that about 60% of revenues come from clients for whom O-S assumes major responsibility for the consumer research function, both as a consultant and research supplier. Among such clients currently are Block Drug, Coca-Cola Foods, Rolls-Royce, MCI Telecommunications and House of Seagram. The loss of one such client, American Motors Corp., because of its merger with Chrysler, is the main reason for the revenue decline from 1986.

The balance of O-S revenues comes from custom ad hoc survey projects, consultation and research and testimony relating to legal matters, including trademark litigation and advertising claim substantiation. During 1987, O-S introduced Pro-Sort, a syndicated pre-test system for sales promotions. It will go national in 1988.

The organization's professional staff is supported by a central telephone interviewing facility with 20 stations, all CRT-equipped, and a focus group operation.

Founder and president is Joseph Smith, 61.

22

Pharmaceutical Data Services, Scottsdale, Ariz. Founded in 1977; an operating unit with PCS Inc., public company traded OTC. Research revenues were $14 million in 1987, up 48% from '86. Not included in these revenues is a West German subsidiary, Medilog GmbH, Nuremberg.

PDS, which collects, analyzes and supplies information for U.S. prescription drug marketers, is organized along four product lines: Alpha Data Services, which accesses the nation's largest network of 10,000 pharmacy computer terminals for sales performance evaluation and market potential, including Alpha audits for drug product brand share and trend; Consumer Data Bureau, which provides primary market research on users of prescription medication; Dresden Davis Organization, which provides Scriptac, a service providing targeted lists of physicians for direct mail marketing; and IHS Hospital Data Services, which provides data from an electronically captured data base of 100 hospitals regarding drug use/DRG/costs/procedures and ICD-9. The company also does custom research and provides data base management services. PDS is headed by Exec VP-General Manager Sheldon H. Silverberg, 42.

37

J.D. Power & Associates, Agoura Hills, Calif. Founded in 1968; privately held corporation. Revenues in 1987 were $7.6 million, up 24.6% from 1986.

Power is a full-service marketing information/research and consulting operation best known for its automotive information and consulting services, although it also works in other consumer and industrial product fields.

The automotive services are in six areas: marketing research, consulting services, planning forecasting, media research, distribution analysis and publications. Best known are annual surveys of customer satisfaction with auto dealer service and new cars and trucks; other studies pertain to auto buyer profiles, competitive dynamics reports, dealer attitude studies and other product quality tracking studies. Power also conducts advanced product clinics and sponsors the SuperDealer Roundtable.

In 1987, Power—jointly with Data Resources, a McGraw-Hill subsidiary—expanded into auto market and production forecasting; magazine readership research; and training, through acquisition of the Dealership Management Research Institute. It also initiated an auto consumer satisfaction index service in Belgium, believed to be the forerunner of a pan-European index.

Power has 75 salaried employees, 41 of whom are exempt. Founder and President is J. David Power III, 56.

5

Research International, London. Founded in 1972; wholly owned subsidiary of The Ogilvy Group since 1987. Revenues for this organization, which considers itself the largest ad hoc research company in the world, were $89.6 million in 1987, up 14.0% from 1986. Included in revenues is Decisions Center Inc., New York, acquired by RI in 1987. RI growth rate is calculated on a common base, 1986 to 1987.

The RI organization, built by Unilever, includes subsidiaries in Australia, Austria, Belgium, Brazil, Finland, France, Greece, Italy, Kenya, The Netherlands, New Zealand, South Africa, Spain, Sweden, U.K., U.S. and West Germany.

DCI, with 190 full-time employees, includes Decisions Center, Express Data Center (network of 17 computerized mall locations), Research International-New York

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and Facts Center, 94-station phone interviewing facility. DCI specializes in custom survey research: large-scale market structure and strategy studies, print and TV copy testing, tracking studies, legal studies, qualitative research and concept and product testing.

This U.S. RI unit had revenues of $17.2 million in 1987, up 4% from '86.

RI operating units worldwide specialize in an array of quantitative and qualitative research methodologies, including attitude and usage studies, multivariate analysis and mapping, print and TV ad testing, new product development, modeling, market segmentation and behavioral research.

Ian Hunt, 56, is ceo of Research International group. The U.S. operation is managed by CEO Bernard Ruderman, 56, and President Steven Roth, 42.

35

Response Analysis, Princeton, N.J. Founded in 1969; privately held corporation. Revenues in 1987 were $8 million, up 16.4% from 1986.

These revenues do not include RA's ARRO division, Bethesda, Md., divested during '87.

RA concentrates on commercial research (especially multisponsor and custom studies in financial services, healthcare and telecommunications), on litigation support, and on large-scale survey research projects for agencies of the federal government.

RA maintains telephone interviewing facilities in Princeton and in Hamilton Township, N.J., totaling 59 stations. There are 92 salaried full-time employees and 128 hourly workers.

CEO is Herbert I. Abelson, 62.

28

Starch INRA Hooper, Mamaroneck, N.Y. Founded in 1923; public corporation traded OTC. Revenues in 1987 were $11.0 million, up 20.9% from 1986. These include subsidiaries the Roper Organization and International Research Associates.

Best known for print ad and print audience studies, Starch in 1987 launched several syndicated products: Public Pulse, a monthly newsletter based on Roper Reports data; Market Monitor, a shared-cost survey that measures, quarterly, purchase and brand position data for industries such as luggage, house paint, cookware and mattresses; Intragold, a study of brand usage, lifestyle and attitudinal data on top 5% of households (based on income) in the U.S. and several European countries; Roper Campus Reports, three surveys yearly of college students; and Forum, based on panels of 150 public opinion leaders in three European countries.

The INRA network of affiliated survey research companies was restructured in 1987 and now includes 30 associates worldwide. INRA Asia/Pacific, a holding company, was established in Hong Kong.

SIH maintains a central telephone facility in New York (55 stations), and there is a full-time staff of 160, 62 of whom are salaried exempt employees. President-CEO is William J. "Jay" Wilson, 51.

44

Total Research Corp., Princeton, N.J. Founded in 1975; public corporation, traded NASDAQ. Revenues in 1987 were $5.6 million, up 11.4% from 1986.

This custom ad hoc survey research organization with 85 full-time exempt employees (plus about 300 part-timers) started in 1986 to emphasize proprietary, standardized packages of statistical and analysis techniques, to wit: Price Elasticity Measurement System to evaluate pricing strategies; Competitive Share Model to predict the effect of product line extension or product elimination on a client's own market shares and those of competitors; Compass (Components Assessment) to analyze the structure of a competitive market and determine the effect product attributes have on purchase decisions; and, new in 1987, BrandPower, a comprehensive strategic market structure study.

Total Research collects data via personal interviews, focus groups, mail surveys, store audits, product use tests and telephone interviewing.

There are two phone facilities: Tampa, with 60 stations (52 CATI-equipped), and Princeton, with 16 stations (all CATI). Both are linked to the company's HP 3000 series computer. Chairman-ceo is Lorin Zissman, 57.

43

Vanderveer Group, Fort Washington, Pa. Founded in 1979; privately held corporation; '87 research revenues were $5.8 million, up 34.9% from 1986.

About 44%—or $5.8 million—of VG's total revenues were attributable to marketing research studies and consultation to the consumer package goods, financial institution, industrial manufacturing, telecommunications, pharmaceutical and healthcare markets.

VG conducts studies related to product positioning, new product development, concept generation and testing, market assessment, trend analysis and behavior and usage.

Data collection facilities include a central phone interviewing center (70 stations with a CATI system to be added later this year) and two focus group facilities.

VG uses quantitative and qualitative research procedures, plus in-depth telephone interviewing. New methodologies are staff-developed and often grounded in psychological segmentation.

Chairman is Richard B. Vanderveer, 40. President is John E. McNichol, 37.

16

Walker Research, Indianapolis. Founded in 1964 (succeeding Walker Research Service, founded in 1939); privately held corporation. Research revenues in 1987 were $20.1 million, down 5.6% from '86. (These do not include affiliate Walker Clinical Evaluations, which conducts Phase III clinical investigations and trials of drugs, cosmetics, foods, animal products, medical devices, electronic products.)

Walker is organized into three strategic business units: Walker Research & Analysis, providing full-service custom ad hoc research services nationally through client service offices in New York, Winston-Salem, N.C., Cincinnati, Indianapolis and San Francisco; Walker Datasource, providing data collection, tabulation, data base management and computer services through a network of data collection offices in five states and central telephone interviewing facilities totaling 240 stations, most CATI-equipped; and Walker Customer Satisfaction Measurements, a quality improvement consulting organization specializing in design and implementation of customer satisfaction measurement studies.

In 1988, Walker will conduct the eighth biennial update of its Industry Image Study, which assesses consumer attitudes toward surveys and polls. Walker has 134 full-time salaried employees, 132 full-time hourly and 538 part-time.

Chairman-CEO is Frank D. Walker, 53. President-chief operating officer is James E. Sammer, 49.

6

Westat, Rockville, Md. Founded in 1961; an employee-owned corporation; '87 research revenues were $61.3 million, up 74.3% from '86. Revenues include those of Crossley Surveys, a subsidiary since 1983, but not of computing unrelated to research activities. Westat specializes in large-scale survey research projects, about 94% of which are conducted for federal agencies.

The extraordinary '87 revenue gain was mostly because of one study, the National Medical Expenditures Survey sponsored by the Department of Health & Human Services, which had Westat as prime contractor along with two subcontractors (this subcontract work, amounting to $12.2 million, is included in Westat revenues).

Westat's staff includes 372 exempt salaried professionals (up 31% from 1986), a non-exempt salaries staff of 140, and about 500 staffers for telephone interviewing, support and survey processing. It operates central telephone facilities in Rockville and Frederick, Md.

President-CEO is Joseph A. Hunt, 52. Edward C. Bryant, 72, a founder of the company, is chairman emeritus.

36

Wirthlin Group, McLean, Va. Founded in 1969; privately held corporation. Revenues in 1987 were $8 million, down 23.1% from 1986. Formerly Decision/Making/Information, this full-service survey organization changed its name in 1987.

TWG, with 80 full-time employees (49 salaried exempt), is organized into strategic business units: marketing research, public affairs and political research, an important segment because of Richard Wirthlin's role as strategy/research adviser to prominent Republicans including President Reagan, Sen. Robert Dole and the Republican National Committee. This political work explains the drop in revenues from 1986, a political cycle year. TWG has client service offices in New York (new in 1987), Princeton, N.J., Chicago, Santa Ana, Cal., and Los Angeles (new in 1988). The organization has a central telephone interviewing center (142 stations) in Provo, Utah.

In '87, TWG became exclusive research vendor to Hill & Knowlton; acquired Welch Communications, a direct mail agency; and developed a research model for application in the corporate image area.

Founder-chairman is Richard B. Wirthlin, 57. Thomas B. Hughes, 43, is president-chief operating officer.

14

Yankelovich Clancy Shulman, Westport, Conn. founded in 1958; since 1986, a wholly owned unit within Saatchi & Saatchi Consulting, a subsidiary of Saatchi & Saatchi Plc., London. Revenues in 1987 were $24 million, up 13.4% from 1986.

The company is organized into three divisions: Research specializes in ad hoc consumer marketing and business-to-business research, public opinion/policy studies, corporate communications studies, and multisponsor surveys to special groups, such as media, brokers, individual investors, portfolio managers and Eurasian investors.

Consulting and Monitor Lifestyle Syndicated Surveys specializes in 6 areas: product positioning and relaunch; market structure analysis; new product and service development; concept screening and prioritization; acquisition studies and new business analysis; and marketing plan development and optimization. There are three surveys—Monitor, Youth Monitor, and, new in '88, Hispanic Monitor.

Market Response Modeling focuses on modeling and market response assessment research, featuring the Litmus Model.

So far in 1988, YCS has made two acquisitions: Albemarle Market Research Ltd., London, a full-service survey company to be renamed Yankelovich Clancy Shulamn/Albemarle, and American Marketing Services, Newport Beach, Calif., to be renamed Yankelovich Clancy Shulman/West.

There are 110 full-time salaried exempt employees at YCS.

President-ceo is Robert S. Shulman, 36. Chairman is Kevin J. Clancy, 45.

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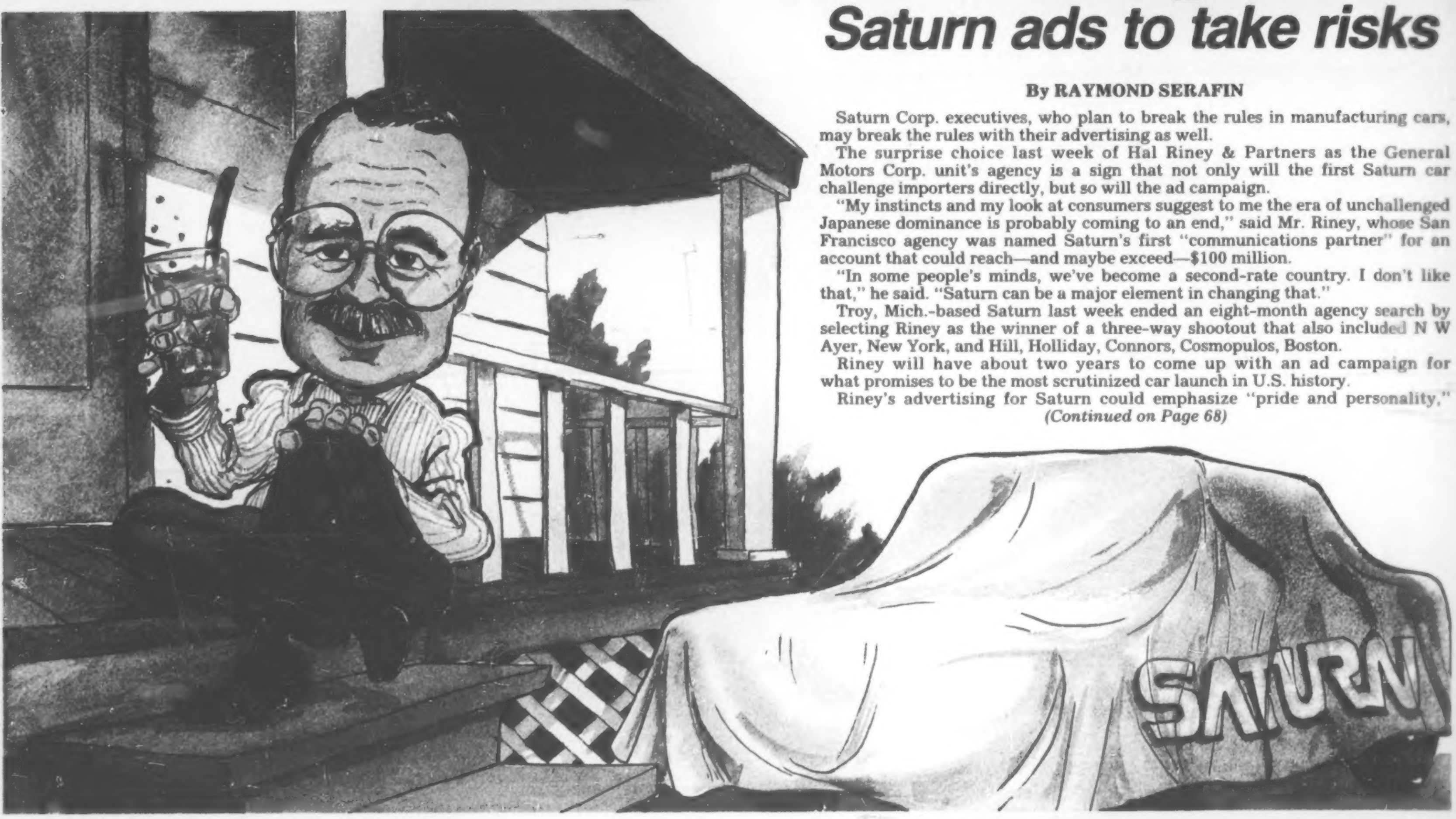

Illustration by Roger Schillerstrom

By RAYMOND SERAFIN

Saturn Corp. executives, who plan to break the rules in manufacturing cars, may break the rules with their advertising as well.

The surprise choice last week of Hal Riney & Partners as the General Motors Corp. unit's agency is a sign that not only will the first Saturn car challenge importers directly, but so will the ad campaign.

"My instincts and my look at consumers suggest to me the era of unchallenged Japanese dominance is probably coming to an end," said Mr. Riney, whose San Francisco agency was named Saturn's first "communications partner" for an account that could reach—and maybe exceed—$100 million.

"In some people's minds, we've become a second-rate country. I don't like that," he said. "Saturn can be a major element in changing that."

Troy, Mich.-based Saturn last week ended an eight-month agency search by selecting Riney as the winner of a three-way shootout that also included N W Ayer, New York, and Hill, Holliday, Connors, Cosmopulos, Boston.

Riney will have about two years to come up with an ad campaign for what promises to be the most scrutinized car launch in U.S. history.

Riney's advertising for Saturn could emphasize "pride and personality,"

(Continued on Page 68)

Saturn win means big changes

Riney culture shock?

By GARY LEVIN

Hal Riney & Partners faces dramatic changes in its structure, creative culture and even new-business strategy in the aftermath of its $100 million Saturn Corp. win.

Photo by Todd Weinstein

Hal Riney gets a lapel pin from Thomas Shaver (l.), Saturn's director of marketing services, while VP Donald Hudler looks on.

When the first Saturn cars roll off the assembly line next year, Riney's billings will grow an estimated 65% from its current $150 million, spread among offices in Chicago, Los Angeles, New York and San Francisco.

By then, the agency will have gradually added at least 50 new staffers in its creative, media and research departments to meet the challenge of launching the first new-car brand for General Motors Corp. since 1919.

Although Riney's billings remain medium-size by most national standards, the Saturn account will cause the agency to quickly evolve into a truly full-service operation by forcing new strengths in account service,

(Continued on Page 69)

What makes Riney tick—P. 68

Last Minute News

Saatchi shopping in Latin America

London—Saatchi & Saatchi Advertising is negotiating to buy one of the top five agencies in Mexico and Brazil. The agency group currently has few equity positions in Latin America. Sources say Saatchi is talking to Mexico's No. 1 agency, locally owned Publicidad Ferrer, Mexico City, with 1987 billings of $36 million.

Nissan to narrow Infiniti race

Carson Calif.—Nissan this week will pick two or three finalists from the five agencies it met with last week for its new $60 million Infiniti luxury car account. Nissan talked to Ally & Gargano, New York; the Bloom Agency, Dallas; Chiat/Day, San Francisco; Hill, Holliday, Connors, Cosmopulos, Boston; and Tatham-Laird & Kudner, Chicago.

Avon seeks shop for new fragrance

New York—Avon Products' Parfums Stern division is looking for an agency to handle its business, which will include a new fragrance that

(Continued on Page 8)

New 4A's director bares all.

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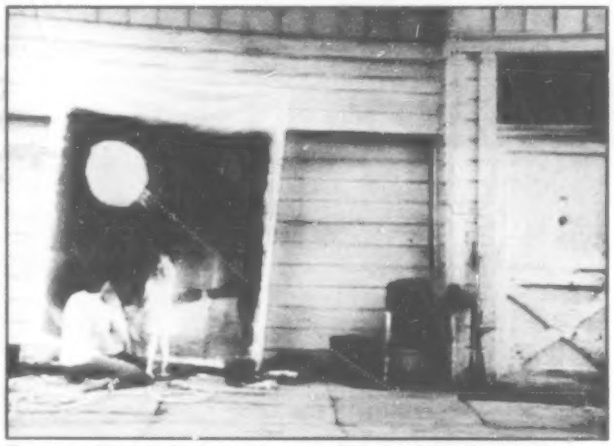
HOT STUFF

Frito-Lay introduces Lay's Italian Cheese Flavored potato chips in test markets with this 30-second TV spot called "Gestures." Vignettes of a day in New York's Little Italy capture the Italian flavor. The commercial is from Tracy-Locke, Dallas.



Eastman Kodak Co.'s largest-ever TV campaign for its renamed Kodacolor Gold films will start network rotation June 6. The spots feature a jingle version of Cyndi Lauper's hit song "True Colors." J. Walter Thompson USA, New York, handles.

A video of singer Kim Carnes recording a radio spot for Coca-Cola Classic turned out so well that Coca-Cola Co. decided to use it in TV spots. The spots, from McCann-Erickson, New York, broke in movie theaters over the weekend and hit network TV next month.

World News Roundup

DUESSELDORF—3M here plans to consolidate its $20 million European ad business. The marketer invited its current agencies—Grey Advertising, HDM and Ogilvy & Mather—to pitch.

LONDON—The U.K. government's National Employers Liaison Committee awarded its new $19 million, five-year account to Young & Rubicam to build the image of the U.K.'s voluntary reserve military.

MADRID—The Spanish Ministry of Economy awarded its new $5.6 million account to Bassat, Ogilvy & Mather. The 1988 ad campaign reminds Spaniards to pay their taxes.

LONDON—Rowntree Mackintosh, U.K. confectioner and the subject of a $3.8 million takeover bid by Nestle, has been running a series of

(Continued on Page 48)

Bill seeks paid anti-drug ads

By STEVEN W. COLFORD

Two senior U.S. senators want the federal government to mount a $225 million paid ad campaign against drug abuse.

Legislation to create the campaign, co-sponsored last week by Sens. Ernest Hollings (D., S.C.) and John Danforth (R., Mo.), generated immediate controversy.

Ad industry officials warned that the three-year, $75 million-a-year federal ad project could snuff out the advertising and media industry's much-acclaimed public service campaign against drug abuse.

TV industry officials are upset because the plan would extend federal law that now applies only to political campaign advertising to another type of government advertising.

The Senate bill would require TV broadcasters to make time available for sale to the government anti-drug campaign, as they must for federal political candidates, and to price it under the same "lowest-unit-rate" price formula that applies to ad time bought by candidates for federal office.

The formula ensures that candidates get the rate TV stations offer to their best customers.

The legislation will be considered by the Senate Commerce Committee, where Sen. Hollings is chairman and Sen. Danforth is the ranking Republican.

The senators' Television & Radio Advertising Act would create a five-person panel, including two media or advertising experts, to run the campaign. The panel would oversee the hiring of an agency and development of creative and media placement.

The anti-drug campaign would be the biggest new government ad program since the all-volunteer armed services effort switched to paid advertising from public service more than a decade ago.

American Association of Advertising Agencies Exec VP John O'Toole expressed "grave concerns" about the impact such a paid government campaign would have on existing public service ads, particu-

(Continued on Page 66)

But '92 deal restricts who can buy time

CBS grabs Olympics

By PATRICK McGEEHAN

NEW YORK—CBS faces major hurdles in selling airtime on the 1992 Winter Olympics Games, after paying $243 million for TV rights.

The contract CBS signed last week for rights to telecast its first Olympic Games in 28 years requires the network to give some official U.S. Olympic Committee sponsors first crack at category exclusivity.

The exclusivity requirement could keep CBS from offering a single advertiser exclusivity in a category if an official sponsor buys only a portion of time in that category. For example, if Miller Brewing approaches CBS requesting exclusivity in the beer category, the network would be unable to do it if Anheuser-Busch is a USOC sponsor.

In opting out, ABC cited contract language that "erodes the ability of the network to protect its TV sponsors" as a reason for pulling out of the bidding two days before it began. ABC is believed to have promised its Winter Games advertisers this year first option on time in future Olympics it carried.

The change was made so companies that buy official sponsorships in major categories from the U.S. Olympic Committee will not get shut out, so they get first crack at negotiating for time on CBS (*see related story on Page 48*).

In 1984, Fuji Photo Film was shut out when it was the official film sponsor of the Los Angeles Olympics because rival Eastman Kodak Co. bought TV exclusivity.

Although agency media executives joined ABC in saying the contract changes will make selling time more difficult, CBS Sports President Neal Pilson downplayed the difficulty in selling time to advertisers on the Olympics. "We made the judgment they would not impact in any way our ability to sell," he said.

The CBS contract to telecast the Games, to be held in Albertville, France, also restricts the use of Olympic logos in print advertising by companies that buy time on the Games but are not official USOC sponsors.

Advertisers will be prohibited

(Continued on Page 70)

Sun Country told to cool off

Nets balk at steamy ads

By PATRICIA WINTERS

Canandaigua Wine Co.'s steamy new Sun Country wine cooler campaign is too hot for ABC and CBS.

The two TV networks won't run the spots, themed "The hotter cooler," until three sexy scenes are cut out, the company said.

The spots, already airing on syndicated TV shows in local markets and on MTV: Music Television, feature fast cuts of bare-chested men and leggy women in suggestive poses cooling off from the heat either by drinking the cooler or pouring it on themselves.

Original rock music and chants of "hot, hot; cool, cool" precede the tagline "Open it up and pour it on."

The campaign, which broke early this month, was created by Towne, Silverstein, Rotter, New York.

ABC and CBS objected to three scenes: a woman in a teddy and cowboy boots, a woman whose dress is blown upward revealing her panties and a man lifting up a woman in a sensual pose, said Steve Stetzer, Canandaigua assistant marketing-ad director.

The two networks found those scenes too racy, but NBC didn't object, he said.

The agency will edit those scenes from the 30-second spots and replace them with other footage. The edited spots will air on ABC and CBS, while the originals will air on NBC and other media.

"If it was for a cosmetic, I don't think they'd find a problem [with the spots]," Mr. Stetzer said. "I think they're concerned because it's for an alcoholic beverage."

He said the spots deliberately were created to stir the emotions as a way to cut through the clutter of wine cooler advertising.

"We don't have the dollars of a

(Continued on Page 67)

Canandaigua's new campaign for Sun Country cooler is too hot to handle for two TV networks.

Visa, AmEx scuffle over ad claims

By JUDITH GRAHAM

Visa International and American Express Co. are escalating attacks on each other's advertising.

The level of allegations about misleading advertising has been unusually high recently, and the Big 3 TV networks have been dragged into the fray.

In the latest development, Visa is planning to alter a spot in its recent Gold Card campaign because of complaints brought to the networks by rival American Express Travel Related Services Co.

CBS and NBC are reviewing the challenge to see whether any further changes are warranted; ABC acknowledged receipt of the complaint but declined comment.

AmEx's gripe with Visa centers on several claims in a 30-second commercial set in Zurmatt, Switzerland, which broke on cable TV the first week of April via BBDO Worldwide, New York. The spot is part of Visa's new Gold Card campaign.

The most serious charge brought by AmEx was that Visa is unable to deliver the emergency services described in the spot, which claims immediate replacement of lost cards and delivery of emergency cash. The spot also claims that AmEx can't deliver similar services in Zurmatt.

AmEx's charge is based on information supplied by an employee, who tested his Citibank Visa card's services in Zurmatt.

In an affidavit submitted to the networks, he claimed he reported his Visa card lost and tried to get a replacement. He said he contacted several Swiss banks and Citibank's South Dakota-based operations, but could not arrange to get either a replacement card or emergency cash.

Although the networks appeared concerned that the spot was flawed, Visa denied the commercial presented a major problem.

"AmEx didn't call the right [phone] number" for Europe Assist, which manages Visa's emergency network abroad, said Jan Soderstrom, Visa's VP-advertising and marketing communications.

To clarify the matter, Visa is voluntarily adding Europe Assist's toll-free number to the end of the Zurmatt commercial.

AmEx and Visa have been at odds over the Zurmatt spot for almost two months. In early April, immediately after the campaign was launched, AmEx brought its first challenge.

It initially objected to a claim that AmEx customers need to travel 100 miles to Lausanne, Switzerland, to receive replacement cards or emergency cash. AmEx argued those services are available in Zurmatt.

That surprised Visa, which said it checked the accuracy of its claim and contended that AmEx initiated the services in Zurmatt only after the Visa commercial aired.

Not true, according to AmEx. "We have always been able to replace an AmEx card in Zurmatt within 24 hours," said Nancy Muller, VP-communications.

While AmEx's delivery of emergency cash "was not as strong," the company has since improved that service, she said.

Although the Zurmatt spot was pulled from Cable News Network for about a week in April, Visa made slight modifications in its description of AmEx's services that allowed it to go back on the air. Now, in addition to including Europe Assist's phone number, it's considering other slight alterations regarding the AmEx charges, but Ms. Soderstrom declined to elaborate.

Well before this latest exchange, Visa had its own ax to grind with AmEx's "Membership has its privileges" TV campaign, which broke in March 1987 via Ogilvy & Mather.

Visa objected to claims in several spots that AmEx offers "no preset spending limit." Visa argued that AmEx does limit authorized spending, and AmEx later added a line to the spot stating, "Approval based on account experience and resources."

Visa also contended that one AmEx spot describing AmEx's benefits was misleading.

In the commercial, a man in a hotel realizes that he's left his prescription at home, dials up AmEx and is reassured that the company can help. During the scene, a helicopter suddenly appears outside the hotel window.

Visa claimed the scene went too far in implying immediate delivery of services. AmEx later deleted the helicopter from the commercial.

AmEx took the campaign off the air in the late fall, when it started running a set of commercials for its new "Purchase Protection" benefit, and recently began running the spots again.#

Burger, beer campaigns turn heads

By SCOTT HUME

April proved to be the kindest month for a pair of high-profile ad campaigns, as Burger King Corp. and IBM Corp. showed strong rebounds in top-of-mind awareness.

It also was surprisingly kind to Stroh Brewery Co., which last month for the first time placed among the top 10 advertisers in ADVERTISING AGE's monthly adWatch survey of consumer ad awareness.

When 1,000 respondents were asked which advertising came to mind first from all they had seen, heard or read in the previous 30 days, Stroh ranked eighth.

That placed it right behind Anheuser-Busch's more heavily advertised Budweiser/Bud Light tandem and ahead of the 10th-ranked Miller Brewing Co. trio (Miller Genuine Draft, Miller High Life and Miller Lite).

Credit for Stroh's appearance probably should belong to the return of beer-loving Alex the Dog, including one commercial in which the pooch performs "impersonations" of such famous dogs as Rin Tin Tin and rival Bud Light's Spuds MacKenzie.

Overall, the best-recalled advertising of the month was Pepsi-Cola's latest, which features superstar Michael Jackson.

His talents may have cost Pepsi a bundle, but he put the brand's advertising back at the top of the heap for the first time since August.

In descending order, the top 10 in top-of-mind awareness in April were Pepsi-Cola, Ford, Coca-Cola, the Caifornia Raisin Advisory Board, Chevrolet, McDonald's Corp., Budweiser/Bud Light, Stroh, Procter & Gamble Co.'s Tide and, tied for 10th, Miller/Miller Lite and political advertising.

The most startling change came in the category of computer advertising.

Last month, 24.5% of the adults surveyed said IBM's advertising was the first computer advertising that came to mind, up 6.8 percentage points from IBM's 17.7% share of first mentions in the March survey.

That wasn't quite enough to overtake Apple Computer, which received 26.7% of first mentions, but it was IBM's best adWatch showing in several years and pulled it closer to Apple than the company has been since the January 1987 survey.

IBM's advertising recently has been augmented by the addition of Alan Alda (AA, Feb. 22), reuniting him with other past cast members from "M*A*S*H" who had been appearing in IBM advertising for the past several months.

Ranking third among the computer advertisers was Radio Shack, with 3.3% of first mentions.

The agency responsible for IBM's advertising is Lord, Geller, Federico, Einstein, New York, which has been making news recently for everything but its creative product.

Many of the agency's staff who worked on IBM have since moved to breakaway agency Lord Einstein O'Neill & Partners, raising the possibility that IBM ultimately will move the account elsewhere.

Another ad campaign that has been the focus of much attention and controversy has been N W Ayer's "We do it like you'd do it" campaign for Burger King.

That campaign, Ayer's first after assuming the $200 million account from J. Walter Thompson USA last summer, began Feb. 29. The initial reaction was negative: BK's share of recall of fast-food advertising declined after the campaign began (AA, April 25).

However, aided by a shift in marketing strategy, BK's advertising rebounded last month.

Its advertising got 16.1% of first mentions in the April survey, up 3.7 points from March and a better score than it had received since October.

Early in April, BK shifted the ad focus to include the comparative claim that its Whopper sandwich was preferred over McDonald's Big Mac in national taste tests (AA, April 11).

McDonald's continued its uninterrupted reign as best-recalled fast-food advertiser with 46.1% of first mentions in April. Wendy's International held the No. 3 slot with a 6.5% share for its "Hamburger A, Hamburger B" campaign.

AdWatch survey of advertising awareness Top 10 in April

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank		Advertiser	Agency
4/88	3/88		
1	2	Pepsi-Cola	BBDO Worldwide
2	4	Ford	J. Walter Thompson USA
3	7	Coca-Cola	McCann-Erickson
4	1	California raisins	Foote, Cone & Belding
5	6	Chevrolet	Lintas:Campbell-Ewald
6	3	McDonald's	Leo Burnett USA
7	8	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
8	—	Stroh	Lowe Marschalk
9	—	Tide	Saatchi & Saatchi DFS Compton
10	5	Political ads	Various
10*	10	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates

* indicates a tie.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb.

Advertising awareness is measured by asking a nationally projectible sample of people to name the first advertising that comes to mind overall and in specific product categories.

In other significant changes in last month's survey:

- General Motors Corp.'s Chevrolet lost ground in its battle to unseat recall-leader Ford in the **cars and trucks** category. Chevy's "Heartbeat of America" campaign came to mind first for 14.7% of respondents, down from 16.8% in March.

Ford got 21.9% of first mentions, up slightly from 21% the previous month. Third-place Toyota Motor Sales USA rose to 7.5% from 5.7% in March.

- Alpo took a better than 2-to-1 leadership position in the **pet food** category last month. Alpo's advertising came to mind first for 10.6% of the sample, up from 8.2% in March. No. 2 Kal Kan dropped to 4.8% from 6.8%. That tied it with Star-Kist Foods' 9-Lives, which rose to 4.8% in April from 3.2% the month before.#

For more information, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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Photos by Doug Goodman

WPP Group Chief Executive Martin Sorrell took the stand in New York state Supreme Court, where he gave testimony for the first time in the breakaway agency case.

IBM pulling the plug

Agency review under way for $138 million account

**By GARY LEVIN
and JON LAFAYETTE**

IBM Corp. put its entire $138 million account up for review June 3, saying it will split the business among several agencies.

That follows a legal feud that appears to be turning the company away from both its main U.S. agencies.

IBM's move will add to the woes of Lord, Geller, Federico, Einstein while possibly bolstering the agency's lawsuit against Lord Einstein O'Neill & Partners, formed last March by six top Lord Geller executives who broke away. Lord Geller's problems could help the agency show damages.

The suit, filed by Lord Geller parent WPP Group and its chief executive, Martin Sorrell, charges the former executives with a conspiracy to sabotage their former agency.

The review apparently was initiated by top-level IBM executives who believed last week's disclosure of confidential testimony marked the "last straw" in its continuing frustration over its involvement in the lawsuit.

Although IBM wouldn't specify the number of agencies it will meet with, sources said a company task force has developed a list of fewer than 10 agencies, from which it will choose two or three to handle various assignments.

Lord Geller exec tells 'doubts' about agency—P. 74
Sorrell transcript reveals much ado about Saturn—P. 76

The assignments include IBM's corporate group and its marketing and services group, which likely will be broken down by product categories, such as copiers, personal computers, typewriters and other products.

The company is said to have set a July deadline for its agency decision. IBM said Lord Geller will be included in the review and expects it "will continue as one of the company's advertising agencies."

Former IBM shops and other agencies are lining up to get a piece of the lucrative business. DDB Needham Worldwide and Geer, DuBois are known to have courted IBM officials in the weeks since the lawsuit was filed, and some executives, who asked not to be identified, reported being told casually by IBM officials that "we might see you soon."

However, DDB Needham's sister agency, BBDO Worldwide, handles Apple Computer and that could be a conflict.

Sources said prospects for several other agencies are bright. Interpublic Group of Cos.' Lintas:Worldwide has no apparent conflicts, and its recent purchase of Muir Cornelius Moore, a major IBM sales-promotion agency, provides

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Upfront market draws bleak forecast for nets

By VERNE GAY

New York—Sales for the 1988-89 prime-time TV season are expected to be off by as much as $400 million when this year's upfront market kicks off this month.

If this 15% drop from last year's record $3.1 billion in upfront sales holds up, it would be only the second time in a decade that sales in the key selling period declined from the previous year.

In the upfront market, the networks sell part of their commercial inventory as much as 52 weeks in advance. Reduced early sales could affect pricing for a long time.

While the Big 3 networks are floating suggestions that prices will increase about 8% to 9%, advertisers are saying prices will end up flat or, at most, about 5% higher than last year's levels. Last year, prices increased by as much as 30% from 1986.

National advertisers buy anywhere from a third to half of all their network TV time for the coming broadcast year in upfront. They do this to get lower prices than they could get in the scatter market and to get guarantees or assurances that purchased ratings levels will be met.

Scatter refers to the sell-off of remaining time after the TV season has begun.

This year, according to an ABC survey, about 125 advertisers will enter the upfront market, down 100, or 44%, from the year before.

ABC also found that of the 80 advertisers surveyed, 42 said their budgets would increase and 40 said their budgets would decrease.

One of the reasons for the likely upfront softness this year is that smaller advertisers that bought upfront last summer to escape high scatter prices aren't expected to return to the market this year.

Another reason cited by agency and network sources is that many major advertisers overbought last year because of uncertainties caused by the transition to peo-

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Last Minute News

Seagram expands coolers' star roster

New York—Jos. E. Seagram & Sons is adding two more celebrities to its new TV campaign for Seagram's wine coolers, but executives won't identify them. Separately, sources say Seagram will discontinue two flavors in its cooler line—original premium and apple cranberry—and replace them with new flavors. Ogilvy & Mather handles.

Long John Silver's picks finalists

Lexington, Ky.—Long John Silver's Seafood Shoppes selected finalists for its $15 million-plus fast-food account. Agencies include GSD&M, Austin, Texas; the Martin Agency, Richmond, Va.; Scali, McCabe, Sloves, New York; and three or four more agencies, unidentified because of client conflicts. Foote, Cone & Belding, Chicago, was dropped from the account earlier this month. LJS marketing exec-

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TV makers zap price-cutters

By IRA TEINOWITZ

Two leading consumer-electronics marketers will unleash a multimillion-dollar weapon in their fight to halt the downward spiral of TV and videocassette recorder prices: their co-op advertising budgets.

Zenith Electronics Corp. and Thomson Consumer Electronics Corp., barred from setting prices by federal law, will use the force of their co-op programs to try to keep retailers from discounting their products.

Their announcement was made on the eve of the Summer Consumer Electronics Show, which started June 4 in Chicago.

At Thomson, which now owns the GE and RCA brands, retailers face being disqualified from the co-op program for up to 90 days if their ads for RCA's top ColorTrak line list prices below company minimums. (Thomson doesn't offer co-op advertising on the GE brand.)

Zenith's program is somewhat less harsh but more encompassing. Zenith is setting minimum advertised prices for every one of its camcorders, TVs and VCRs. Retailers won't be reimbursed for any advertising that cites prices below those minimums.

"For too long, leading manufacturers like Zenith have been prepaying the electric bill while we sat in the electric chair and some retailers pulled the switch," said Gerald M. McCarthy, president of Zenith Sales Co. "Our new policies and programs should give Zenith and its distributors more control.

"We will no longer subsidize those retailers who advertise the most desired brand name in the business at ridiculously low prices just to draw customers into their stores to sell lesser-quality off-brand products."

At Thomson, Frank McCann, public relations manager, said the steps are necessary to preserve RCA's quality image.

It's believed that Zenith and Thomson's actions could be adopted by marketers in other product categories.

Television Digest estimates that for the year ended last June, GE and RCA combined for about 24% of the 19 million TV sets sold while Zenith accounted for 14.5%.

Consumer electronics marketers are estimated to spend more than $250 million on measured media advertising. Their co-op spending is believed to equal or exceed that, according to Frank Hennessey, VP-sales for the Newspaper Advertising Bureau.

Zenith last year spent about $8 million in measured media for consumer products.

While taking a hard line with retailers, Zenith is taking a hard look at getting out of the consumer electronics field altogether.

Zenith last week acknowledged that it's holding discussions with unnamed companies about a possibie sale of its electronics lines. "We are exploring all our options and are unlimited in perspective of what we are willing to look at," said President Jerry K. Pearlman.

Zenith cited cost pressures that have hampered the profit picture for consumer electronics marketers in its fight against what it considers to be bait-and-switch tactics in the marketplace.

Zenith is to unveil a new ad campaign later this year from Foote, Cone & Belding, Chicago. Company officials said the new campaign will keep "The quality goes in before the name goes on" tag.

Thomson, which is unveiling its first GE and RCA products since buying the consumer electronics line from General Electric Co. last year, this fall will introduce a line of upscale TVs, Dimensia by RCA. The line will be backed by separate advertising. Ammirati & Puris, New York, handles Dimensia, GE and RCA for Thomson.#

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Paid anti-drug ads opposed

By STEVEN W. COLFORD

Ad industry representatives this week hope to convince two lawmakers that their proposal for a $225 million, paid anti-drug campaign should be repackaged to avoid undercutting the industry's own multimillion-dollar effort.

At stake is the future of the 16-month-old Media-Advertising Partnership for a Drug-Free America, said John O'Toole, exec VP of the American Association of Advertising Agencies.

The partnership is a joint, pro bono effort of advertisers, agencies and media that has garnered about $150 million in free time and space for its highly acclaimed anti-drug campaign in its first year.

If that campaign, originally estimated at $1.5 billion over three years, has to compete with a paid, federally funded campaign, it would spell the end of the partnership, Mr. O'Toole said.

"There's an old axiom dating as far back as the world's oldest profession that says you don't give away something you can charge for," Mr. O'Toole said, adding that agencies wouldn't volunteer their services if a rival agency were getting paid to handle a similar campaign.

And, he said, broadcasters would opt to sell time for the government's anti-drug messages rather than donate time for the partnership's effort.

The partnership's Lynn Mapes and Executive Director Tom Hedrick have already discussed their concerns with representatives of the bill's sponsors, Sens. John Danforth (R., Mo.) and Ernest Hollings (D., S.C.).

But it's not easy persuading lawmakers, particularly in an election year, to back away from legislation addressing what's widely regarded as the U.S.' foremost issue of concern.

Mr. O'Toole has suggested that the senators redirect any federal funds appropriated for the bill to buy network time for an anti-drug telethon.

Another alternative suggested by Mr. Mapes, former VP-associate publisher at *Reader's Digest*, is to apply the federal funds to research or outdoor ads.

"We're all on the same side on this issue," said Mr. Mapes, who hopes to meet this week with Sen. Danforth or his representatives.

The Danforth-Hollings proposal likely will be considered by the Senate telecommunications subcommittee by the end of the month, a congressional committee aide said.

"If it [the proposal] needs to be adjusted to complement the other effort, it will be," the aide said. "There is no intention of undercutting what's already being done."#

Nabisco's rebuilding puzzles its agencies

By JUDANN DAGNOLI

Nabisco Brands' restructuring into four operating companies, coming on the heels of its reassignment of $120 million in advertising, leaves the ad agencies wondering how they'll be affected.

The revamp essentially broke Nabisco's U.S. business into Nabisco Biscuit Co. and Nabisco Foods Co. Its international units now are International Nabisco Brands, London, and Nabisco Brands, Toronto.

Parent RJR Nabisco earlier had spun off Del Monte Foods as a separate operating company.

"To be honest, it's kind of a mystery as to why they reorganized," said one Nabisco agency executive who asked not to be identified.

He said Nabisco told its agencies that no accounts will be shuffled as a result of the reorganization and that agencies won't be directly affected.

Ad agencies, however, will now report to different people. The agency source said the marketing executives at Nabisco believe the impact for the shops is that "they have a new boss, that's all."

With the reorganization, Ellen Marram, 41, and William McKnight, 43, essentially switch jobs, as earlier reported (AA, May 30). Ms. Marram, who had been president of the grocery division, was named president of Nabisco Biscuit, while Mr. McKnight moves to president-ceo of Nabisco Foods from president of what was the biscuit division.

Ms. Marram, however, won't be

(Continued on Page 76)

How much is Saturn really worth?

By RAYMOND SERAFIN

Maybe Saturn Corp. won't bill $100 million.

In the aftermath of Hal Riney & Partners winning the biggest new account of the year, it still isn't clear how much the business is worth.

The General Motors Corp. subsidiary has never acknowledged the widely published $100 million figure and still doesn't.

Thomas Shaver, Saturn Corp.'s director of marketing services, said the company soon will start putting together an ad budget and will ask its new San Francisco-based agency for its recommendations.

Mr. Riney himself acknowledged that the billings figure may be off. A few hours after Saturn named Riney as its first agency, the shop's chairman-ceo was asked to estimate how much it will spend on advertising.

"We don't know what the billings are going to be," he said. "We're praying that they'll be immense."

In fact, it may be several years before Saturn's factory ad spending reaches $100 million. And when that happens, it's possible Riney won't be doing the media buying, a factor in determining the final compensation agreement.

Several things suggest billings will grow slowly:

- Media attention focused on Saturn since its inception means there will be scant need to develop brand awareness. Without any advertising, Saturn achieved a name awareness of nearly 40% during its 1985 search for a site for its assembly plant, officials said at the time.

The first Saturn model goes on sale in mid-1990 and will undoubtedly get more media coverage than any car launch ever.

- Initial capacity at Saturn's Spring Hill, Tenn., assembly plant will be 250,000 cars a year; the 500,000 mark won't be reached until 1994 or 1996, officials say.

At 250,000 cars a year, a $100 million ad budget would come out to $400 per vehicle on a car expected to sell for about $10,000. That would compare to a per-car average closer to $200 for GM's other car divisions.

Hyundai Motor America, an importer of small cars made in South Korea, spent an estimated $62 million in 1987—its first full year—and sold 263,610 cars for an average per-car expenditure of about $235 a car. And unlike Saturn, Hyundai started with virtually no brand-name awareness.

- One of the directives GM gave Saturn was to find ways to get costs out of a car through both the manufacturing and marketing, to make U.S. production of small cars a viable, competitive alternative.
- The pay of Saturn workers, managers and union members alike will be linked to a profit-sharing formula. Saturn's management-labor Strategic Action Council might be concerned that overspending on advertising would cut into profits.

Other auto ad industry sources speculate that the account could approach $100 million after the car is available nationally in 1991, but they say that would take into account inflation and sales-promotion work.

However, the business is still big.

The most lucrative aspect could come from handling dealer co-op ad groups, which may spend an estimated $40 million to $50 million a year after Saturn's first model is available nationally.

Recent automotive trends suggest Riney will get those dealer-group accounts. Nissan recently told its dealer associations to consolidate their $65 million business with national agency Chiat/Day, Los Angeles.

While major automakers have been reducing commissions in recent years, with 12% the average current rate, agencies more typically get 15% on dealer group accounts.

Also, at least one Saturn executive believes it would be a major mistake to underspend on advertising. Donald Hudler, VP-sales, service and marketing, said, "If we decided to cut back advertising to put an additional $150 to $200 content in the car, and then find out we need to advertise more, then those dollars will already have been spent and we can't increase the advertising and still be cost-competitive.

"So it would be better for us to be prepared to overspend."#

Correspondent Alice Z. Cuneo in San Francisco contributed to this story.

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Breakaway shop sees retail as hot

By KATE FITZGERALD

CHICAGO—The latest breakaway agency, Mass Marketing Inc., may be ready to announce its first client this week.

If it does, the shop created two weeks ago by the four top executives who split off from Saffer/USA could be sending a signal that agencies specializing in retail advertising are in demand.

Saffer Advertising, Toronto, Saffer/USA's parent, is North America's largest retail advertising agency, with about $155 million in annual billings in Canada and here.

A possible target for Mass Marketing is the $7 million Carson Pirie Scott & Co. account that Saffer/USA resigned last month after winning the $10 million Montgomery Ward & Co. business (AA, May 23).

Saffer didn't drop any other retail clients, a sign of the industry's often-loose approach to client conflicts.

Joel Nichols, VP-advertising for Woodward & Lothrop in Washington and the John Wanamaker's chain in Philadelphia, both handled by Saffer, said his company saw no conflict in Saffer's other work.

"Even before the Ward assignment, Saffer was handling advertising for Carson's free standing Corporate Level store here in Washington and that didn't bother us," Mr. Nichols said.

"Frankly," he added, "there aren't many other capable agencies out there."

"The conflict issue is definitely heating up in retailing, but the rules are very unclear still," said Lee Lynch, president of Carmichael Lynch, Minneapolis, which handled broadcast advertising for Minneapolis-based Donaldsons department stores before it was bought by Carson recently.

Gerald Wood, the former president of Saffer/USA and now president of Mass Marketing, wouldn't confirm the new shop is eyeing the Carson account.

Mr. Wood discounted suggestions the agency is in line for the $20 million Long John Silver's Seafood Shoppes' business, resigned recently by Foote, Cone & Belding, Chicago (AA, May 30).

"We're not close to getting either account," said Mr. Wood, but he hinted other clients were in the wings and said he was in the process of hiring up to 30 people.

Carson Public Relations Director Laura Higdon said the company plans to decide on a new agency as soon as possible.

Saffer's ability to beat out incumbent Young & Rubicam and others for Ward suggests the enhanced value of an agency with retail experience.

Mr. Wood and the other executives who followed him out of Saffer/USA—including VPs Cathy Frangos, Drew Herbert and Ron Smith—all have extensive experience in the growing niche of retail advertising, Saffer's specialty. Mass Marketing will be a full-service operation specializing in retail.#

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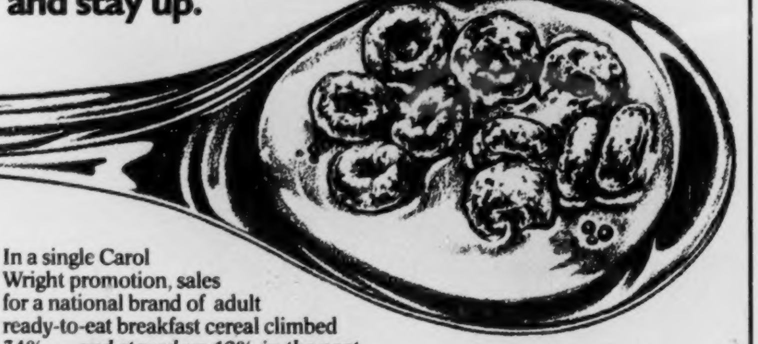

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CORRECTIONS & CLARIFICATIONS

- *Elle's* correct 1988 January-to-April ad page total was 694.9 (AA, May 16, P. 70).
- Meredith Decker, new director of brand management at Guild Wineries & Distilleries, retains marketing manager responsibility for Cook's champagne (AA, May 9, P. 89). Pamela Martin, promoted to marketing manager, is handling several other brands, not Cook's.
- Two articles about Colgate-Palmolive Co.'s introduction of Ajax Disposer Care incorrectly stated that the company acquired the product from Wisconsin Pharmacal (AA, April 25, P. 22, and May 16, P. 30). Wisconsin Pharmacal developed Disposer Care in 1985 but sold it to Twinoak Products, Plano, Ill. Twinoak expanded distribution of Disposer Care nationally before selling it to Colgate in 1987.
- Levine, Huntley, Schmidt & Beaver, New York, not Young & Rubicam, created advertising for Oscar Mayer Foods Corp.'s Zappetites (AA, May 16, P. 12).#

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Job hunting? Look overseas

Best bet: Hong Kong market

An Advertising Age roundup

Where in the world are the good agency jobs?

Agency folks with wanderlust and a ready passport should head to Hong Kong, if they have a working knowledge of Cantonese, according to an ADVERTISING AGE survey of 12 countries. But don't bother with Australia—strict immigration laws and a tight job market make it difficult for Americans in that country.

Overall, the survey found that job opportunities do exist overseas for Americans who have a knowledge of foreign languages.

Here's the rundown:

• **Australia.** The job outlook for the next three years is tough because the industry isn't growing. Furthermore, the immigration laws make it very difficult for local agencies to hire foreigners and for multinationals to use expatriates.

Account directors earn an average of $50,000; copywriters, $55,000; and creative directors, $125,000 to $180,000, said Helen Hill, ceo of Helen Hill & Partners, a Sydney personnel agency.

Salaries for managing directors can range from $125,000 in small agencies to $200,000-plus in larger agencies.

One drawback to working Down Under is the 2-year-old Fringe Benefits Tax, which covers all benefits including cars. Expatriates working for multinationals usually get trips home, and school and housing benefits.

JOB WATCH

• **Brazil.** While knowledge of Portuguese is not required, good work is.

Art direction is the most open because of a lack of qualified locals.

Creative and managing directors average $156,000 a year; perquisites include a car and driver and one international trip a year. Account directors and copywriters average $39,000 a year. A general manager sometimes gets extra pay or shares in the company.

• **Canada.** The job market here has been rough on top-of-the-line executives with major agencies since 1982 when about 20% of the staff, most of them executives, at many large Toronto shops was cut due to the economy.

"The market has closed up," said Keith McKerracher, president of the Institute of Canadian Advertising.

Fred Litman, VP at Management One, a Toronto-based head-hunting shop specializing in the advertising and marketing business, said this is good news for free-lance creatives. Free-lancing may be one of the few ways that foreigners can work on Canadian advertising.

In Quebec, French is a prerequisite—even for English accounts—because a great deal of business is conducted in French.

Salaries average about $60,000 to $80,000 for copywriters and $52,000 to $64,000 for account directors; creative directors earn $120,000 to $160,000.

• **France.** The job market is in a growth-oriented mode. Small shops continue to sprout and prosper, providing jobs for professionals at all levels. Agencies like Boulet Dru Dupuy Petit and Feldman Calleux & Associes, both Paris, are expanding abroad, creating the need for personnel here in management and support roles.

Agencies in general are expected to keep growing as TV advertising develops with commercial channels in France. Direct marketing and sponsorships also are on the rise.

It's possible for foreigners to work in France, but excellent spoken and written French is almost always a must. Salaries average $51,000 for copywriters and $240,000 for creative directors.

• **Hong Kong.** Unlike many other countries, including the U.S., Hong Kong is begging for good people.

The local Association of Accredited Advertising Agencies is trying to lure back expatriates.

"The shortage is not only costing us more, but it's lowering standards," said Tom Hartje, managing director, DDB Needham International. "We have to give people titles they really don't deserve."

The labor shortage is due in part to Hong Kong's "brain drain" as residents frightened of China's 1997 takeover flee to Australia, Canada and the U.S.

An estimated 98% of advertising in Hong Kong is in Cantonese, so language skills are a necessity.

Account directors earn at the very least between $25,000 and $60,000. Creative directors and managing directors earn between $64,000 and $128,000 a year. Managing directors usually also get housing, a car and driver and paid trips home.

Foreign job opportunities and payscales

Country	Best opportunities	Average salaries	Comments
Australia	difficult in all areas	account director: $50,000 copywriter: $55,000 creative director: $125-180,000 managing director: $125-200,000 +	all benefits taxed tough immigration laws no growth in industry
Brazil	art directors	account director: $39,000 copywriter: $39,000 art director: $52,000 creative director: $156,000 managing director: $156,000	high inflation rate Portuguese not required
Canada	free-lance creatives, copywriters	account director: $52-64,000 copywriter: $60-80,000 creative director: $120-160,000	agencies cutting back tough immigration laws new tax laws French needed in Quebec
France	some in all areas	creative director: $240,000 copywriter: $51,000	growth in small shops fluency in French
Hong Kong	copywriters (Chinese language) experienced execs	account director: $25-60,000 creative director: $64-128,000 managing director: up to $128,000/car	labor shortage knowledge of Cantonese
Japan	copywriters	basic exec salary: $36,000 summer bonus: $8,000 yearend bonus: $8,100	high cost of living fluent Japanese
Mexico	not many jobs	account director: $48,000 senior copywriter: $24,000 senior art director: $24,000 creative director: $48,000 managing director: $120,000	market closing up agency cuts high inflation rate work permit needed fluent Spanish
Spain	art directors	creative director: $90-225,000 managing director: $90-180,000 account director: $62-107,000 art director: $53-99,000 copywriter: $53-99,000	fluent Spanish
South Africa	shortage of agency people	account director: $40-60,000 copywriter: $22,500-60,000 senior copywriter: $40-100,000 art director: $25-40,000 creative director: $47,500 managing director: $110,000	recession fringe benefits 50% tax rate political unrest
South Korea	limited opportunities for Americans	managing director: $19-32,000 creative director: $15,000 account director: $15,000 copywriter: less than $10,000	good bonuses and perks economic growth knowledge of Korean
United Kingdom	limited opportunities for Americans	copywriter: $36-54,000 account director: $32-70,000 creative director: $42-72,000	20-40 age group desired perks tight industry
West Germany	limited need of foreigners	account director: $120-210,000 copywriter: $48-84,000 creative director: $210,000 and up	work permit needed high unemployment six weeks paid vacation

Source: Advertising Age

• **Japan.** There are few jobs for foreign ad executives outside the international agencies, and those openings are few.

Most of the opportunities that do exist in Japanese agencies are for English-language copywriters to work on international campaigns.

Housing is a standard benefit for any foreign employee. A small Western-style apartment in central Tokyo for a family of four now costs about $8,000 a month; a smaller bachelor apartment costs about half that. Japanese-style housing is cheaper but still very costly.

Foreigners not fluent in Japanese, both spoken and written, can make only limited contributions, and increasingly those jobs are filled by foreigners with language skills.

The basic salary for executives with about 10 years experience is $36,000 a year. Each step up in management is accompanied by a salary increase of about $2,400 per year.

Similar increments are paid for dependent children. Also there are summer bonuses of $8,000 and yearend bonuses of $8,100. Workers are guaranteed lifetime employment.

Some possible drawbacks are that promotions are by age rather than merit and there are very few holidays.

• **Mexico.** It's not easy for foreigners to find jobs here because of government work permit requirements, and Spanish is necessary.

Mexico's high inflation has put a damper on the job market in general, and agencies are reducing staff.

Upper-level employees can expect some fringe benefits, such as an automobile and yearend bonus.

Managing directors often get a chauffeur, rental assistance and country club membership as well.

• **Spain.** Salaries in Spain often vary by as much as 200% for the same positions.

Creative directors' annual income varies from $90,000 to $225,000. Managing directors can expect gross salaries of $90,000 to $180,000; account directors, between $62,000 and $107,000; and art directors and copywriters, between $53,000 and $99,000.

Spain's ad industry is somewhat open to foreigners in the art and graphic design areas. Account director posts are easy to find if perfect Spanish is spoken.

• **South Africa.** These are lean years for advertising, but ad spending is picking up now for the first time in four years.

"There is a shortage of people after the long hard years when many left the industry or emigrated," said Peter de Klerk, executive director at the Association of

(Continued on Page 56)

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Xerox redirects its fax efforts

By JUDITH GRAHAM

Xerox Corp. has repositioned its facsimile machine business and introduced a new line of machines in an aggressive move to capture a larger share of this exploding market.

The new positioning stresses the reliability of Xerox's machines and backs the claim with a $5 customer guarantee. Any customer whose fax transmissions fail to arrive at their ultimate destinations will get $5, up to a limit of 20 transmissions per machine during the first year of service.

Print advertising supporting the guarantee breaks early this month in business and trade publications, said Madigan Pratt, senior VP-management supervisor at Lowe Marschalk, New York, the agency for Xerox's fax products.

This year, all fax sales are projected to soar to 700,000 units, more than triple the 200,000 units in 1986. Ad spending is also booming, reaching $20 million industrywide in 1987 and expected to rise substantially this year.

Meanwhile, Xerox has introduced a new line of thermal paper fax machines designed to appeal to the booming small-business market. The machines, which cost about $2,000, have become the market standard during the past several years.

Xerox previously produced only cut-sheet, plain-paper machines, which cost about $3,500 and can be used with any type of paper. But the company misjudged its market, placing too much emphasis on the quality and convenience of its machines and too little emphasis on price.

Once a leader in the fax industry, Xerox has steadily lost market share since the late 1970s, when competitors started introducing lower-price products.

Today, Sharp Electronics Corp. and its foreign competitors, Canon and Ricoh Corp., are the leaders in the fragmented industry, but no single company dominates the field.

The first ad in Xerox's current campaign, launched May 17, carried the headline "Did you send the Fax? Yes. Did they get it?" Instead of an answer, a 4-inch blank leaves the question open. Copy at the bottom of the ad assures customers their Xerox faxes will be received.

"Market research showed that the one thing customers really care about is whether their documents actually get there or not," Mr. Pratt said.

Direct-mail support is planned this fall.

Xerox's previous fax advertising stressed the advantages of its cut-sheet, plain-paper machines—particularly their ability to use any type of paper and make high-quality reproductions. But the company decided to change its approach when research revealed that customers were basically satisfied with less flexible machines that made poorer-quality copies.#

Jobs around the world

(Continued from Page 54)

Ad Agencies.

As for foreigners taking these positions, "there has been very little so far," said Alison Knight, of the Connection, a leading ad agency employment service.

Though Ms. Knight said she gets many inquiries from foreigners, there's been no rush because of the country's political status.

An experienced account director commands a salary package worth $40,000 to $60,000. A copywriter earns, on the average, $22,500, but an experienced one can get as much as $60,000.

Tax rates here are high—50%—so tax-exempt or partially exempt remuneration is important.

- **South Korea.** Salaries aren't high here, but when it comes to perks, South Korean agencies can really pour it on. And the job market is booming due to a fast rise in ad spending.

A managing director can expect just $19,000 to $32,000—and a chauffeur-driven car. A generous entertainment allowance—averaging $15,000—is almost standard because custom demands lavish dinner parties to win and hold onto clients.

All agency employees can expect bonuses of 40% to 60% of their annual salaries.

Top creative and account directors with the top agencies are paid about $15,000. At second-tier agencies, the pay for copywriters, account directors and creatives with five or more years experience starts at just under $10,000.

JOB WATCH

As for foreigners landing a job with a Korean agency, "it's not so easy but it's possible," said one account director with Daehong Advertising, a Saatchi & Saatchi affiliate in Seoul.

Skill in the local language helps but is not mandatory.

- **U.K.** An American in London looking for a job in advertising would be very unlikely to get permission to work.

Americans are usually transferred to London to fill specific jobs such as international account handling.

Like Spain, salaries vary enormously. Differences in pay can extend to 100% or more for people with similar experience a[illegible]ponsibilities.

According to recruitment a[illegible]cies and management consultancies, the average salary for a copywriter in London is between $36,000 and $54,000. A creative director at a small or midsize shop would get $42,000 to $72,000, while the same position in a top agency could easily top $180,000.

Last year a survey by Taylor Bennett, a London-based recruitment agency, found account directors with four years experience earned $32,000, which rose to $70,000 after nine years experience. Perks include a company car, private health insurance, pension plan and expenses for home entertainment, fuel and parking fees.

Prospects for job seekers are good for the next three years as the ad industry is expected to continue its high growth rate into the 1990s.

- **West Germany.** Growth in the ad industry, combined with a lack of qualified personnel, have opened the market in West Germany.

Last year, the number of open positions industrywide increased 12%. A recent survey indicates copywriters and trainees account for the majority of open positions. Demand has slackened for directors, producers and media experts.

Germany has a limited need for foreign talent. "It's restrictive," said Ute Hirschbiegel, head of Service Advertising Agency and one of the country's leading ad consultants. A work permit for citizens from within the European Economic Commission countries is easier to obtain than for outside.

Low salaries aren't a reason for the lack of qualified personnel. An account director earns between $120,000 and $210,000. A copywriter can earn between $48,000 and $84,000. Top positions like creative director start at $210,000. Benefits include a car, an apartment, health insurance and six weeks paid vacation.#

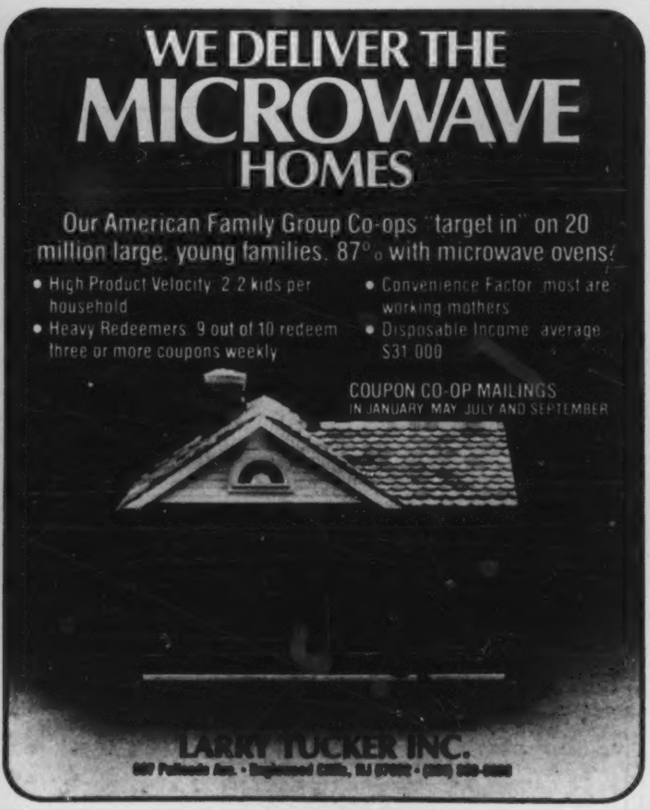
Lena Vanier in New York wrote this story, with contributions from Steven Downer, Maggie Fox, Oles Gadacz, Des Kilalea, David Kilburn, Don Kirk, Geoffrey Lee Martin, Julia Michaels, Sean Milmo, Marina Specht, Tony Thompson, Laurel Wentz and Claire Wilson.

Ciba sets consumer effort

ATLANTA—Ciba Vision Corp. is breaking its first consumer campaign of page magazine ads and TV spots.

The campaign, themed "Healthy eyes mean successful contact lens wear," promotes proper contact-lens care using Ciba's AOSEPT disinfectant.

McCaffrey & McCall, New York, handles consumer advertising.#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Bauble bath

Elizabeth Taylor luxuriates in a Roman-style marble bath in a $10 million campaign for Passion Body Riches, a line extension of Passion perfume. The set took more than 40 people nearly two weeks to build. The jewels are worth $6 million. The ad, created for Parfums International by Ogilvy & Mather, New York, breaks in August.

Cable steals upfront show from TV nets

By WAYNE WALLEY

Cable TV ad sales for the fall season are taking off in the face of a probable soft upfront market for the Big 3 broadcast networks.

Advertisers already are setting aside specific budgets for cable programs and buying time farther in advance because of increased demand, creating a de facto cable upfront selling season for the first time.

Total cable ad revenues are expected to reach $1.45 billion in 1988, a 24% increase over last year, with cable network billings exceeding $1 billion for the first time, said Paul Kagan Associates.

While cable is headed for a banner year, the Big 3 face a 15% drop from last year's record $3.1 billion in advance ad sales for the season beginning this fall (AA, June 6).

"This means advertisers might finally be sold on cable's value as a medium," said Doug McCormick, VP-advertising sales, Lifetime Cabletelevision Network.

"Advertisers used to look to cable as an alternative only if broadcast inventory was tight or too expensive. Now more advertisers are familiar with cable and we don't have to rely on a strong broadcast market," he said.

Unlike broadcast, MTV Networks projects a 30% increase in fourth-quarter ad sales for MTV: Music Television, Nickelodeon/Nick at Nite and VH-1: Video Hits One.

Sales for SuperStation TBS are expected

(Continued on Page 70)

Besieged giant eyes two-level review

IBM moves quickly

By GARY LEVIN
and JON LAFAYETTE

IBM Corp. has approached at least eight ad agencies for what will probably be a two-tier split of its $138 million account.

Big Blue apparently plans to put its corporate, personal computer and business-to-business advertising at a major top-level agency, and specific product assignments at one or more midsize shops.

Sources indicate IBM has said all the agencies in the review must bill a minimum of $200 million to compete.

The marketer has contacted D'Arcy Masius Benton & Bowles, DDB Needham Worldwide, Lintas:Worldwide and Wells, Rich, Greene, all New York. One of these agencies is expected to be named to handle the bulk of IBM's business, mostly those assignments now at Lord, Geller, Federico, Einstein.

IBM also has begun to sound out midsize agencies with creative reputations, apparently to handle specific product assignments.

Two or three of these agencies are expected to be assigned projects with billings of about $20 million to $30 million.

Among the shops approached about these assignments are Jordan, McGrath, Case & Taylor; Levine, Huntley, Schmidt & Beaver; Lois Pitts Gershon Pon/GGK; and TBWA. TBWA, which works on Bull computers in eight European countries, may not participate in the review.

IBM told several shops, including Ammirati & Puris and Geer, DuBois, that they were "too small" for an assignment.

But Saatchi & Saatchi DFS, widely expected to contend for the IBM business, appears to have been left out of the review.

Agency officials were surprised and at a loss to explain it. They'd expected to be included because the agency handles some IBM collateral work in the U.S. for the company's Information Systems Group. Saatchi also has made development of a closer relationship with the Big Blue a corporate priority.

It was Saatchi's second recent negative signal from IBM. Lois

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Last Minute News

U.K. agencies ready to merge

LONDON—U.K. agency groups Boase Massimi Pollitt and Davidson Pearce plan to merge as BMP Davidson Pearce, with combined billings of $330 million. The new group would rank No. 8 in the U.K. There are expected to be several client conflicts. Major clients of BMP, which also owns Ammirati & Puris, New York, include Coca-Cola Co., Nabisco Brands and Quaker Oats. Davidson Pearce handles Fiat, Marks & Spencer and Unilever.

Saatchi adds Molson Light

NORTH HILLS, N.Y.—Martlet Importing named Saatchi & Saatchi DFS Compton, New York, to succeed HBM/Creamer, Boston, on its Molson Light beer account after HBM/Creamer merged with Della Femina, Travisano &

(Continued on Page 8)

Photo by Glenn Hartong

AD AGE's Laurie Freeman samples olestra-fried potato chips.

News-hungry media chew the (fake) fat with P&G on olestra

Last week seven reporters, including ADVERTISING AGE*'s Laurie Freeman, were the first media outsiders invited inside Procter & Gamble Co.'s top-secret Olestra Test Kitchen. They were given the opportunity to taste, feel and smell olestra, P&G's no-cholesterol, no-calorie fat substitute now awaiting Food & Drug Administration approval for use in a variety of food products. The story below relates Ms. Freeman's experience.*

By LAURIE FREEMAN

CINCINNATI—There's no question that if the FDA approves olestra, we're all going to be eating a lot of this stuff.

It's a positively giddy feeling knowing you're eating french fries, fried chicken and potato chips—all the things that evoke guilt—

(Continued on Page 70)

WCRS boosts name in U.S.

By JON LAFAYETTE

New York—The merger of Della Femina, Travisano & Partners and HBM/Creamer is just the beginning of WCRS Group's designs on the U.S. market.

"Don't think our ambitions have stopped," Tim Breene, deputy group chief executive of London-based WCRS, said as the creation of the nation's 18th-largest agency was disclosed last week. "We continue to talk about other things."

Della Femina, McNamee WCRS, as the agency will be called, will bill $800 million.

Mr. Breene, who's also chief executive of WRCS' North American operations, maintained that speculation regarding negotiations for WCRS to buy Chicago-based Tatham-Laird & Kudner was "no more or less true than it ever has been."

But Jerry Della Femina, chairman-ceo of Della Femina, McNamee, said strengthening the U.S. agency's Chicago presence is "the next move they [WCRS] should be making."

Louise McNamee, president-chief operating officer of Della Femina, will hold the same title at the combined agency. She will be responsible for the former HBM/Creamer offices in Boston and Pittsburgh and the Della Femina office in Los Angeles.

Edward Eskandarian, who'd been chairman-ceo of HBM in Boston, will be a vice chairman of the new agency, as will William Sprague, who'd been chairman-ceo of HBM in Pittsburgh. They stay in their current cities.

Robert A. Becker Co., a medical specialist bought by WCRS in 1987, will be a part of the new agency, while the Creamer Dickson Basford public relations unit will stay separate, reporting to WCRS' Mr. Breene.

Mr. Della Femina said he expects the agency's top 20 ranking to help it compete for new business. He said 75% of the accounts worth $20 million or more are won by agencies in the top 25.

Because of the merger, the agency resigned two HBM/Creamer clients: the $4 million-to-$5 million Molson Light account, a conflict with the Beck's beer account handled by Della Femina, and the $2 million-to-$2.5 million New England Subaru Dealers account, which conflicts with Della Femina's American Isuzu Motors account.

Despite the merger, Ms. McNamee said the offices will continue to operate autonomously of each other for the most part.

Mr. Eskandarian said he was pleased with the merger, [illegible] HBM name, to see it disappear.

WCRS, which bought Della Femina and HBM/Creamer in 1986, had resisted consolidating the two, preferring a loose confederation of agencies to the worldwide monoliths other companies have created. It had also resisted changing the agencies' names.

But adding the WCRS name is expected to boost its profile with multinational advertisers. Mr. Breene said the WCRS "brand" has a single-digit recall rate among marketers in the U.S.

WCRS agencies in other countries—WCRS Mathews Marcantonio in London, Belier/WCRS in Europe and the Ball Partnership in Asia—are ranked among the top 15 in their markets.#

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Contacts count

How JWT won Bell account

By JANET MEYERS and GARY LEVIN

Bell Atlantic Corp.'s consolidation of more than $50 million in ad work at J. Walter Thompson USA is an example of the critical role personal loyalties play in gaining new business.

Those loyalties, built up by JWT over the years with Bell Atlantic's key executives, played a major role in the agency's coup, which gives it a much-needed boost.

J. Walter Thompson Co. has been struggling to regain momentum following its takeover by WPP Group last year.

Since then, JWT has lost the $200 million Burger King Corp. account and Sears, Roebuck and Co.'s $40 million Discover card account, among others.

JWT officials are most certainly cheering the seeming ease with which they won Bell Atlantic.

Christopher Clouser, the company's VP-corporate relations and advertising since April, was formerly senior VP-corporate relations at US Sprint, a major client of JWT's San Francisco office.

Ed Carter, the Bell Atlantic consultant who ultimately steered the company toward JWT, was previously senior VP-sales and marketing at Sprint.

Chuck Jones, of Chicago's Jones-Lundin Associates, a consultancy, had circulated questionnaires to several agencies. But he later called to tell them the review had been called off.

In reality, sources said, Mr. Jones himself was called off the consulting assignment in favor of Mr. Carter, who quickly struck a deal with JWT Chairman-CEO Burt Manning.

But JWT has two other telecommunications accounts that could pose conflicts with the new assignment.

JWT's San Francisco office still handles Sprint, which has dramatically cut its ad spending from $80 million in 1986 to an estimated $50 million last year.

The other conflict is with Ameri-

(Continued on Page 71)

Attorneys win big in breakaway fight

By JON LAFAYETTE

New York—Legal fees in WPP Group's lawsuit against six breakaway executives are well into the seven figures, sources estimate.

As WPP Chief Executive Martin Sorrell's lawsuit moves into its 13th week, experts guess that court costs for both sides combined already exceed $1.5 million. WPP charges that the executives who started Lord Einstein O'Neill & Partners tried to sabotage their old agency, WPP's Lord, Geller, Federico, Einstein.

Lord Einstein's law firm, Skadden, Arps, Slate, Meagher & Flom, a giant corporate and takeover specialist, is charging $9,000 to $12,000 per day in court, or about $50,000 a week, said Steven Brill, publisher and editor in chief of *The American Lawyer*. For the past 12 weeks, Skadden's courtroom bill alone would amount to at least $600,000.

Lewis Eichenholtz, Lord Einstein's senior VP-chief financial officer, said the agency hasn't received a bill yet from its law firm.

Expenses for transcripts, messengers, secretarial overtime, documents, meals, phone calls and cab rides could add another 20% to a law firm's tab.

Young & Rubicam's counsel, Shearman & Sterling, is costing $6,000 to $7,000 a day, for a total of about $400,000 so far, Mr. Brill said.

See related stories on Page 71.

The counsel is charging less than Skadden because Y&R "is not as involved. My impression is they have fewer people working on the case," Mr. Brill said.

WPP's counsel, Davis & Gilbert, a smaller firm with a specialty in ad agencies, is charging $6,000 to $7,000 a day, Mr. Brill estimated.#

Videogame blitz

Industry says sales may double

By IRA TEINOWITZ

Atari and Sega have drafted sports stars for their annual fall tussle with videogame market leader Nintendo.

St. Louis Cardinal Ozzie Smith, Washington Redskins quarterback Doug Williams and National Basketball Association slam-dunk champion Spud Webb will become spokesmen for Atari when it kicks off a full-scale return to TV advertising in August.

Sega of America, now being marketed by Tonka Corp., will use retired Chicago Bears superstar Walter Payton and retired baseball great Reggie Jackson in store displays for its products. Sega's TV effort will pitch new versions of several popular non-sports games.

Industry officials forecast the most competitive year since 1985 for videogames, with retail sales of games and hardware possibly doubling.

But a computer chip shortage could prevent sufficient game supplies from reaching customers.

"There is a real shortage," said Peter Main, VP-marketing for Nintendo of America. "But we think it is livable."

Nintendo, last year's hot seller and now holding about 70% of the $1.1 billion videogame business, is dealing with the shortage by temporarily slashing its game library and game production.

Instead of producing half the software for its hardware, Nintendo will produce only one-third, letting suppliers that have the chips produce the rest.

Nintendo intends to remain a heavy advertiser despite the supply problems, with about $13.5 million, or 68% of its $20 million budget, destined for three products.

The company is skipping the Big 3 TV networks for much of its push, concentrating on local buys and syndicated programs.

Nintendo will put $10 million toward advanced versions of its two most popular games. In October, it breaks spots for "Super Mario Bros. 2" and, in November, for "Zelda II—The Adventure of Link."

> *"There is a real shortage [of computer chips]. But we think it is livable."*
>
> **—Peter Main**
> **Nintendo of America**

It also will spend $3.5 million on a campaign for a $149.95 "power set," including a floor pad that allows younger children to play games without using a joy stick.

The company recently agreed to use McCann-Erickson, New York, as its agency after McCann purchased and absorbed Nintendo's shop, Geers Gross Advertising.

This year, Tonka is paying much closer attention to the videogame market and expects ties to Sega will mean fewer chip supply problems. But it's readying alternative advertising if supplies of advertised games prove inadequate.

Tonka is rolling out 22 new games, including a new category of adventure games that rely on role-playing rather than manual dexterity.

But the main focus of its $12 million campaign will be on arcade favorites "Double Dragon," "Shinobi" and "Thunderblade."

Tonka kicks off a new campaign in early September that positions Sega as *the* videogame. Jordan, McGrath, Case & Taylor handles.

Atari suffered major supply problems last year and spent only $4.4 million on advertising, canceling plans for some fall advertising.

But Atari has secured enough chips to double its production this year and hopes to avoid similar supply problems.

It will introduce 40 new games, spending $7.5 million on a blitz that starts in August. Atari will spend $10 million overall. DDB Needham Retail, San Francisco, handles.

Ozzie Smith will promote baseball, Doug Williams football and Spud Webb basketball.

Industry market shares are in dispute. Nintendo estimates Atari's share at 16% and Sega's at 10%. Atari claims it has 20% of the hardware market, compared with 70% for Nintendo and 8% for Sega.#

Negative reviews won't close curtain on 'Willow' promos

By KATE FITZGERALD

Lucasfilm's "Willow" appears to be overcoming negative reviews and intense competition, and may yet reward marketers who've gambled a total of $50 million on product tie-ins.

"Willow" has reaped more than $26 million in box office revenues in its first three weeks, according to Baseline II, a monitoring service. Although the film last week slipped from first place to fifth in revenues, motion picture sources said it is certain to remain on screens throughout the summer.

That would be a huge relief to the dozens of major companies that have yet to start their promotions tied to "Willow." Some—such as Quaker Oats Co.'s $26 million program—kick in as late as July.

"Willow isn't going to be a blockbuster, but it's not a disaster either," said Martin Grove, columnist for *The Hollywood Reporter*. "It has held up surprisingly well, and it should enjoy a decent run over the summer."

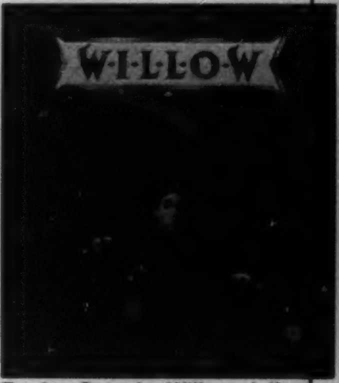
Lee Rich, chairman-ceo of distributor MGM/UA Communications Co., said the film "has defied the critics by doing very well against a major league delicatessen of other movies—a consumer's paradise of offerings. And as kids get out of school this week, 'Willow' will do even better."

It had better, because "Willow's" success or failure as a tie-in project could have a major impact on licensing and promotional-marketing plans tied to several films due for release next year, including Warner Bros. "Batman."

Stan Herman, president of Minneapolis-based Herman Mancino, the promotional-marketing company handling "Batman," said the success of "Willow" may influence how larger retailers and package-food companies participate.

"We're already lining up participants, and preliminary interest has been very good," Mr. Herman said, though he couldn't give the names of companies that had expressed interest in "Batman."

So far, revenues for "Willow" merchandise are promising, sources say. After the first week of release, Waldenbooks listed Ballantine Books' movie tie-in edition of "Willow" at No. 8 on its mass paperback best-seller list. By the third week, the book was ranked No. 9.



Tonka Corp.'s Willow doll, available for $1.99 to $3.99, is part of a line of figures that ties into the movie.

Tonka Corp. reported strong early orders for the first phase of its "Willow" action line, which it began advertising May 30. Sales of other retail items tied to "Willow" also were reportedly strong.

Quaker, whose multibrand promotion gives it the largest stake, said it isn't concerned about "Willow's" longevity.

The first Quaker free standing insert broke June 12, but a five-week flight of TV spots for Cap'n Crunch cereal doesn't break until July.

"The first feedback is very favorable from both the supermarket trade and consumers. We're not changing any FSIs, promotions or our TV schedule," said Barb Biancalana, account supervisor at Bayer Bess Vanderwarker, Chicago, agency for the Cap'n Crunch tie-in.

U.S. Communications Corp., Minneapolis, the agency that lined up the marketers, said the success of the promotions was never threatened by the film itself.

"These promotions were designed to stand on their own, whether or not the film was a box office hit," said Corky Hall, vice chairman of U.S. Communications.#

Julie Liesse Erickson in Chicago and Wayne Walley in Los Angeles contributed to this story.

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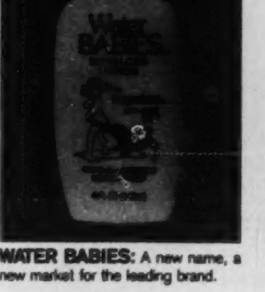

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'Wizard' video to include ad

NEW YORK—"The Wizard of Oz" and "Gone With the Wind" will carry advertising when they're released for the second time for home video in 1989.

Ted Turner, chairman of Turner Broadcasting System, made his announcement at a press conference last week in which he unveiled TBS' new licensing and merchandising division. Turner Entertainment Co. owns the MGM and RKO film libraries that earlier released the two films without advertising.

The new licensing division's first task will be to focus on the 50th anniversaries of "Wizard" and "Gone With the Wind," Mr. Turner said.

The unit will license all TBS properties, including films. It also will license original characters created by Turner's cable networks and introduce a line of merchandise featuring the CNN logo.#

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CORRECTIONS & CLARIFICATIONS

- Because of new financial submissions from several advertising agencies, ADVERTISING AGE is updating its ranking of the top 25 U.S. agencies in direct-response billings (AA, May 16, P. S-14). In those adjustments: D'Arcy Masius Benton & Bowles, which the chart ranked 21st with $15.7 million in 1987 billings, should be 17th, with $37.3 million, up from $29 million in 1986; Bozell, Jacobs, Kenyon & Eckhardt, ranked 25th in direct-response billings, should be 24th with $15.2 million in 1987 capitalized billings; McCaffrey & McCall Direct Marketing, which didn't appear in the ranking, is 13th with 1987 direct-response billings of $51 million.#

MAXWELL'S MARKET SHARES

Coffee consumption continues to cool off

By JOHN C. MAXWELL JR.

Coffee still seems to be losing its kick, and the outlook for the future is not much better.

For the past 20 years, coffee consumption has been on the decline. In 1987, per capita consumption remained relatively flat at 25.3 gallons per person, even though the number of cups consumed per person per day rose 1.1% to 1.76 cups.

This modest increase, however, was offset by a decline in the proportion of people drinking coffee, according to estimates by Wheat First Securities. Consumers are continually moving away from hot and acrid drinks to cold drinks.

In 1986, per capita consumption of coffee dropped 1.9% to 25.3 gallons. This might have been caused partly by higher coffee prices, which resulted from a drought in Brazil.

In 1987, retail prices were lower, as were coffee bean prices.

Although overall consumption in 1987 remained relatively flat, there remains a direct correlation between coffee consumption and the age of consumers. As the population ages, consumption increases.

But consumption by age group is dropping across the board, and, thus, we expect coffee consumption to continue declining for the foreseeable future.

According to *Beverage Marketing*, 27% of all coffee drinkers (consuming four to nine cups a day) account for 53% of the coffee consumed. Light coffee drinkers (three or fewer cups a day) are 31% of the population, but drink less than 7% of all coffee consumed.

In the soluble instant coffee market, General Foods Corp.'s market share appears to be eroding, down to 39.1% in 1987 from 40.3% in 1986.

It seems most of the decrease is being picked up by Nestle Foods Corp. and Procter & Gamble Co., gaining 1.4 share points and 0.6 share points, respectively.

In the regular coffee market, GF showed a 1.4 share-point loss, from 35.9% in 1986.

Again, P&G seems to be benefiting from the GF loss, picking up more than 3 share points.

The U.S. Department of Agriculture has estimated 1987-88 world production at a record 101.2 million bags, an increase of almost 29% from an estimated 78.5 million for 1986-87.

The record production estimate is primarily due to the extremely strong Brazilian crop and some recovery in Colombia.

The 101.2 million-bag crop has had a dampening effect on prices, even though all beans may not be of the quality that's demanded by both the roasters and consumers.#

Mr. Maxwell is an analyst with Wheat First Securities, Richmond, Va.

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Coffee market shares

Source: John C. Maxwell Jr.

	1983	1984	1985	1986	1987
Regular coffee					
General Foods					
Maxwell House					
Regular	19.0	18.6	18.8	18.3	18.1
Decaf.	—	—	—	2.4	2.0
Private Collection	—	—	—	—	0.2
Subtotal	19.0	18.6	18.8	20.7	20.3
Master Blend	7.5	8.0	9.0	8.4	7.6
Sanka	2.2	2.2	2.1	1.7	2.1
Yuban					
Regular	1.0	0.7	0.6	2.3	2.3
Decaf.	—	—	—	0.4	0.4
Subtotal	1.0	0.7	0.6	2.7	2.7
Brim (includes Max-Pax)	2.7	2.6	2.6	2.4	1.6
Mellow Roast	0.5	0.4	0.3	—	—
Total	32.9	32.5	33.4	35.9	34.5
Procter & Gamble					
Folgers					
Regular	24.9	26.2	27.0	19.9	22.8
Decaf.	—	—	—	2.8	3.4
Flakes	—	—	—	5.5	5.1
Total	24.9	26.2	27.0	28.2	31.3
Hills Brothers					
Hills Brothers	7.4	7.7	7.8	7.9	7.5
MJB	—	—	—	2.5	2.7
Chase & Sanborn	—	—	—	0.9	1.3
Total	7.4	7.7	7.8	11.3	11.5
Chock Full O'Nuts	5.0	5.8	5.4	4.6	5.1
Coca-Cola					
Maryland Club	1.0	1.0	1.0	1.0	0.9
Butternut	1.5	1.4	1.5	1.2	1.1
Total	2.5	2.4	2.5	2.2	2.0
Subtotal	72.7	74.6	76.1	82.2	84.4
All others	27.3	25.4	23.9	17.8	15.6
Grand total	100.0	100.0	100.0	100.0	100.0
Instant coffee					
General Foods					
Maxwell House					
Regular	22.5	22.9	23.7	21.9	21.5
Decaf.	—	—	—	3.1	2.4
Subtotal	22.5	22.9	23.7	25.0	23.9
Maxim	2.6	2.4	2.3	1.6	1.5
Sanka	8.9	8.8	8.6	8.4	8.8
Freeze Dried Sanka	2.1	2.0	1.5	1.0	0.7
Yuban	0.6	0.5	0.4	0.6	0.6
Brim	3.9	2.8	2.1	1.7	1.6
Mellow Roast	0.5	0.3	—	—	—
International Coffees	1.6	1.9	2.0	2.0	2.0
Total	42.7	41.6	40.6	40.3	39.1
Nestle					
Nescafe Regular	6.1	5.7	5.5	7.2	7.5
Nescafe Decaffeinated	2.2	2.3	2.0	2.1	3.1
Taster's Choice Regular	9.5	9.7	9.8	10.3	10.6
Decaffeinated	0.3	0.2	—	—	—
Taster's Choice Decaffeinated	6.1	6.4	6.6	6.2	6.2
Sunrise	1.2	1.2	1.1	1.0	0.8
Total	25.4	25.5	25.0	26.8	28.2
Procter & Gamble					
Folgers Regular	12.5	13.0	13.3	14.6	14.9
Highpoint	2.9	2.5	1.9	1.3	1.1
Decaffeinated Folgers	—	2.0	2.6	3.5	4.0
Total	15.4	17.5	17.8	19.4	20.0
Borden					
Kava	0.9	0.8	0.7	0.6	0.5
Subtotal	84.4	85.4	84.1	87.1	87.8
All others	15.6	14.6	15.9	12.9	12.2
Grand total	100.0	100.0	100.0	100.0	100.0

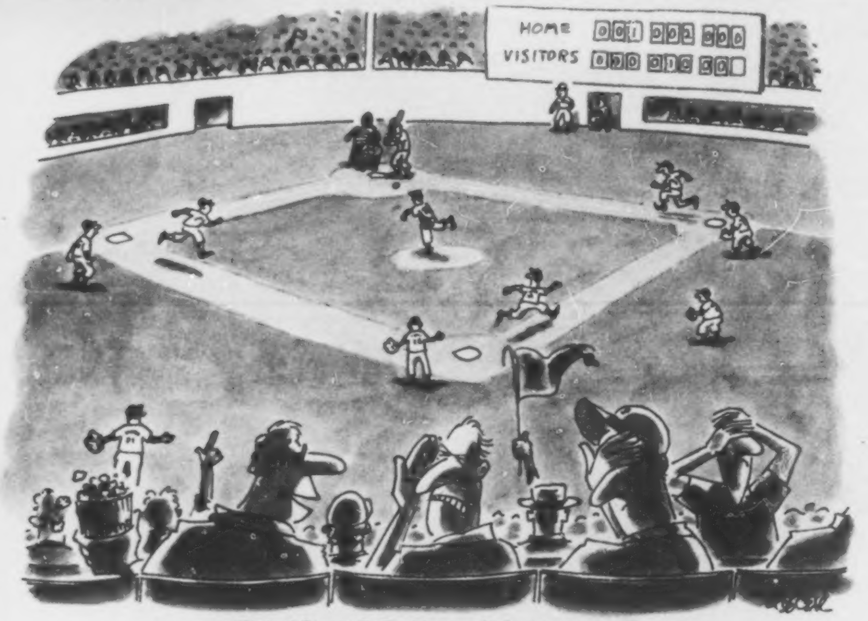
Catalog offers aid for social problems

NEW YORK—The American Values' Community Action Network has compiled a catalog that offers nothing for sale except ideas designed to help solve "people problems."

More than 500 ideas for solving problems related to child and spouse abuse, drug abuse, drinking and the needs of the hungry and homeless are now described in the 22-page Can Do! catalog.

The problem areas were researched by Daniel Yankelovich and the Public Agenda Foundation so that the American Values' Community Action Network could concentrate on these areas during 1988.

The catalog is priced at $8. Address is 211 E. 43rd St., Suite 1400, New York 10017.#



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Special Report
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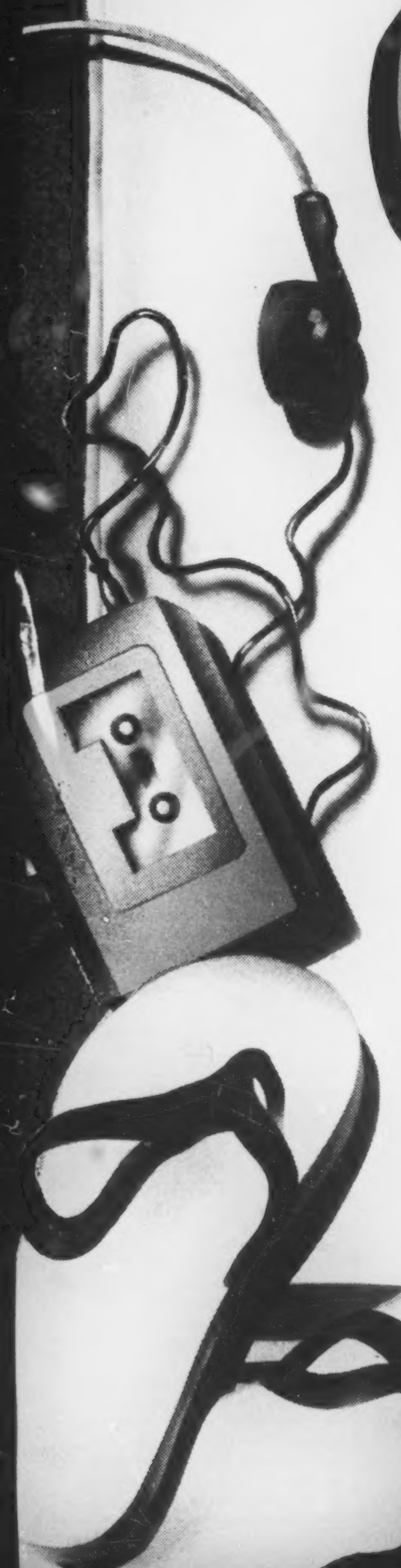
CALIFORNIA

Agencies battle for billings in hot L.A. market



By Jennifer Pendleton

Believing that Los Angeles is on the brink of a transformation from provincial business center to U.S. commercial capital, ad agencies based in Europe and in other parts of the U.S. have sought to establish West Coast offices.

TBWA, the expansion-minded multinational agency with European roots, found the Los Angeles market isn't for everybody, however. As recently as 1986, the agency dispatched a senior executive to the second largest U.S. city to scout locations and interview prospective personnel.

But the agency decided the timing wasn't right. "We thought, and still think, [Los Angeles] is a great market," says Richard Costello, TBWA's U.S. president. "But our big concern was that there was too much competition, far more competition than any market can absorb. Los Angeles doesn't need another advertising agency."

Scali McCabe Sloves probably wishes it had TBWA's foresight. In January, the New York-based agency that produced so much award-winning creative work in the 1970s folded its 2-year-old Los Angeles office after failing to win any major accounts.

"[Los Angeles] isn't a great advertising agency market," says Scali Chairman Marvin Sloves. "It's hard to make money there, even when you're well established . . . Our assumption was that because of our great success in New York, we were automatically assured a place in Los Angeles. It was wrong—very wrong."

But Scali is not through with California forever. "It doesn't mean I'm not going back. When, I don't know, but we'll probably go back," says Mr. Sloves.

At present, Los Angeles may be the most competitive agency city in the country. Because of a surplus of agencies and a limited number of consumer product accounts in the Los Angeles area, better-known shops have been forced to compete for smaller accounts. For example, Asher/Gould, BBDO Worldwide; DDB Needham Worldwide, Della Femina, Travisano & Partners, Foote, Cone & Belding, Ketchum Advertising and Sokol Berman all competed last fall for the $4 million California Egg Commission account. Asher/Gould won the account in November.

Branch offices of major multinationals are especially hard-pressed as conflicts with business in other represented cities frequently block efforts to pitch accounts.

"Everybody's scrambling for a piece of the pie. Look at the available advertising dollars and the number of agencies. I continue to be amazed with what it takes to move down the field," says John Littlewood, chairman-ceo, N W Ayer, Los Angeles.

Cleveland-based Wyse Advertising is the latest agency to expand into Los Angeles (AA, April 4). Wyse is short on details but says it hopes to fulfill its plans by the fall. Undoubtedly others will follow.

"Los Angeles is characterized by a lot more retail-oriented business than any other market," explains Gerrold Rubin, president, Rubin, Postaer and Associates, Los Angeles. "If you want to be in this market, you have to posture yourself to do that kind of work."

Of course 'that kind of work'—typically hard-sell, price-and-item messages—are anathema to most creatives, especially people from the East," says Mr. Rubin. "But you adjust or perish."

Ben Enis, professor of marketing at the University of Southern California, Los Angeles, believes the city could become the premier city of U.S. business. "More than any other city on the planet, [Los Angeles] has the opportunity to be such."

Emerging are signs that indicate California's largest city has the potential to become the U.S. business hub in years to come.

The ports of Long Beach and Los Angeles handled 58.6 million tons of cargo in 1986, far ahead of the port of New York and New Jersey's com-

(Continued on Page 56)

Top five advertising agencies in California's top five agency markets

(By billings)

Los Angeles

($ in millions)	*1987*	*1986*
Foote, Cone & Belding	259.0	229.0
Saatchi & Saatchi DFS	235.0	150.0
Admarketing Inc.	201.0	184.0
Chiat/Day	140.0	141.0
Grey Advertising, Western Div.	131.7	117.4

San Francisco

($ in millions)	*1987*	*1986*
Foote, Cone & Belding	221.0	205.0
J. Walter Thompson	141.0	151.0
Ketchum Advertising	137.3	147.4
Hal Riney & Partners	125.0	125.0
McCann-Erickson	113.4	103.0

San Jose

($ in millions)	*1987*	*1986*
Tycer Fultz Bellack	26.3	25.4
Winkler McManus*	23.0	23.6
Carlick Advertising*	18.2	13.3
Austin Assoc.*	17.0	18.0
Winston Advertising*	13.5	10.3

San Diego

($ in millions)	*1987*	*1986*
Phillips-Ramsey*	31.0	29.0
Kenneth C. Smith & Assoc.*	31.0	24.0
Franklin & Assoc.*	28.0	18.0
Knoth & Meads Co.*	21.0	20.0
Arnold-Buck*	14.2	14.0

Sacramento

($ in millions)	*1987*	*1986*
Girvin, Conrad & Girvin*	42.1	39.6
E. Clark & Assoc.*	19.0	12.1
Curran, Hitomi & Assoc.*	9.5	8.5
Runyon Saltzman*	6.0	4.5
Grant Media Services*	5.1	5.2

Source: ADVERTISING AGE U.S. Advertising Agency Profiles, 1988 Edition.
*Most of the agencies listed by market reported billings information via questionnaires verified by outside accountants. The asterisk indicates those that did not report and required phone calls. AA consulted local business journals and advertising associations at times to arrive at an accurate market list when agencies did not cooperate.

L.A. agency competition boils

(Continued from Page S-1)

bined 21 million ton level. A University of California at San Diego study shows that 82% of California's total annual trade of $80 billion is with Pacific Rim nations.

According to the Southern California Association of Governments, the population of the six-county southern California region will increase from 12.8 million in 1985 to 18.3 million by 2010.

The ethnic makeup of the region will also change. The 60% of the population that is white today will shrink to 41% by 2010. Hispanics, now 24% of the region's total, will make up almost 40%. Asians, now consisting of 6.2%, will account for 9.3%. Blacks, currently 9% of the total, expect a modest increase to 10.2%.

Pundits long assumed that Los Angeles would become the nation's ad capital as its stature as a business center increased. The theory now has fallen out of favor.

According to David W. Stewart, a USC marketing professor and industry consultant, New York and Chicago will remain the ad centers unless major corporations move their headquarters to Los Angeles, he says. "So far, I don't see any evidence that that is happening," he says. "There is no question Los Angeles is becoming a more important marketing town as the expansion of the Pacific Rim occurs. But it is highly unlikely it will become a more important advertising center."

It may take a while for Los Angeles to achieve the No. 1 spot. According to ADVERTISING AGE's 1988 edition of "U.S. Advertising Agency Profiles," New York had total 1987 billings of $19.7 billion, seven times Los Angeles' $2.8 billion. Chicago held onto its No. 2 position, with total billings of $5.1 billion, almost twice that of Los Angeles. San Francisco came in at $1.3 billion.

Currently, Los Angeles agencies face some rather overwhelming odds against snaring major national advertising accounts because so few are located in the region.

Only eight of the recent ADVERTISING AGE 100 Leading National Advertisers are based on the West Coast. Walt Disney Co. was largest with a $219 million 1986 budget, making it the 38th-largest national advertiser. Toyota Motor Sales USA followed with a $209 million budget, American Honda Motor Co. at $205 million, Nissan Motor Corp. USA with $180 million, Mazda Motors of America at $156 million. E&J Gallo Winery, Clorox Co. and Pacific Telesis Group also appeared in the ranking.

The extent to which Japanese auto companies dominate the ranking is telling. Agency executives estimate Asian-based automakers currently make up in excess of $800 million of the Los Angeles market's total billings.

"An agency can't come here and build a successful operation on any other client basis alone," says Nelson "Skip" Riddle, president-chief operating officer of Saatchi & Saatchi DFS, Torrance, Calif., which handles Toyota.

During the past two years, other major Asian concerns—Hyundai Motor America and Daihatsu America—established U.S. operations in southern California, bringing additional billings into the market for Backer Spielvogel Bates and Admarketing Inc., respectively.

There is the prospect of other reasonably significant auto advertising clients from Asia. Nissan's newly established Infiniti division, which will market luxury cars, is expected to name a U.S. ad agency soon, and South Korea's Kia Motor Corp. is hoping to establish itself in the U.S. by 1989. Likewise, Yue Loong Motor Corp. of Taiwan and Global Motors, marketer of Yugoslavia's Yugo, are considering marketing Asian-built vehicles in the U.S. in the near future.

In addition, John Hammond, managing partner of J.D. Power & Associates, an Agoura Hills, Calif.-based market research company, points to Korea's Samsung as a potential new auto competitor in the U.S. within 10 years. In longer terms—well into the 21st century—he believes automotive companies from India and the People's Republic of China may enter into the U.S. market.

Outside automotive, entertainment and entertainment-related businesses make up the only other substantial sector of the Los Angeles advertising market.

The major Hollywood studios, plus the myriad smaller entertainment companies, collectively represent $800 million to $1 billion in total ad billings. Among the most significant trends in recent years: escalating ad budgets for the theatrical release of major motion pictures and the booming home video business. But the business—famous for its instability—has brutal swings.

For agencies trying to survive in the Los Angeles of today, there is no alternative but to make the most of every opportunity.#

Ryder & Schild adds unit

MIAMI—Ryder & Schild, an ad agency with annual billings of more than $20 million, has formed Ryder & Schild Direct.

The unit will handle direct mail, telemarketing and computer-based list segmentation.

Sheridan Sands, 55, will be the VP in charge of Ryder & Schild Direct. He was formerly president of Power House Marketing, Passaic Park, N.J.

Ryder & Schild wants to increase its direct-mail billings from about 2% of total billings to between 10% and 15% in the next few years, Mr. Sands said.#

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Bank advertising on the wane

By JUDITH GRAHAM

Bank advertising is languishing as the industry grapples with a scarcity of new products.

The home equity loan, last year's hot banking product, is no longer getting heavy ad spending after falling short of bankers' expectations. Ads for "all-in-one" accounts, typically combining checking and savings accounts with credit lines, also have trailed off as these once-innovative products have become standard fare.

"The diminution of bank advertising volume crosses all product categories," said Kenneth Foushee, president of Imprimatur, a St. Louis-based ad and sales-promotion agency. "The bottom line is that there's a dearth of products to advertise now."

In the New York metropolitan market, home equity advertising totaled $2.8 million for the January-to-April period, down 12.5% from the $3.2 million spent in 1987's first four months, according to Competitrack, which tracks financial services advertising.

All-in-one account advertising plunged 49% to $2.2 million in the same period this year, and advertising for individual retirement accounts—popular between 1982 and April 1987 but less so now because of tax reform—skidded 61% to $1.6 million, Competitrack said.

Print advertising was hit hardest.

According to Ad Trends, a Bank Marketing Association service that tracks advertising in 300 major markets, the volume of page ads slipped 21.9%—to 3,091—in the first four months of this year from the same period in 1987.

Not all bank advertising is in the doldrums. The nation's larger banks are shifting more of their marketing dollars to image-building TV campaigns.

In New York, banks spent $8.8 million on image-building TV spots in the first four months of 1988, up 137.8% from the year before. During the same period, print ad spending tumbled 11% to $24 million, Competitrack said.

In other markets, increased mergers and acquisitions in the banking industry are prompting banks to define new identities.

"Competition is more intense than ever this year, with banks moving into new regions through acquisitions and non-bank banks posing a serious threat," said Michael Warner, VP-director of advertising at the Bank Marketing Association. "And banks are doing more image advertising to maintain their position."

In terms of product spots, some banks are starting to direct more ad dollars to the heart and soul of their business: checking accounts.

For example, First National Bank of Chicago has created a new checking-account package and is backing it with a 30-second animated spot from Foote, Cone & Belding.

The industry's slowdown in new-product development follows a surge of activity after government regulations were relaxed in 1980.

"Banks were very creative in developing products that were more convenient and that had more favorable rate structures. But now, by and large, these things have been done," said Robert Moss, Competitrack president.

One reason ad spending is down is because bankers overestimated the size and profit potential of the home equity market. The falloff in that advertising has been drastic.

In the January-to-April period, home equity advertising slipped 71.3% to 96 full pages, Ad Trends reported.

Bankers expected consumers would rush to take out the tax-deductible home equity loans in the wake of the 1986 Tax Reform Act, which eliminated tax deductions for most consumer interest expenses. But most consumers shied away from the loans, partly because of criticism from consumer advocates.

Then banks hurt their profitability by waiving or lowering fees on the loans to attract customers, said Edward Furash, president of Furash & Co., a bank consulting company.

This year, banks have changed the positioning of home equity loans, stressing their ease and convenience instead of their tax deductibility and relatively low cost.#

Ad spending rises 7.4%

Coen charts bigger gains at local level during 1987

New York—U.S. advertising volume totaled $109.65 billion in 1987, a 7.4% increase from 1986, according to final figures tabulated by Robert J. Coen, senior VP-director of forecasting at McCann-Erickson Worldwide.

As the accompanying tables show, total local advertising outpaced national advertising in percentage growth, gaining 8.2% compared with 6.6% for national advertising.

Advertising in the largest category, newspapers, grew a healthy 9% last year, led by a 9.8% increase in local advertising.

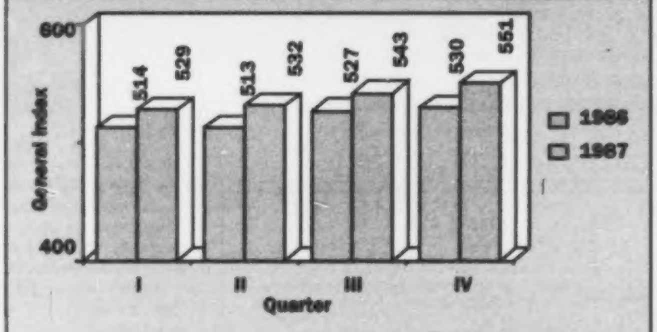
By contrast, Mr. Coen reported only a 1.9% hike in network TV advertising.

"The major problems in the advertising industry in 1987 and during the two preceding years can be traced to stagnation in major mass-media budgeting by large national marketers that do business across the U.S.," Mr. Coen wrote in an earlier article (AA, May 23). These charts were originally intended to accompany that article.

Mr. Coen expects 1988 ad volume to be about 9% above 1987.#

National advertising index 1987

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net TV, spot TV, magazines and newspaper expenditures by national advertisers, and 1967=100. Source: McCann-Erickson.



Month	General index	Net TV	Spot TV	Magazines	Newspapers
January	533	586	712	439	374
February	519	563	672	442	382
March	536	602	657	450	408
April	511	567	636	425	395
May	529	578	650	452	422
June	555	601	720	468	412
July	539	561	715	436	450
August	555	583	728	441	473
September	535	555	676	465	444
October	545	603	714	449	387
November	553	612	715	448	416
December	554	593	721	485	397
Average	539	584	693	450	413
Chg over '86	+3.6%	+1.9%	+4.2%	+5.5%	+3.5%

U.S. advertising volume

The McCann-Erickson U.S. advertising volume reports represent all expenditures by U.S. advertisers—national, local, private individuals, etc. The expenditures, by medium, include all commissions as well as the art, mechanical and production expenses that are part of advertisers' budgets for each medium. Source: Prepared for Advertising Age by Robert J. Coen, McCann-Erickson.

	1986		1987		
Medium	Millions of dollars	% of total	Millions of dollars	% of total	% change
Newspapers					
National	3,376	3.3	3,494	3.2	+3.5
Local	23,614	23.1	25,918	23.6	+9.8
Total	26,990	26.4	29,412	26.8	+9.0
Magazines					
Weeklies	2,327	2.3	2,445	2.2	+5.1
Women's	1,376	1.3	1,417	1.3	+3.0
Monthlies	1,614	1.6	1,745	1.6	+8.1
Total	5,317	5.2	5,607	5.1	+5.5
Farm Publications	192	0.2	196	0.2	+2.0
Television					
Network	8,342	8.2	8,500	7.8	+1.9
Cable (nat'l)	676	0.7	760	0.7	+12.5
Syndication (nat'l)	600	0.6	762	0.7	+27.0
Spot (nat'l)	6,570	6.4	6,846	6.2	+4.2
Spot (local)	6,514	6.3	6,833	6.2	+4.9
Cable (non-net.)	179	0.2	203	0.2	+13.6
Total	22,881	22.4	23,904	21.8	+4.5
Radio					
Network	423	0.4	413	0.4	−2.4
Spot	1,348	1.3	1,330	1.2	−1.3
Local	5,178	5.1	5,463	5.0	+5.5
Total	6,949	6.8	7,206	6.6	+3.4
Direct Mail	17,145	16.8	19,111	17.4	+11.5
Business Papers	2,382	2.3	2,458	2.3	+3.2
Outdoor					
National	600	0.6	615	0.5	+2.5
Local	385	0.4	410	0.4	+6.5
Total	985	1.0	1,025	0.9	+4.2
Miscellaneous					
National	9,879	9.7	10,533	9.6	+6.6
Local	9,420	9.2	10,198	9.3	+8.3
Total	19,299	18.9	20,731	18.9	+7.4
Total					
National	56,850	55.7	60,625	55.3	+6.6
Local	45,290	44.3	49,025	44.7	+8.2
Grand total	102,140	100.0	109,650	100.0	+7.4

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ks—P. 12

David Brinkley on FDR's battles with the press—P. 54

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June 20, 1988

NEWSPAPER

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Last Minute News

Omnicom mulls sale of Tracy-Locke share

DALLAS—Omnicom Group is believed to be negotiating the sale of a minority share of Tracy-Locke to a small group of the agency's executives. Sources say Howard Davis, Tracy-Locke chairman, and Phil Slott, who about one month ago left his post as chairman of BBDO, London, are among the potential minority owners. Mr. Slott has already met with some agency clients, sources say.

If it happens, the sale of an interest in the $326 million agency would mark the first time one of the new mega-agency groups had agreed to sell part of a U.S. shop to employees. WPP Group Chief Executive Martin Sorrell refused to sell Lord, Geller, Federico, Einstein, New York,

(Continued on Page 8)

IBM eyes consultant—P. 103

Fox net signals major upheaval

By VERNE GAY

NEW YORK—News Corp. Ltd. said it might radically restructure, or possibly even eliminate, the Fox Television Network if it continues to suffer huge financial losses.

In a meeting before financial analysts last week, News Corp. Chief Financial Officer Richard Sarazen said the network would lose $80 million in the fiscal year ending this month. The company had expected losses of only $30 million to $50 million, he said.

Mr. Sarazen also said News Corp. would review its options by yearend if the massive hemorrhage keeps flowing, sources said.

Contacted by ADVERTISING AGE late last week, Mr. Sarazen said: "I was asked at the meeting how long we would be willing to lose money at the rate we're losing it today. And I told the analysts that Barry Diller [Fox chairman] and Rupert Murdoch [News Corp. chairman] are continuing to review the progress of Fox Broadcasting and that . . . six to nine months from now they'll have a better idea."

One analyst said people left the meeting with the impression that News Corp. would close the network if losses continued to pile up. Although he said this indication "was very strong," other analysts said this "totally misrepresented" Mr. Sarazen's remarks.

Mr. Sarazen emphasized to AD AGE that the company may later "see light at the end of the tunnel," but even if it

(Continued on Page 103)

Tobacco ads: Times have changed

By FRED DANZIG

Since the legendary George Washington Hill of American Tobacco Co. took tobacco advertising onto radio in 1928, cigarette advertising has been among the most innovative and persistent.

Much of that advertising turned to health issues during the late 1940s and early '50s. Not the stern health *warnings* seen today, but ads calling brands "the greatest protection." Or claiming, "you'll feel better."

Last week, a jury found Liggett & Myers Tobacco Co. partially liable for an L&M smoker's death from lung cancer—in part due to a 1950s L&M ad claiming its cigarettes were "just what the doctor ordered."

This is the first time a tobacco company has been held liable for the health implications of its advertising, and the focus now is on those early claims—particularly pre-1966, when health warnings on packs and in ads became law.

That era's cigarette advertising seems incredible in light of today's knowledge about the hazards of smoking.

Celebrity endorsers such as Rosalind Russell and Barbara Stanwyck, movie stars of the day, as well as TV's popular Lucille Ball and Desi Arnez, made pitches for various brands.

In 1947, one of R.J. Reynolds Tobacco Co.'s ads boasted of a doctors' survey: "More doctors smoke Camels than any other cigarette. Not one single case of throat irritation." Throat irritation was a common angle; opera stars also were used as endorsers.

Still, the Federal Trade Commission did get involved in those days. It once ordered Mr. Hill to drop ad claims for

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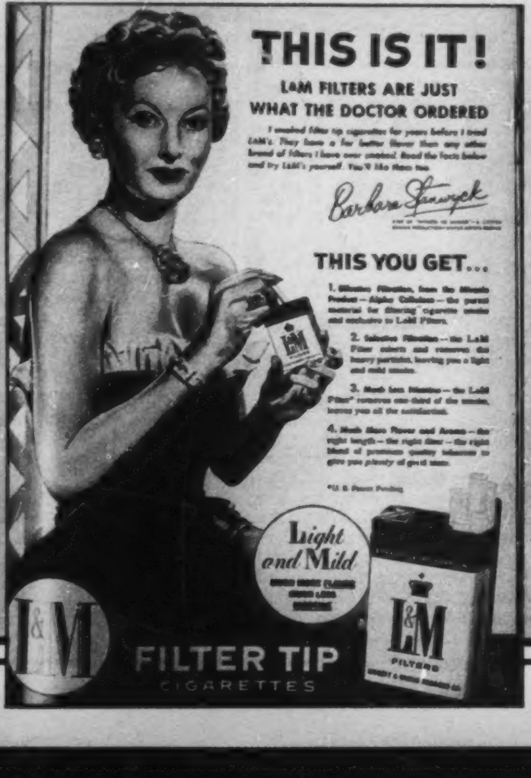
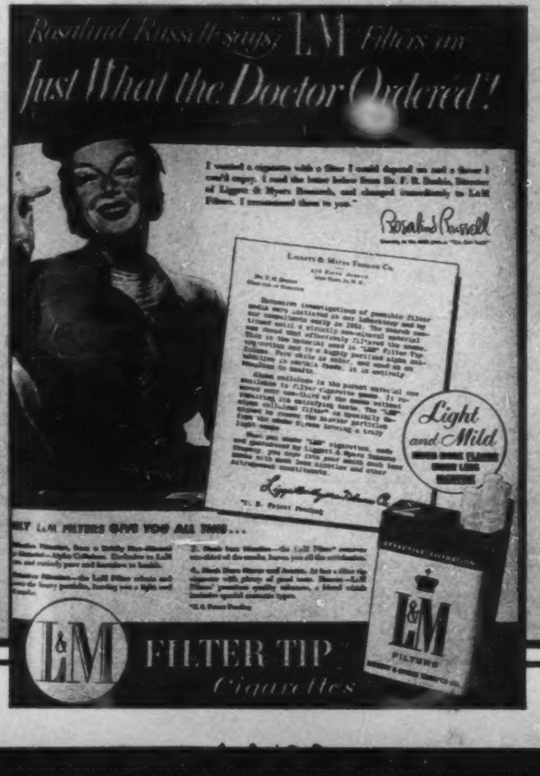
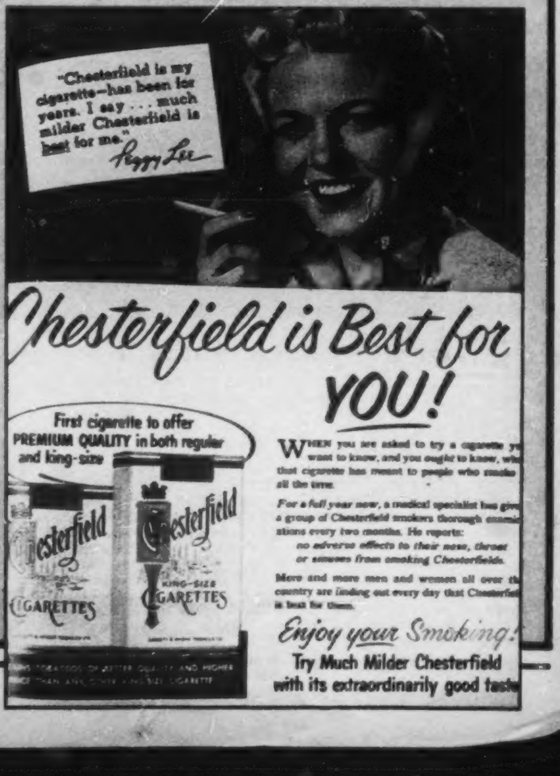

THIS IS IT!
L&M FILTERS ARE JUST WHAT THE DOCTOR ORDERED
Barbara Stanwyck
THIS YOU GET...
Light and Mild
L&M
FILTER TIP
CIGARETTES


Rosalind Russell says; L&M Filters are
Just What the Doctor Ordered!
Rosalind Russell
Light and Mild
L&M
FILTER TIP
Cigarettes


"Chesterfield is my cigarette—has been for years. I say . . . much milder Chesterfield is best for me."
Peggy Lee
Chesterfield is Best for YOU!
First cigarette to offer PREMIUM QUALITY in both regular and king-size
Chesterfield
CIGARETTES
Chesterfield
KING-SIZE CIGARETTES
Enjoy your Smoking!
Try Much Milder Chesterfield with its extraordinarily good tas

Sights set on disposable lenses

By PATRICIA WINTERS

Contact lenses that are thrown away after a week's wear are about to become the new battleground in the $500 million lens market.

Johnson & Johnson this week will announce it's rolling national its Acuvue disposable contact lens, the nation's first disposable lens. Acuvue was introduced in Florida test markets a year ago.

The lens, marketed by J&J's Vistakon subsidiary, was expanded into California last March. J&J expects the product to be available nationally by mid-July, a spokesman said.

Not to be outdone, contact-lens leader Bausch & Lomb late last week said it was introducing a disposable lens, SeeQuence, in six Florida and California markets with national introduction scheduled for 1989.

SeeQuence is marketed as part of the company's "fresh lens" program.

ACUVUE
ACUVUE
Johnson-Johnson

Lintas:New York created this nigh-tech, informational TV spot to promote Johnson & Johnson's Acuvue disposable contact lenses.

Though contact lenses rarely get TV ad support—with the exception of the lenses that can change eye color—both J&J and Bausch & Lomb are going to tout their new products on the medium.

The J&J spokesman said the company will back Acuvue "with the most extensive campaign ever for contact lenses." Lintas:New York is handling.

The company will use a commercial called "Eye Storm," which was shown in Florida and California markets. It shows a close-up of an eye and, using computer-generated graphics, a developing storm inside the eye. Voice-over explains that, despite cleaning, lenses can build up irritations in the eye. It goes on to explain the health benefits of using disposable lenses.

Print ads and an extensive direct-mail and informational campaign to eyecare professionals will support. Kallir, Philips, Ross handles professional advertising.

Bausch & Lomb says it will test TV spots using a lifestyle approach in some of the markets where its lenses will be marketed. Print will also be used. Avrett, Free & Ginsberg handles consumer ads; ICE Communications, Rochester, N.Y., handles profes-

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Senators back off paid anti-drug ads

By STEVEN W. COLFORD

WASHINGTON—Two U.S. senators abandoned plans for a federally funded, $225 million paid anti-drug campaign that would have undercut the industry's volunteer effort.

The ad industry's ambitious Media-Advertising Partnership for a Drug-Free America may have persuaded the senators to abandon their plan. The partnership has resulted in about $150 million of donated time and space, and has been credited with a marked increase in negative drug-use attitudes among 9-to-12-year-olds.

Lynn Mapes, media director for the partnership, said aides to Sens. Ernest Hollings (D., S.C.) and John Danforth (R., Mo.) told him last week the bipartisan legislation would be withdrawn.

The proposal called for a paid campaign to rival the voluntary program of the partnership, which was formed last year.

Mr. Mapes contended the partnership would evaporate in the face of a rival, paid campaign.

"Sen. Danforth said he had been unaware of the scope of what the partnership is doing, which is probably the largest volunteer effort in history," Mr. Mapes said. "We had a very good meeting, and when it ended, Sen. Danforth said he didn't want to rain on our parade."

Mr. Mapes had a similar meeting with an aide to Sen. Hollings, chairman of the Senate Commerce Committee. He said the aide told him after the meeting that the senator was willing to withdraw the bill if Sen. Danforth agreed.

Late last week, Tom Hedrick, partnership executive director, appeared before the Senate Labor & Human Resources Committee to outline the voluntary campaign's accomplishments of the past 18 months.

The partnership will aim for $500 million in donated time and space in the coming year, Mr. Hedrick said.

He assured the committee's chairman, Sen. Edward Kennedy (D., Mass.), that no paid advertising or even production expenses needed to be funded by anti-drug legislation.

"If we hadn't seen momentum in the private sector, [we] would need" the funding, Mr. Hedrick told Sen. Kennedy.

After the hearing, Mr. Hedrick said the partnership has suggested the $225 million could be better used to help the National Institute on Drug Abuse's telephone hot line, while partnership ads could include the hot line number.

Another idea, he said, would be to buy an hour or two of network prime time for an anti-drug special program.#

Janet Meyers in Washington contributed to this story.

'TV Guide' readies N.Y. cable edition

By PATRICK REILLY

Triangle Publications will launch a cable edition of *TV Guide* for New York City that will serve as a forerunner to similar editions in other metropolitan areas.

Triangle managers late last week were finalizing details of the agreement with four major multiple cable systems, which will distribute the new edition of *TV Guide* to cable subscribers.

With the July 2 cable edition, *TV Guide* will instantly add 50,000 paid circulation in Staten Island, Queens and Brooklyn, whose households are now being wired. Cable subscribers will be charged for the magazine on their monthly cable bills. When the area is completely wired by the early 1990s, an expected 1.2 million households will get the cable edition of *TV Guide*.

"*TV Guide* is always looking at all options for building its business, and this is a natural outgrowth of those interests," said William Deitch, *TV Guide* general manager. *TV Guide* already is the largest paid consumer magazine with 16.9 million weekly circulation.

Although the regular edition of *TV Guide* now carries cable programming listings, the new edition will have a more extensive listing and carry editorial features about cable TV, a four-star movie chart and a cable channel conversion

(Continued on Page 103)

Leaner times bedevil business magazines

Publications act to beef up details about readership

By Neal Weinstock

Facing rising postal and paper costs, business publications are confronting narrowing profit margins.

Ads placed in business magazines grow less useful as distribution consolidates to fewer, larger customers, even though market volume may remain strong. Although many advertisers maintain trade-oriented campaigns in publications targeting their customers in lean times, business publications tend to boom primarily when vendors think a product category or industry segment can or should grow.

"There is a tendency of many corporations to focus on particular customers to the detriment of broadening their customer base. You don't need trades if you sell to a few large buyers, and a lot of fields have consolidated recently. But if you want to broaden distribution, trades are very efficient,' says Dave Green, director-corporate communications at PPG Industries.

U.S. business publications took in $2.23 billion in ad revenues last year, according to Rome Reports, growing 3.7% since 1986. Standard Rate & Data Service categories included in that figure represent every U.S. industry, showing that advertising in business publications—as an indicator of industrial health—outpaced 1987's 2.9% growth in gross national product.

However, it fell behind McCann-Erickson Worldwide's estimated 7.6% growth for total U.S. ad expenditures. Indeed, growth in business magazine ad dollars has dropped behind U.S. advertising expenditure growth since 1985. *(See chart.)*

Is the lag caused by decreasing efficiency in reaching business targets? Is growth in business title numbers bringing page rates down through competition, and actually increasing effectiveness? Or both?

According to the Business/Professional Advertising Association's 1988 survey of trade advertisers, "About 35% of the advertisers' business-to-business budgets went to trade magazines." (The remainder went to company catalogs, trade shows and exhibits, direct mail, publicity, etc.)

That share has stayed constant over the last decade, says BPAA President Ron Coleman. While 55% of the advertisers surveyed increased their total business-to-business budgets in the past two years, only 20% decreased budgets, and 25% remained stable.

However, a study by Business Marketing Research of Eastchester, N.Y., found 69% of the agencies that deal with business magazines say their clients' budgets were up, 12% say budgets were down and 18% say they stayed the same. The study included more than 1,000 respondents.

Competition from other business-to-business media has remained slight. Videocassettes and other audio-visual segments have grown to 4% of BPAA-surveyed budgets, the only real growth media in the '80s. Telemarketing has maintained a steady 1%, says Mr. Coleman, and "trade shows and exhibits were once very high, then they were down, and now they've bounced back a bit [to 12%], and direct mail has also bounced around [8%]."

Slow growth for business magazines is not attributable to competition from other business-to-business ad media. "I was surprised," Mr. Coleman says. "If you had told me that only 1% [of business-to-business advertising] was spent on spot radio or TV, with all the growth we've expected there, I would have said that's crazy. But it's held very low there over the years."

However, the percentage spent on different business-to-business media depends very much on the advertiser's size and the size of its market. "That 1% on TV is conceivably 10% if you look just at people like IBM, Apple or some other companies with broad-base markets and big investor communities. But most organizations are not large enough to make effective use of radio and television," Mr. Coleman says.

The Business Publications Audit of Circulation recently responded to the competition by announcing a new program to audit business-magazine surveys of pass-along readership.

Richard Farrell, BPA chairman and chief of his own corporate-communications business, describes the new service as a response to a need for greater accountability.

"In some way we're seeing the past revisited," he says. "Since . . . the start of the Audit Bureau . . . the trend has been toward the use of audited publications, a lot of which was driven by major advertisers and agencies. Accountability

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became almost automatic. But there's a new type of buyer coming into the market. They're used to looking at television's boxcar numbers—like we deliver counties X, Y and Z.

"Education is very important, teaching these newer agency people how to read circulation statements. And beefing up our audience information even more [is necessary]—pass-along readership is the first thing we'll tackle. We've discussed future projects that will audit magazines' demographics and other research," says Mr. Farrell.

Business magazines worry not only about new media, but about competition within the medium. SRDS measured about 585 business titles in 1987, versus 570 in 1986, 600 in 1985, and 580 in 1984. The BPA counts 2,750 books published in 1987 (only 1,157 are BPA-audited), versus under 2,700 in '86. That growth has come despite an 8% annual attrition rate, meaning about 215 died last year while 266 were born.

"Until 18 months ago," says Mr. Farrell, "there was a historic 4% to 5% attrition rate. Then it shot up. That has something to do with all the mergers in publishing, I think. So I'd say in another 12 months we'll see the attrition rate going back down."

"We have gone through something of a shakeout," says Mr. Green. "Maybe buyers do what they can to take advantage of that. I continue to think the trades are very efficient . . . but the medium is most effective if one has a large enough potential market."

According to Mr. Farrell, although some agencies specialize in trades, tracking and buying them means less profit and more work than leading a client into broadcasting, where the bulk of agency business amortizes costs.

Trade decisions are often made by advertisers themselves or by marketing directors instead of ad directors. It's a much more personal decision for an executive to buy something he is quoted in than on TV or in a national newspaper. And for small-to-medium size companies in growing industries, it's far more effective.

"Half of my clients ask for advice on buying ads in trade magazines," says Michael Geylin, president of Kermish-Geylin PR, New York.

These are questions on a more personal level, Mr. Geylin says, "We have never offered any advertising services or rating of the trades . . . It's something many PR people encounter . . . because we follow the trades in an editorial way, and they [clients] need to know which ones their intended audience is really reading."

The companies that seek Mr. Geylin's advice on ad buying are, "Either the small companies just starting out, or larger companies that are just branching into the field," implying that growth companies and growing industries rely more on business-to-business advertising.

"Trades normally either follow the economy or lead it by about six months . . . Right now you'd expect good linage figures in the medical industry, computers and new electronic industries," says Bill O'Donnell, president of the Association of Business Publishers.

In fact, trade books are seen by many as good barometers of industrial health. By that measure, the major SRDS categories—those with ad revenues more than $20 million—that increased the most in 1987 revenues were: food processing up 18.8%; building up 15.7%; trucking was up 14.8%; waste management increased 14.6%; and drug packaging grew 14.5%.

On the negative side, paper dropped 26.8%; glue—the only category with revenues below $20 million—dipped 20%; oil 19.1%, and real estate decreased 17.7%.

As titles grow in number, however, executive readers face clutter and may well pay less attention to each publication.

SRDS keeps constant watch on about 600 magazines, which represents an ever-shrinking percentage of business titles being published, says Kathren Franolich, general manager of Rome Reports.

SRDS-measured books continue to account for the lion's share of linage. "That's [SRDS] the best general indicator available," says Ms. Franolich. "If issues are growing [in number of titles] faster than what they measure, I wouldn't call that a concentration of the linage into fewer books, it would mean the power stays pretty much where it is."

Business magazine ad revenues lag in growth

($ in millions)

	Total U.S. ad spending*	% change	Ad revenue for business magazines**	% change**	Business as % of total magazine revenues**	Number of business titles**
1987	$109,800(E)	7.60%	$2,231	3.74%	2.03%	585
1986	102,090	7.90	2,150	1.70	2.11	570
1985	94,750	7.90	2,114	15.75	2.23	600

(E) estimate
Source: *Data provided by McCann-Erickson
**Business magazine revenues provided by MMS-Rome Reports

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Latin tango: BBDO Brazilian buy steps on Saatchi toes

By JULIA MICHAELS

SAO PAULO—It was BBDO vs. Saatchi & Saatchi this month in Brazil, and BBDO won.

BBDO Worldwide's deal to buy 19% of Brazil's No. 2 agency is a big setback for the Saatchi brothers in their quest to grow fast in Latin America (AA, May 30).

For years, Saatchi has been trying to get a foot in the door of one of Brazil's top five agencies, but its latest bid—to acquire Alcantara Machado, Periscinoto Comunicacoes, now known as ALMAP/BBDO—was rejected just before the deal with BBDO was closed.

Brazil is strategically important to agencies because the country constitutes half of the ad business in Latin America, sources estimate.

Saatchi now has only one independent agency to shoot for among the top five Brazilian shops—Dualibi, Petit, Zaragoza Propaganda, owned by three local partners who are notoriously independent.

Local sources say the two are talking but are nowhere near an agreement.

However, Roberto Duailibi, partner in the Brazilian agency, denied the agency was talking to Saatchi.

Saatchi was said to be close to sealing the deal with ALMAP. However, last-minute problems and the deadline imposed by BBDO for its own deal pushed ALMAP toward the Omnicom Group agency (AA, May 23).

The deal could shake loose one of J. Walter Thompson Publicidade's most important accounts: Pepsi-Cola Brasil, which recently announced plans to spend $120 million on marketing and advertising over the next three years. JWT's only work in Brazil is to reshoot spots created by BBDO New York and do media placement.

M. Imoberdorf

"We're in a better position to get Pepsi than we were before," said Eduardo Vargas, BBDO Latin America chairman in Bogota. BBDO is Pepsi's U.S. agency.

ALMAP is said to be valued at $20 million, but details of negotiations with BBDO weren't disclosed. One source said BBDO paid 20 times earnings for its stake, considered a very high price.

Sources in Latin America said Saatchi's offer had been higher, but BBDO was philosophically closer to ALMAP.

The contract with ALMAP gives BBDO an option to buy "a substantial majority stake in two to four years," Mr. Vargas said.

To buy into ALMAP, BBDO had to sell its 47% share of Lage Stabel/-BBDO, Brazil's No. 13 agency. The agency changed its name to Lage Stabel & Magy.

Local sources say LSM President Magy Imoberdorf knew how to make the most of her situation. With BBDO desperate for a bigger presence in Brazil with ALMAP, sources say Ms. Imoberdorf managed to buy back the shares for less than $100,000. Now, Ms. Imoberdorf owns 40% of the agency, and Rony Lage and Jose Carlos Stabel, partners in the agency, share the remaining 60%.

Ms. Imoberdorf wouldn't discuss details of the buyback.

Agency sources say BBDO clients PepsiCo Foods and Gillette Co. will move from LSM to ALMAP/BBDO, which already handles other Gillette business and has previously been a PepsiCo agency.

The Gillette personal-care products account is worth $300,000, while the PepsiCo Foods' Ruffles potato chips and Doritos ad budget totals $700,000, Ms. Imoberdorf said.

ALMAP will continue its informal working relationship with Wells, Rich, Greene. Both agencies handle Pan American World Airways.#

Sponsors add kick to U.S. bid for World Soccer Cup

By JOHN PARRY

ZURICH—Sponsorship opportunities are helping sew up the U.S.' chances of hosting the 1994 World Soccer Cup, sources at the Federation Internationale des Football Associations say.

On July 4, the executive committee of FIFA, soccer's international governing body, will choose the U.S. over Brazil and Morocco for what is arguably the world's most popular sporting event, sources say.

"It seems as though the Americans have got it wrapped up," said Steven Dixon of ISL Marketing, which handles FIFA's marketing program. However, he said, "I've been in this game a long time, and you're never sure until the day."

The three countries vying for the World Cup made final presentations during the week of May 16.

If the U.S. gets the nod as expected, ISL will work closely with a clutch of heavyweight U.S. sponsors (AA, April 11), including Anheuser-Busch, Coca-Cola Co., Gillette Co. and Philip Morris Cos.

Others—including American Express Co., SmithKline Beckman Corp., Union Pacific Railroad Co. and Warner Communications—have intimated they might climb on board when and if the U.S. Soccer Federation wins the bid.

The desire of FIFA President Joao Havelange to have the tournament in the U.S. for the first time along with the corporate muscle of the existing and prospective sponsors appear to have made up FIFA officials' minds, sources say.

Guido Tognoni, a FIFA spokesman, said a five-man inspection team sent by FIFA to visit all three countries in April was impressed with the U.S. facilities.

"They visited 16 stadiums in 13 different locations, and what impressed them most was the space around the stadiums, the good transport facilities and the enthusiasm of the authorities," he said.

U.S. cities visited included Chicago, Los Angeles and New York.

Keith Walker, secretary of the Scottish Football Association and a member of the FIFA group that visited the U.S., told reporters the whole trip had been "very positive."

FIFA officials said the U.S. Soccer Federation guaranteed that it will lay natural turf for the tournament in stadiums that have artificial grass. FIFA rules forbid international games to be played on artificial surfaces.

Mr. Tognoni said World Cup USA 1994, a lobbying group put together by the U.S. Soccer Federation to aid in the bid, wasn't involved in the final phase of the negotiations.

"We deal with national federations, not lobbying groups," he said.

Brazil has shown the FIFA investigators 12 stadiums, some of which are in disrepair, sources say.

Morocco has two new stadiums in Casablanca and Rabat, and has promised to build another nine if FIFA gives the World Cup to Africa for the first time.#

World News Roundup

(Continued from Page 3)

vertising. Saatchi had to resign the account when its client Procter & Gamble bought Richardson-Vicks and the agency acquired accounts competitive with Roc's skincare products.

PARIS—Douwe Egberts, part of Sara Lee Corp., moved its estimated $10.4 million Maison du Cafe et Bresil coffee roaster account to DDB Needham from HDM.

HAMBURG—Elida Gibbs, a Unilever subsidiary, is introducing Axe, its first men's shampoo, in West Germany with an estimated $6 million campaign by Lintas:Hamburg.

MONTREAL—Atlantique Video & Sound chose Prism Communications here to handle its $3.2 million account that previously was handled in-house.

TORONTO—Royal LePage, a real estate group, moved its $2.4 million residential division account to Baker Lovick from Saatchi & Saatchi Compton Hayhurst. Ogilvy & Mather and Palmer Jarvis & Associates also pitched for the account.

BUENOS AIRES—Fuddruckers, a San Antonio, Texas-based fast-food franchiser, opened its first outlet in Argentina last week. MPM Comunicaciones handles.

LONDON—Wm. Wrigley Jr. Co. is moving its chewing gum brands in Italy, Spain and West Germany to BBDO Worldwide from Foote, Cone & Belding due to a conflict with FCB's new U.S. assignment for Nabisco Brands' Care*Free sugarless gum.

BUENOS AIRES—The Fiat Uno, manufactured under license by Sevel Argentina, will be launched here later this year with a multimedia campaign by Pragma/FCB.

World's product parity perception high

Ads addressing consumers' lifestyles needed

By NANCY GIGES

NEW YORK—A new study by BBDO Worldwide shows that two-thirds of consumers surveyed in 28 countries considered brands in 13 product categories to be at parity.

That's no surprise to Bruce Meyers, BBDO exec VP-director of research services, who conducted a similar study—with similar findings—in the U.S. three years ago.

What that means for agencies, Mr. Meyers said, is that advertising can't focus solely on product performance but also must relate the product to a person's life in an important way.

"An agency must bring in the 'you' imagery," he said.

Mr. Meyers said he expected such findings not only because of real product parity but also because of the explosion of brand proliferation accompanied by advertising and promotion.

He anticipates the figures will rise by the time BBDO does a follow-up study.

Working through its own research facilities, BBDO conducted interviews for product categories ranging from airlines to cigarettes to credit cards to coffee. The phone survey, which was done last fall, involved 150 people from each of the 28 countries.

Perceived parity averaged 63% for all categories in all countries. The Japanese have the highest perception of parity across all product categories at 99% and Colombians the lowest at 28%.

Viewed by product category, credit cards have the highest parity perception at 76% and cigarettes the lowest at 52%.

In reporting the results, BBDO clustered countries that exhibited similar levels and patterns of parity perceptions.

The highest figures—an 83% average—came from the Asia/Pacific region, including the countries of Australia, Japan, Malaysia and South Korea, and, though not part of the region, France.

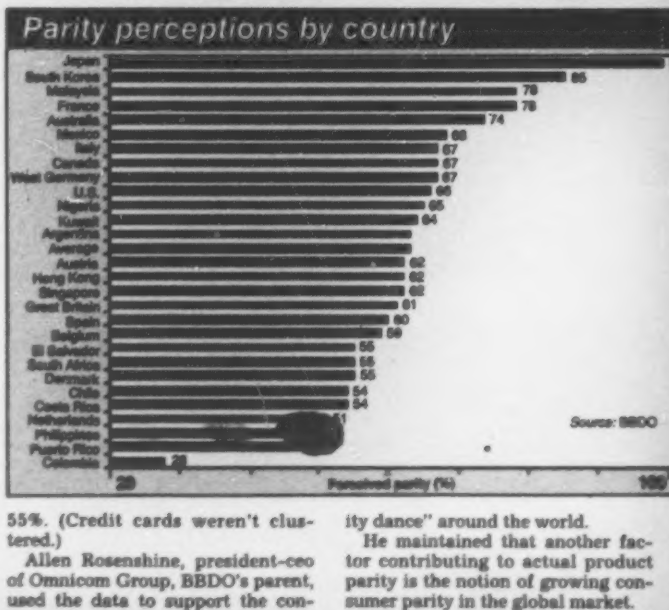
Mr. Meyers said France wasn't a surprise when one thinks of the highly emotional, visual advertising found in that country, advertising that's similar in feeling, if not in execution, to Japanese advertising.

The next cluster, described as U.S.-influenced markets—averaging 65%—included Argentina, Canada, Hong Kong, Kuwait, Mexico, Singapore and the U.S.

The third cluster, primarily European countries—averaging 60%—included Austria, Belgium, Denmark, Italy, the Netherlands, South Africa, Spain, the U.K. and West Germany.

Parity perceptions were lowest (48%) in Hispanic markets, including Chile, Colombia, Costa Rica, El Salvador, the Philippines and Puerto Rico.

BBDO segmented categories into traditional products—bar soap, dry soup, paper towels and snack chips—which scored an average parity of 71%; contemporary products—airlines, colas, personal computers, shampoos and TVs—which scored 59%; and hedonistic products—beer, cigarettes and coffee—which scored 55%. (Credit cards weren't clustered.)


Parity perceptions by country

Source: BBDO

Allen Rosenshine, president-ceo of Omnicom Group, BBDO's parent, used the data to support the contention in a speech last month that "we are most certainly doing a parity dance" around the world.

He maintained that another factor contributing to actual product parity is the notion of growing consumer parity in the global market.

"Now here's where our dance

(Continued on Page 68)

Bubble machines

Volkswagen Carat takes on its biggest competitor and Argentine market leader Renault in this TV campaign, via David Ratto/BBDO, Buenos Aires. While the French are good at making champagne, the ad claims, the Germans are good at making cars. The ad encourages consumers to indulge in the best of both, telling buyers of new German cars to celebrate with French champagne.

GB-Inno grows out of Belgium

Retailer primed for European expansion

By PAUL MONTGOMERY

BRUSSELS—The company has possibly the world's strangest name—GB-Inno-BM—but, as Belgium's biggest retailer, its position isn't strange at all.

GB-Inno is primed for 1992, when the last trade barriers among the 12 European Economic Community countries will be dissolved, making Europe one market.

The $3.7 billion retail group, with stores ranging from supermarkets to giant toy stores to fast-food outlets, is executing an aggressive two-prong strategy. It's seeking solid local partners for rapid foreign expansion, and at the same time, it's growing at home through franchising and acquisition to circumvent stiff Belgian restrictions on big companies opening new stores.

GB-Inno was founded in the late 19th century as Grand Bazaar, Belgium's first department store. Now it boasts stores in eight countries under names such as Quick and Pizza Hut (fast-food chains); Vetir (clothing stores in France); Handy Andy and Scotty's (home improvement stores in the U.S.); and Nopri, Sarma and Unic (supermarkets).

The plan seems to be working so far. GB-Inno-owned companies control 15% of Belgium's retail sales, and Quick is ahead of McDonald's Corp. in Belgium, France and Luxembourg, and is second in many other major European markets.

The company last fall bought J.C. Penney Co.'s two Belgian supermarket chains, Sarma and Nopri, for $35 million. In other markets it has found a number of partners—Whitbread in the U.K., Penney in Belgium, Casino hypermarkets in France and a home improvement operator in Spain.

GB-Inno is No. 22 among retailers in sales in Europe, just behind Sears, Roebuck & Co. and the U.K.'s Boots Co., a drugstore chain and pharmaceuticals marketer.

Baron Francois Vaxelaire, chairman of GB-Inno and a descendant of one of the company's founding families, said the corporate strategy of partnering local companies in business ventures in new markets is key to its success. "A foreigner doesn't have a future," he said.

More than 80% of the company's 1987 net income of $50 million came from Belgium, but Baron Vaxelaire said, "We will continue to advance over our own frontiers."

The baron aims to double the company's profits within five years. Last year's profits were up 23.7% from 1986.

Eric Decroix, marketing manager for mass retail operations, executes GB-Inno's tactics. In a country where executives are still commonly promoted on the basis of seniority, GB-Inno is noted for grabbing high fliers.

Mr. Decroix, 35, worked his way up at Procter & Gamble Co. and was the first Belgian to become head of marketing at P&G Belgium. GB-Inno recruited him four years ago through a headhunter—an almost unheard-of occurrence in Belgium.

Already he has stepped up advertising for the supermarkets and begun an image campaign, a new tactic for retailers in this market.

GB-Inno's fastest-growing business is the Quick hamburger chain, started in 1970.

Patterned after McDonald's but with European touches, such as croissants instead of Egg McMuffins and french fries with mayonnaise, Quick is already ahead of the U.S. fast-food giant in a number of areas in Belgium, France and Luxembourg. This year, Quick plans to open 19 restaurants in Belgium, France and the U.K., for a total of 141 European units.

To speed up U.K. development, Quick last year went into partnership with the U.K. brewer Whitbread. Quick also has contracted with Casino hypermarkets in France to install fast-food Quick outlets in hypermarket parking lots.

In other areas, GB-Inno in the past year has bought 40% of Vetir, a local clothing marketer in France, and gone into partnership with a Spanish group to develop home improvement stores in Spain.

Exploiting its fast-food experience, GB-Inno is also the Belgian franchisee for PepsiCo's Pizza Hut chain.

The Penney deal gave GB-Inno the Nopri franchise supermarket chain of 194 stores and 49% of 73 Sarma convenience stores with the right to buy the rest of Sarma from Penney within five years.

Other major GB-Inno franchise operations in Belgium include 328 Unic supermarkets, the Christiansen toy chain and Brico home improvement stores.

Its own GB-Inno supermarkets and hypermarkets account for 8% of all retail trade in Belgium.

The GB-Inno supermarkets are stepping up their advertising, hiring former Quick agency DDB Needham Worldwide here to do an image campaign in a series of print ads that stress the quality of wine and meat sections.#

GB-Inno revenue and earnings

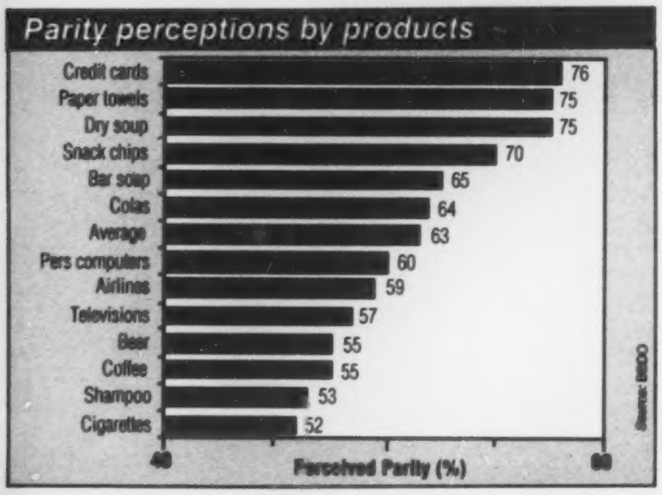
Year	Revenue	Earnings
1984	$2.3 billion	$28.6 million
1985	2.4 billion	18.5 million
1986	2.4 billion	26.7 million
1987	2.5 billion	36.2 million
1988	2.6 billion*	41.9 million*

Source: GB-Inno

All figures converted with 52.5 Belgian francs equal to $1.

*GB estimate

Parity perceptions by products



Source: BBDO

Worldwide parity

(Continued from Page 66)

begins to go in circles. If people are everywhere essentially the same, if they have the same attitudes and desires, which in turn can be fulfilled by the same products, then marketers are going to deliver sameness, benefiting as they do from enormous economics of scale," he said. "Perceived consumer parity becomes a cause of actual and, therefore, perceived brand parity."

This often leads to parity in advertising, he said. That's ironic because it's the "very purpose of advertising to differentiate brands in the consumer's mind and to minimize brand parity where it does exist."

Mr. Rosenshine said this leads to the often-debated question of whether global messages—solely addressing consumer commonalities—can overcome pre-established levels of perceived brand parity—or whether global advertising will make the problem worse.#

Stalled relationship with Y&R halted

CDP drives toward U.S.

By LAUREL WENTZ and NANCY GIGES

The sale of Young & Rubicam's 37% interest in Collett Dickenson Pearce's CISA European network is no surprise. After all, it became clear a year after the linkup in 1983 that Y&R had provided nothing more than an investment role.

Collett Dickenson Pearce is eyeing the U.S. now that the agency has built up a European network. The U.S. entry, which CDP Chairman John Spearman said he hopes to accomplish within a year, will be without Y&R.

A key intention at the start was for Y&R to serve as a matchmaker to help CDP form a European network.

However, cultural and personality clashes between the prospective partners, as well as diagreements over who would hold the controlling interest in member agencies, apparently nixed any deals that Y&R tried to facilitate.

One anticipated linkup that failed to materialize was with Boulet, Dru, Dupuy, Petit, Paris.

Eventually, CDP found affiliates on its own. By then, Y&R changed priorities as its own network became stronger in Europe, and the New York-based agency began to view its role as purely one of investment.

Until this month, Y&R owned 37% of CISA, the Luxembourg-based holding company that owns 100% of the CDP agency in London and stakes in three other European agencies. Y&R's initial interest in using CDP to build a second international network dwindled as Y&R formed new networks with France's Havas Conseil and Japan's Dentsu, sources said.

Y&R's strategies changed. For example, Prins Meijer Stamenkovits & van Walbeek, Amsterdam, 40% owned by Y&R and bought to be added to CDP's network, was instead merged with Y&R Amsterdam.

Y&R Europe President Joe DeDeo, who was largely responsible for putting the CDP deal together, said Y&R considered the CDP stake an investment.

At the start, however, Y&R sources were calling the deal "bigger than Dentsu."

"Y&R has been a good and sympathetic partner, with moral support as much as anything else," Mr. Spearman said. Y&R's 1983 acquisition of part of the agency enabled CDP to buy itself back from Hambros Bank, a U.K. merchant bank that owned 75% of CDP, he said.

Privately, Y&R sources admitted the whole effort was one in which "no part of the mixture seemed to work." That was why Y&R stepped back from an active role.

CISA now owns a majority share in Italian agency Canard and Spanish agency Grupo Barro and a minority share in France's Alice. West German agency Springer & Jacoby became an affiliate agency this year, but no equity changed hands.

Mr. Spearman said it would be "confusing" to have a U.S. agency as an investor in the agency as well as another U.S. partner. He wouldn't elaborate on the status of any discussions toward a U.S. deal.

CDP could be better off in the U.S. without Y&R, judging by Y&R's experience with its recent investment in Lord Einstein O'Neill & Partners, the breakaway agency from Lord, Geller, Federico, Einstein. Y&R's minority ownership may be causing Lord Einstein some problems in pursuing clients.

For instance, Y&R's Eastman Kodak Co. business reportedly was a factor in Lord Einstein's decision not to pursue the Fuji Film account.#

May consumer magazine ad linage

	Current month 1988	Current month 1987	Year-to-date 1988	Year-to-date 1987
■ *Auto/cycle/rec. vehicles*				
ATV Sports	31.0	41.4	150.1	211.1
Autoweek (52X)	229.3	146.4	831.8	690.6
Car & Driver	126.7	121.5	518.7	459.4
Car Collector & Car Classics	18.3	22.2	86.5	88.8
Car Craft	108.5	114.1	396.3	413.2
Circle Track	111.5	96.1	428.8	375.1
Cycle World	61.7	65.5	251.2	294.9
Dirt Rider	45.3	40.0	196.6	226.2
Dune Buggies & Hot VWs	81.0	77.7	362.2	370.0
Family Motor Coaching	161.9	155.6	872.3	780.2
4 Wheel & Off-Road	100.4	111.1	408.4	410.1
Four Wheeler	102.0	99.0	426.0	418.0
Hot Rod	141.4	105.9	479.1	377.6
Motorcyclist	70.8	68.1	252.1	255.1
Motor Trend	101.4	116.4	434.7	399.2
Motorhome	100.1	100.1	437.6	414.2
Rider	60.7	61.9	213.8	231.9
Road & Track	109.7	122.3	544.7	483.2
Trailblazer	55.3	47.0	260.3	219.0
Trailer Life	105.5	124.8	465.0	517.2
Total Group	**1,922.4**	**1,837.0**	**8,016.1**	**7,635.0**
% change	**4.6%**		**5.0%**	
■ *Boating & yachting*				
Boating	—	—	—	—
Chesapeake Bay	59.8	47.0	242.2	217.3
Cruising World	114.9	113.3	596.5	594.7
Lakeland Boating (11X)	91.0	81.5	445.9	386.2
Motor Boating & Sailing	158.6	168.6	894.7	923.1
Sail	112.7	115.9	543.0	592.4
Small Boat Journal(6X)	48.0	60.5	157.9	183.4
Trailer Boats(11X)	80.6	58.4	394.2	327.6
Western Boatman(6X)	55.9	40.1	165.5	122.5
Yachting	135.4	149.7	764.9	758.9
Total Group	**856.9**	**835.0**	**4,204.8**	**4,106.1**
% change	**2.6%**		**2.4%**	
■ *Civic/fraternal*				
American Legion	32.8	26.5	178.2	162.2
Elks (10X)	16.7	17.4	87.6	105.9
Kiwanis	11.8	18.3	66.9	90.0
Lion (10X)	7.3	8.5	31.8	41.7
Rotarian	14.9	16.2	79.5	76.7
V.F.W. (11X)	26.3	27.5	153.8	127.5
Total Group	**109.8**	**114.4**	**587.8**	**604.0**
% change	**-4.0%**		**-1.0%**	
■ *General*				
American Health (10X)	80.3	77.2	300.8	293.9
American Heritage (8X)	39.7	56.8	141.2	113.0
American West (6X)	—	—	80.5	72.5
The Atlantic A.	—	—	—	—
Bon Appetit A.	95.2	91.9	386.9	405.6
Cable Guide	40.3	21.2	165.0	116.6
Changing Times	58.1	70.8	305.7	330.9
Conde Nast's Traveler	59.9	—	252.1	—
Connoisseur	121.2	91.9	436.6	357.4
Consumers Digest (6X)	24.7	21.5	68.0	75.3
Ebony	123.5	99.7	509.0	445.2
Fifty Plus	26.3	41.4	164.9	178.4
Food & Wine	71.2	62.1	267.3	266.4
Games (6X)	—	—	50.3	46.3
Golden Years	28.5	29.1	199.7	139.9
Gourmet	125.9	127.2	508.9	492.0
Harper's A.	44.0	24.3	170.6	161.7
Harrowsmith (6X)	51.8	41.0	176.0	145.6
Let's Live	54.0	43.0	263.0	231.0
Life	66.0	41.9	254.8	232.6
Mature Outlook	—	—	—	—
Modern Maturity (6X)	—	—	76.2	98.2
Money	133.9	134.3	595.5	639.3
Money Maker	—	—	15.3	11.0
Mother Jones (9X)	—	—	—	—
National Geographic	23.9	29.8	127.3	99.4
National Geographic Traveler(4X)	—	—	43.0	44.3
Natural History	35.9	28.4	198.9	180.6
Prevention	55.2	58.2	294.6	322.2
Psychology Today	26.5	33.0	148.2	156.2
Reader's Digest A.	140.8	151.9	548.9	490.7
Saturday Evening Post (9X)	40.7	47.6	150.5	169.4
Smithsonian	95.1	97.5	459.5	403.5
Sylvia Porters Personal Finance (10X)	31.5	41.7	164.5	210.8
Town & Country	142.2	124.3	653.3	575.8
Travel-Holiday	57.1	53.6	295.0	304.9
Travel & Leisure	145.9	119.0	587.4	509.1
Vanity Fair	104.4	64.9	408.5	272.8
Writer's Digest	33.2	28.7	146.3	135.6
Yankee	90.7	87.2	403.0	409.1
Total Group	**2,267.6**	**2,040.9**	**10,017.2**	**9,137.3**
% change	**11.1%**		**9.6%**	
■ *Home*				
Americana (6X)	14.3	17.4	51.8	69.2
Architectural Digest A.	190.3	154.8	743.2	592.3
Better Homes & Gardens	155.3	146.1	576.5	559.4
Colonial Homes (6X)	68.3	73.7	178.1	184.8
Columbus Monthly-Homes (4X)	—	—	79.5	52.4
Country Home (6X)	52.9	61.3	155.6	149.3
Country Living	104.0	105.4	442.0	438.0
Family Handyman (10X) A.	72.2	63.9	268.1	277.5
Florida Home & Garden	—	—	—	—
Flower & Garden (6X)	—	—	101.9	104.4
Home	64.3	77.0	304.6	278.5
Home Mechanics	77.6	57.4	278.1	299.0
The Homeowner (10X)	—	—	—	—
Horticulture	42.7	46.8	232.1	208.5
House Beautiful	—	—	—	—
House & Garden	130.1	108.6	464.6	454.6
Metropolis	96.6	79.2	271.7	256.5
Metropolitan Home	94.5	72.0	453.6	336.7
1,001 Home Ideas	65.2	57.7	286.7	265.8
Organic Gardening	41.9	43.3	282.7	299.8
Phoenix Home/Garden	72.7	69.7	398.3	374.7
Practical Homeowner	46.0	42.8	229.3	236.3
San Diego Home/Garden	118.7	106.8	451.3	352.1
Southern Accents (6X)	131.6	108.9	354.1	288.8
Southern Living	167.3	157.2	657.6	629.9
Sunset Magazine A.	163.1	168.9	662.6	609.5
Workbench (6X)	36.5	36.8	128.3	145.9
Total Group	**2,006.9**	**1,855.4**	**8,052.2**	**7,463.9**
% change	**8.1%**		**7.9%**	
■ *In-flight & other passenger*				
Aboard Group (7X)	33.4	24.0	93.6	76.1
Alaska Airlines	55.6	56.8	279.4	274.4
America West Airlines	81.0	41.3	324.8	212.7
American Way (24X)	157.9	105.9	666.1	475.5
East/West Network:				
Continental	46.8	—	240.8	—
Eastern Review	55.7	69.8	283.9	384.6
Northwest	44.0	44.5	203.5	218.8
Pan Am Clipper	49.9	50.0	216.4	208.1
Spirit	60.1	54.2	309.9	290.7
TWA Ambassador	46.8	53.0	236.2	240.3
Vis 'A Vis	56.1	57.2	260.6	293.0
Halsey Publication:				
Delta Sky	83.7	84.3	409.2	390.0
Pace Communications:				
Piedmont Airlines	120.0	104.2	465.8	432.5
US Air	61.8	57.0	326.7	228.5
Spirit of Aloha (6X)	20.6	28.6	102.5	157.4
Total Group	**973.3**	**830.8**	**4,419.4**	**3,882.7**
% change	**17.2%**		**13.8%**	
■ *Men's*				
Esquire A.	101.3	94.0	426.8	415.0
Firehouse Magazine	41.0	31.5	202.3	195.3
Gentlemen's Quarterly A.	155.1	142.2	767.2	668.5
M Magazine	54.0	50.0	344.1	335.2
Muscle & Fitness	118.5	131.5	599.1	595.0
Penthouse A.	40.3	46.0	217.9	202.3
Playboy A.	53.5	81.5	248.7	268.5
Salute (10X)	22.9	24.7	107.0	77.4
Total Group	**586.7**	**601.4**	**2,915.1**	**2,757.2**
% change	**-2.5%**		**5.7%**	
■ *Metropolitan*				
Aloha (6X)	25.2	30.5	98.6	96.6
Atlanta	85.3	70.7	329.1	285.2
Baltimore	88.6	74.9	334.6	355.6
Boston	160.8	180.6	719.6	741.1
California	72.3	68.2	314.1	288.4
Chicago	106.0	114.3	506.4	494.3
Chicago's North Shore	93.3	95.5	440.1	401.9
Cincinnati	53.0	65.5	235.8	270.7
Cleveland	69.5	81.3	292.5	362.1
Coast (39X)	—	—	—	—
Columbus Monthly	74.3	69.8	344.4	313.8
Connecticut	113.0	101.2	511.5	493.7
D/Magazine	73.7	112.4	437.2	542.5
Denver	40.0	40.7	177.7	161.5
Detroit Monthly	91.4	66.8	398.2	281.8
Grand Rapids	39.7	33.0	180.5	178.7
Gulfshore Life (10X)	58.0	52.0	452.0	427.5
Honolulu	63.9	73.1	293.0	288.3
Houston Metropolitan Mag	66.2	82.2	316.6	354.0
Louisiana Life	—	—	—	—
Madison	58.0	66.5	218.0	316.6
Memphis	95.0	82.0	385.0	372.0
Mid Atlantic Country	46.8	43.6	155.7	191.1
Milwaukee	62.5	61.7	210.4	208.1
Minneapolis/St. Paul	103.2	103.5	488.4	497.5
Nashville	53.0	26.0	231.0	231.0
New England Monthly	59.0	60.4	237.7	211.3
New Jersey Monthly	105.9	84.6	482.7	422.0
New Mexico	32.9	30.5	192.4	141.0
Ohio	71.8	66.8	263.3	279.0
Oregon (6X)	—	—	—	—
Orlando	78.7	80.0	440.3	457.8
Palm Beach Life	35.8	32.7	390.7	417.3
Palm Springs Life	101.5	90.8	649.5	625.7
Philadelphia	149.6	141.7	707.5	673.1
Phoenix	62.1	61.9	296.8	359.2
Pittsburgh	66.0	61.2	335.7	310.4
St. Louis	64.8	65.8	266.6	264.0
San Diego	143.0	130.0	895.3	823.2
San Francisco Focus	112.5	136.0	446.1	475.4
South Florida Magazine	—	—	—	—
Texas Monthly	103.7	117.9	465.1	467.5
Twin Cities	67.8	68.4	337.0	293.3
The Virginian (6X)	60.3	60.0	179.8	174.6
Washington (7X)	94.1	85.0	215.7	181.0
The Washingtonian	190.0	160.1	774.1	754.3
Total Group	**3,392.3**	**3,329.7**	**15,646.8**	**15,494.0**
% change	**1.9%**		**1.1%**	
■ *Music/entertainment*				
Audio	83.6	96.0	408.1	391.6
Dance Magazine	70.7	67.3	307.4	299.9
Playbill	76.0	59.7	255.6	223.9
Stereo Review	—	—	—	—
Video Magazine	49.0	66.5	293.0	354.7
Total Group	**279.4**	**289.5**	**1,264.2**	**1,270.2**
% change	**-3.5%**		**-0.5%**	
■ *Outdoor & sport*				
Alaska	32.1	49.6	195.3	193.6
The American Handgunner (6X)	51.0	45.0	148.0	127.0
American Hunter	28.1	12.4	105.2	89.1
American Rifleman	21.5	17.3	119.6	121.3
Bass Master (10X) A.	80.8	51.2	483.1	396.6
Bicycling (9X)	154.7	121.3	519.1	419.6
Ducks Unlimited (6X)	24.4	32.5	67.6	71.6
Field & Stream	92.6	90.7	499.7	448.9
Fins & Feathers A.	30.9	35.4	116.1	210.9
Fishing World (6X)	41.1	37.8	152.5	149.5
Florida Sportsman	126.7	127.2	760.7	715.7
Golf Digest	120.5	140.5	591.3	549.5
Golf Magazine	82.6	53.5	594.8	449.9
Gun Dog (6X)	34.4	26.9	99.7	89.6
Guns	38.0	27.0	172.0	136.0
Guns & Ammo	37.8	46.5	226.2	218.1
In-Fisherman (6X)	—	—	294.0	276.0
Outdoor Life	104.5	96.1	439.0	430.5
Outside Magazine	—	—	—	—
Petersen's Hunting	44.5	42.1	224.7	215.7
Runner's World (12X)	35.0	61.9	173.9	199.7
Salt Water Sportsman	116.2	102.8	688.6	617.8
Sierra (6X)	52.7	34.5	130.7	116.7
Shooting Times	31.2	34.6	184.0	169.8
Ski (8X) A.	—	—	293.4	252.2
Skiing (7X) A.	—	—	263.1	203.3
Skin Diver	126.8	106.6	566.7	503.0
Southern Outdoors (9X)	55.8	49.4	343.8	266.1
Southern Saltwater(8X)	37.5	45.6	208.9	143.2
Sport	—	—	—	—
Sports Afield	101.2	96.6	434.2	504.2
Tennis	100.1	97.9	384.2	341.9
Waterski (8X)	80.0	77.3	304.0	203.3
Western Outdoors (10X)	40.6	46.1	264.6	251.0
Wildfowl (6X)	—	—	29.5	16.7
WindRider	58.7	57.0	154.6	114.0
Wing & Shot (6X)	13.0	10.5	41.2	31.0
World Tennis	52.4	38.0	300.8	128.8
Total Group	**2,047.2**	**1,917.8**	**10,574.8**	**9,371.8**
% change	**6.7%**		**12.8%**	
■ *Photography*				
American Photographer	27.5	52.2	145.6	172.8
Petersen's Photographic	30.1	33.0	126.1	134.6
Popular Photography	83.9	72.0	404.6	325.4
Total Group	**141.5**	**157.2**	**676.3**	**632.9**
% change	**-10.0%**		**6.9%**	
■ *Science/electronic/mech*				
Discover	28.2	44.3	186.2	226.1
Family & Home Office Computing	43.3	32.4	219.6	227.8
Omni	70.1	66.0	300.0	286.3
Personal Computing	192.1	178.5	1,124.5	685.0
Popular Mechanics	101.7	116.9	432.5	470.9
Popular Science	82.4	102.0	362.7	370.3
Scientific American	36.6	73.5	190.4	205.6
Spectrum	58.8	66.5	313.0	335.6
Total Group	**613.2**	**680.0**	**3,128.8**	**2,807.6**
% change	**-9.8%**		**11.4%**	
■ *Women/fashion/service*				
Bride's Magazine (6X) A.	365.6	327.9	1,069.2	909.8
Cosmopolitan A.	261.3	243.2	975.6	1,008.2
Elle Magazine	190.7	177.1	885.6	806.8
Essence	93.8	100.1	369.0	381.3
Family Circle (17X) A.	123.3	104.3	689.6	564.8
Glamour	179.1	206.1	845.0	947.2
Good Housekeeping A.	154.2	193.8	628.2	702.9
Harper's Bazaar	94.9	117.4	568.7	662.3
Health	42.4	47.4	198.0	218.8
Ladies' Home Journal	110.5	110.6	527.9	503.8
Mademoiselle	184.0	175.1	705.9	753.9
McCall's	73.0	107.2	383.2	467.8
Military Lifestyle	94.2	38.5	259.2	225.3
Modern Bride (6X)	—	—	852.9	817.4
Ms.	36.3	33.5	155.6	177.5
New Woman	99.3	101.5	429.9	409.4
Parents Magazine A.	125.0	130.8	504.6	520.5
Redbook	107.1	127.1	493.3	487.8
Savvy	43.6	38.7	218.9	183.2
Self	134.7	117.6	518.8	503.9
Seventeen	119.1	110.9	569.2	596.8
Shape	88.7	76.0	363.0	356.9
Soap Opera Digest (26X)	28.8	20.5	119.5	94.1
Soap Opera Update	17.3	—	58.0	—
Teen Magazine	63.8	70.9	247.8	263.1
True Story A.	40.8	47.7	225.7	238.4
Vogue	207.2	227.9	1,283.2	1,296.0
W Magazine	97.6	69.1	610.1	577.4
Weight Watchers	30.8	29.2	181.8	159.9
Woman (10X)	—	—	128.6	99.0
Woman's Day (16X) A.	182.3	94.0	678.3	590.0
Women's Sports & Fitness	—	—	—	—
Workbasket	19.0	23.7	131.3	160.4
Working Mother	75.2	87.0	343.9	389.9
Working Woman	97.3	131.0	457.9	490.9
Total Group	**3,580.8**	**3,485.8**	**16,675.4**	**16,565.2**
% change	**2.7%**		**0.7%**	
■ *Youth*				
Boys' Life	14.8	15.8	85.5	74.2
Campus Life (10X)	29.0	32.3	219.8	214.3
Total Group	**43.8**	**48.1**	**305.3**	**288.5**
% change	**-8.9%**		**5.8%**	
■ *Business/national*				
Barron's	227.1	219.5	959.5	1,030.9
Black Enterprise	67.5	42.8	334.8	266.3
Business Week (52X) A.	457.0	409.5	1,735.4	1,696.0
Business Month	43.8	38.0	179.3	140.6
Financial World (26X)	71.5	55.4	299.7	308.5
Forbes (26X)	356.6	262.8	1,310.2	1,234.0
Fortune (26X)	167.5	227.8	1,149.4	1,098.6
Frequent Flyer	45.0	67.6	259.6	274.8
Futures	56.1	39.9	287.7	247.6
Inc. Magazine	121.7	152.9	426.4	436.9
Income Opportunities	93.8	80.6	396.7	339.9
Industry Week (25X) A.	92.1	99.3	386.0	369.2
Nation's Business (12X) A.	49.7	42.5	187.8	144.2
Personal Investor (6X)	—	—	—	—
Venture	57.0	71.9	319.2	319.0
Total Group	**1,906.4**	**1,810.4**	**8,231.6**	**7,906.4**
% change	**5.3%**		**4.1%**	
■ *Business/regional*				
Advantage-Nashville's Bus. Mo.	49.0	56.0	291.0	260.0
Arizona Bus. Gazette (52X)	57.6	81.3	398.1	333.5
Baltimore Bus. Jrnl.	99.8	73.8	422.4	410.5
Boston Bus. Jrnl. (52X)	174.6	136.7	665.8	610.9
Bus. First of Buffalo	78.9	61.9	334.3	300.7
Bus. First of Columbus	134.8	108.1	423.5	485.3
Bus. Jrnl.-Milwaukee	165.8	113.1	670.5	564.5
Bus. Jrnl.-Sacramento	73.7	75.0	392.4	293.8
Bus. North Carolina	50.0	53.0	174.0	201.2
Capital Dist. Bus. Review (52X)	88.2	61.0	403.6	295.0
Caribbean Business	—	—	—	—
Cincinnati Bus. Courier	—	—	—	—
Corporate Rpt. Kansas City	26.5	25.4	91.5	98.5
Corporate Rpt. Minnesota	73.0	76.0	344.0	357.0
Crain's Chicago Bus. (52X)	185.0	155.0	732.2	717.0
Crain's Cleveland Bus. (52X)	95.3	80.0	337.1	288.5
Crain's Detroit Bus. (52X)	96.4	77.0	384.2	362.5
Crain's New York Bus. (52X)	68.0	34.0	258.0	161.0
Florida Trend (13X)	46.0	61.9	348.8	432.6
Georgia Trend	48.0	48.8	355.3	294.1
Grand Rapids Bus. Jrnl.	72.7	40.5	255.3	213.4
Hawaii Business	—	—	—	—
Houston Bus. Jrnl. (52X)	94.0	66.0	380.0	281.0
Indianapolis Bus. Jrnl. (52X)	183.5	146.9	694.6	663.4
Kansas City Bus. Jrnl.	71.9	86.7	505.8	459.3
Manhattan Inc.	81.3	88.5	302.0	372.6
New England Bus. (20X) A.	—	—	—	—
New Orleans City Bus.	45.4	57.4	246.0	275.0
Pacific Bus. News (52X)	104.7	123.0	509.2	549.5
Philadelphia Bus. Jrnl. (52X)	—	—	—	—
Pittsburgh Bus. Times (52X)	99.1	101.7	494.3	470.5
Providence Bus. News	111.0	73.0	394.1	297.5
Regardie's/Washington	143.3	158.0	736.0	709.0
San Diego Bus. Jrnl. (52X)	—	—	—	—
San Jose Bus. Jrnl.	—	—	—	—
South Florida Bus. Jrnl.	67.7	87.3	358.3	457.4
St. Louis Bus. Jrnl. (52X)	138.7	140.8	571.8	625.7
Texas Business	30.3	26.1	132.1	155.2
Warfields Monthly Baltimore	72.0	80.8	333.9	329.0
Total Group	**2,926.2**	**2,654.6**	**12,940.1**	**12,325.0**
% change	**10.2%**		**5.0%**	
■ *National Sunday magazines*				
Parade (52X)	60.6	47.1	271.0	250.2
USA Weekend (52X)	45.1	40.0	246.0	207.5
Vista Magazine	20.4	12.6	79.2	52.0
Total Group	**126.1**	**99.6**	**596.2**	**509.7**
% change	**26.5%**		**17.0%**	
■ *Newspaper Sunday magazines*				
Boston Globe	244.0	270.0	997.0	1,027.0
Chicago Tribune	115.9	114.0	526.0	545.1
Cleveland Plain Dealer	86.2	95.7	340.0	312.3
Columbus Dispatch	29.8	31.2	139.4	193.8
Detroit Free Press	95.4	89.5	271.8	280.2
Detroit News	75.0	80.0	301.0	343.0
L.A. Times	68.5	49.9	372.0	310.0
Louisville Courier-Jrnl.	31.0	62.0	169.0	281.0
Miami Herald	—	—	—	—
New York Times Mag.	341.1	414.5	1,672.6	1,714.8
Philadelphia Inquirer	100.3	71.8	403.5	347.8
Seattle Times	92.0	72.0	331.0	286.0
St. Louis Post Dispatch	97.2	97.3	378.4	383.0
Toledo Blade Magazine	83.2	41.9	212.5	216.0
Washington Post	200.4	158.3	621.2	693.8
Total Group	**1,659.9**	**1,648.2**	**6,735.4**	**6,933.8**
% change	**0.7%**		**-2.9%**	
■ *Weeklies/bi-weeklies*				
The Advocate (26X)	157.5	175.1	662.6	720.3
Army Times Military Group:				
Air Force Times (52X)	194.6	164.0	799.4	800.3
Army Times (52X)	195.0	161.3	771.6	778.6
Navy Times (52X)	216.1	176.0	888.2	874.2
The Blood-Horse (52X)	173.8	202.8	1,590.1	1,944.8
Capper's (26X)	17.7	35.3	120.6	173.1
Commonweal (22X)	16.2	16.7	40.4	36.5
Golf World (43X)	85.5	105.2	584.7	502.7
Grit (52X) A.	25.1	30.9	149.8	153.8
National Journal (50X)	80.8	87.0	333.5	340.7
National Review (25X)	38.5	30.1	186.1	154.6
New Republic (48X)	42.6	38.7	185.6	180.1
New York Magazine (50X)	311.3	331.0	1,261.5	1,228.1
New Yorker	208.4	237.1	950.1	974.3
Newsweek (52X) A.	265.5	203.2	1,007.7	990.2
People (52X)	402.8	304.5	1,446.0	1,391.6
Rolling Stone (25X)	159.7	113.2	702.1	582.1
Sporting News (52X)	53.9	62.5	252.1	265.3
Sports Illustrated (52X) A.	297.6	218.7	1,289.0	1,061.4
Time (52X) A.	249.6	214.4	1,023.5	1,019.1
Travelhost (52X) C.	3,061.5	3,012.0	14,904.0	14,751.0
TV Guide (52X) A.	261.3	339.5	1,580.7	1,599.4
US Magazine (26X)	74.4	68.5	255.6	247.4
U.S. News & World Rpt. (52X)A.	181.1	175.0	748.8	653.1
Total Group	**6,770.5**	**6,502.8**	**31,733.5**	**31,422.6**
% change	**4.1%**		**1.0%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

Radio downplays ratings in New Age

Top-rated New Age radio stations in U.S.

Station	Rating winter '88	Rating fall '87	Ad rate*
KOAI-FM, Dallas	2.7	2.8	N/A
WNWV-FM, Cleveland	2.5	1.0	$60-120
KTWV-FM, Los Angeles	2.4	2.3	$200-400
KKSF-FM, San Francisco	2.4	2.7	$180
KSWV-FM, San Diego	2.1	1.5	$90-125

*Cost of a 30 or 60-second spot during morning drive time.
Source: Arbitron Ratings Co.

By LAURA LORO

New Age radio is breaking with tradition again—this time with its approach to advertisers.

The eclectic format has emerged as a viable alternative for advertisers targeting upscale audiences. But because the stations don't garner high ratings, they court advertisers through less traditional means: qualitative audience information and customized radio spots.

The format—a combination of fusion jazz, instrumental and soft rock music—has been adopted by 35 stations in the U.S., primarily in major markets including Chicago, Cleveland, Detroit, Los Angeles, San Diego and San Francisco.

"It is fairly experimental . . . but it's already identified a verifiable need" for an alternative format, said Mark Ramsey, research director at Bolton Research.

An analysis of 11 New Age stations conducted by Cody/Leach Broadcast Architecture, a Princeton, N.J.-based research company, found the average Arbitron Ratings Co. rating to be a 2 share among listeners 12 and older. In larger markets, a 7 or 8 share is considered strong.

"If [New Age stations] use numbers, they have a problem. Numbers don't tell their story," said Susan McAnally, media buyer for N W Ayer, Los Angeles. "It's a unique, specialized format that doesn't show up in the book."

The stations "have trouble meeting cost per point; it's more a conceptual buy," and stations are apt to lose out on mass-appeal buys, she said.

New Age "will never be a top five or six station," added Jim Duncan, publisher of *American Radio*, an industry publication.

Still, New Age stations offer a quality audience: upper-income, highly educated adults ages 25 to 54. They also generally air only eight spot breaks per hour, compared with 10 or 12 for contemporary hit stations.

But the exclusivity of the audience has posed problems by removing the stations from consideration of the biggest mass-market advertisers.

The most ad dollars for New Age have come from airlines, banks, high-end car dealers, posh retailers and beer and wine marketers.

To woo advertisers, some stations produce spots free, tailored to the format. About half the local advertisers have Chicago station WNUA-FM produce spots at no charge, said Michael Donovan, VP-general manager.

"It is in the advertiser's best interest to design spots targeted to the environment. People won't accept things that are incongruent, and stations don't like seeing listeners jarred," Mr. Ramsey said.

For example, local car dealers often believe the louder the spot the better, but that's inappropriate for the format, Mr. Donovan said.

WNWV-FM discourages hard-sell spots, said Charlie Schnell, general sales manager at the Cleveland station. For example, he persuaded a waterbed retailer to alter its commercial from an aggressive price-oriented pitch to a discussion of relaxation teamed with soothing water sound effects.

Many stations themselves strictly control the type of advertising they accept. Allan Chlowitz, VP-general manager at KTWV-FM, Los Angeles, considered the prototypical New Age station, has rejected spots that clashed with the mellow format. But he wouldn't elaborate on which spots were rejected.

The approach seems to be working.

"We are doing better [in ad revenues] in our first 15 months than we were with album-oriented rock," Mr. Chlowitz said. He wouldn't disclose figures. Mr. Duncan estimates KTWV earns about $1 million a month in revenues.

KTWV posted a 3.7 share of listeners ages 25 to 54 in Arbitron's winter 1988 survey, up from a 3.6 share for fall 1987. The fall survey was from Sept. 24 to Dec 16; the winter survey ran from Jan. 7 to March 30.

WNUA in Chicago earned a 2.3 share in Arbitron's winter survey, down from a 3 share. But cash sales for April 1988 were up almost 250% compared with the year before, when the station was classic rock-formatted WRXR-FM, according to the Chicago Area Broadcasters Radio revenue report.

WNWV's billings are 2½ times better than a year ago, when the station was heavy metal WCZR-FM, said Gary Kneisley, general manager.

The growth of the format also can be attributed to the growth of satellite distribution, as well as the entry of more and bigger players.

One distributor, Satellite Music Network, Dallas, expects to have 100 affiliates by 1990, up from its current nine (AA, Oct. 12).

Even with the help of ABC Radio, which sells time and is buying 20% of the Satellite Music Network, the music network's gross revenues for 1987 fell 5.1% to $14.9 million, compared with 1986. Ad revenues dropped 9% to $9.47 million.

Progressive Music Network, Minneapolis, has added 16 affiliates since introducing its satellite format, The Breeze, in September. It soon will add nine more. Its first affiliate, KEYF-FM, Spokane, Wash., posted a 4.5 share in Arbitron's fall 1987 survey, up from [illegible] in the previous survey when it featured older adult contemporary programming.

Jack Moore, president-general manager, has upped original estimates of 60 affiliates at the end of three years to 80 in two years.

Some speculate New Age may go the way of disco music. "I worry that it is a trend or a fad and that it may go by the wayside," Ms. McAnally said.

But others disagree. "This music has been around for 12 years," said Frank Cody, formerly program director of KTWV and now a partner in Cody/Leach. "It was not manufactured like disco. . . . This music will not go away."#

'New Age' label stirs wave of puzzlement

PHILADELPHIA—A New Age station by any other name would sound . . . better.

That's the opinion of some stations having problems with the name "New Age." Some listeners mistake New Age for New Wave, a brash style of rock music, and react negatively, said Michael Donovan, VP-general manager, WNUA-FM, Chicago. He said the station tries to explain its format with the ad theme "Music for a new age."

Other stations say the name doesn't effectively position them in the marketplace.

"We're not finding a negative connotation as much as it just doesn't describe us in a way that listeners hold onto," said Gailya Silhan, VP-general manager, KOAI-FM, Dallas.

Perhaps most worrisome is the association with "New Age" mysticism, which has been popularized by Shirley MacLaine.

As stations try to distance themselves from negative associations, other descriptions are taking hold. The most widely used is "Soundtrack," as in "Soundtrack for southern California" at KTWV-FM.

Other stations sidestep the problem by eschewing all classifications and tout their entertainment as "The new way to relax" and "Stressless music for a stressful life."

Dave Kendrick, general manager of KKSF-FM, San Francisco, said he prefers "new adult contemporary," which he said is much more acceptable to advertisers.#

—Laura Loro

Goodwill Games face ad hurdle

By JO BETH McDANIEL

ATLANTA—With about two years to go before the 1990 Goodwill Games in Seattle, Turner Broadcasting System has no sponsors, no ad contracts and no athletes—just 85 hours of programming planned for a 17-day stretch.

No problem.

Two years before the 1986 Goodwill Games, the event was still just an idea in the fertile mind of Ted Turner. Forging an agreement with the Soviets for their participation took most of 1984 and 1985, leaving just 11 months to organize for opening day in Moscow.

"A lot of people didn't know about the Games in 1986," said Ellen Stone, TBS sales and marketing manager for the Goodwill Games. "It all happened so fast and furious."

TBS lost $26 million on that first version of the Goodwill Games.

Yet in early May, despite the company's well-publicized billion-dollar debts, TBS extended its commitment to the Games, announcing plans to hold them in 1994 and 1998 (AA, May 16).

TBS had committed to the 1990 Games back in 1985.

Company executives expect to break even or make a small profit on the 1990 event.

TBS is running through yearend in marketing and sports trade magazines a series of seven print ads promoting the Games and plans to increase advertising during 1989 and 1990.

Its ad budget for the Games is more than $10 million, including the airtime for promotions on TBS' Cable News Network, CNN Headline News and WTBS, said Farrell Reynolds, president of TBS Broadcasting Sales, a TBS division.

Executives say most of the problems of the first Games have been corrected.

This time, there's more time to organize: Eleven months wasn't long enough to woo and sign sponsors, Mr. Reynolds said.

"Sponsors need at least 18 months in order to plan promotional backups. Look what Kodak and Federal Express have done with the Olympics. They're on the air with tie-ins eight to 12 months prior to the event," he said.

It was also difficult to sign cable systems to carry the 1986 Goodwill Games. "Finding stations that could clear 129 hours was difficult at best," he said.

Because of that hurdle, the Games were syndicated to independent stations, diluting the ratings.

"The ones we got . . . weren't always the strongest stations in the market," Mr. Reynolds said.

The event's disappointing 3 rating from A.C. Nielsen Co. was due to problems that won't exist this time around, he said, including the fact that in 1986, all the live coverage aired in daytime.

He said the company expects between a 7 and an 8 rating this time.

The 1990 Games will be shown exclusively on cable TV. Already, at least 20 major cable systems, reaching more than 20 million homes, have signed up to carry the feed, paying about $1 per subscriber.

TBS is seeking $50 million in sponsorships and advertising for 1990, more than double the $20 million in advertising from the 1986 Games. Sponsorship packages of $4 million, $5 million and $6 million will include 30-second TV spots, promotional tie-ins, category exclusivity and hospitality packages including tickets and hotel rooms.

Plenty of venue advertising will be available at the Goodwill Games.

"Ideally, we'd like every sport to have its own sponsor," Ms. Stone said. "Realistically, we hope to get 10 to 15 major sponsors. They don't necessarily have to align themselves with a sport."

While Ms. Stone expects to sign the first sponsor by mid-August, no advertiser from the 1986 Games—including Gillette Co., Prudential-Bache Securities and Stroh Brewery Co.—has made a commitment to the 1990 Games.

The Seattle-based organizing committee also is rounding up local and regional sponsors, and TBS is urging cable systems to develop grass-roots promotions.

TBS recently hired sales-promotion agency Frankel & Co., Chicago, to "approach potential sponsors, show them the whole big picture a sponsor can take advantage of," Ms. Stone said.

Despite finishing in the red, Ms. Stone said that the 1986 Goodwill Games were a success: Six world records were broken; TBS won four Emmys from the telecast, including one for largest remote ever produced; and it was the first time in 10 years that Soviet and U.S. athletes competed in such a broad range of events.

"A lot was made of the company losing $25 million in 1986," Ms. Stone said. "If you looked at any major sporting events in their first years, they wouldn't be anything like they are now. We're hoping to turn this into something great."#

AA gala is today

NEW YORK—Leo Burnett Co., Chicago, along with other winners of ADVERTISING AGE awards, will be honored at a gala entertainment and dinner salute here today.

The program at the Waldorf-Astoria will celebrate Burnett as AA's Agency of the Year (AA, May 2). Also, John C. Smale, chairman-ceo of Procter & Gamble Co., AA's Adman of the Year, and Tokyo-based Dentsu, AA's International Agency of the Year, will be honored.

Details are available through the AD AGE Communications Department, 220 E. 42nd St., New York 10017. Phone: (212) 210-0209; Fax: (212) 867-9716.#

TV ad spending in sports shows does high jump

NEW YORK—Ignited by the Winter Olympics on ABC-TV, advertising on network sports programming nearly doubled in the first quarter of 1988 compared with a year ago, says the Television Bureau of Advertising.

TvB figures showed that network sports advertising totaled $763.2 million for the January-to-March period, nearly double last year's $381.8 million.

Network sports programming made up 31.1% of all network TV spending in the first quarter, up from 18% for all of 1987.

The higher figures were due largely to high Olympic spending. Of the top 25 advertisers on network sports programming, only two—General Motors Corp. and United Air Lines—weren't Olympic advertisers.

Chrysler Corp. was the leading network sports advertiser, spending $60.2 million in the first quarter of 1988, a 410.2% increase from $11.8 million for the same period last year. Anheuser-Busch was second with $40.9 million, up 50%.

Rounding out the top five sports advertisers were GM ($33.7 million, up 15.8%), Philip Morris Cos. ($29.7 million, up 100%), and Ford Motor Co. ($20.7 million, up 491.4%).#

6/27/88

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NEWSPAPER

Advertising Age®

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C2710-1

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Ronald Reagan's legacy

Image-making will never be the same. P.3

AAF backs new PAC for industry

By STEVEN W. COLFORD

Los Angeles—The American Advertising Federation has taken a major step toward creating an industrywide political action committee for the advertising and media businesses.

The plan approved by the AAF board would support establishment of an independent PAC that wouldn't be linked directly to the AAF or any other existing industry group, federation officials said.

Executives at the Association of National Advertisers and the American Association of Advertising Agencies later may lend their support to the project but had no comment last week.

The AAF already sponsors its own political action committee, AD PAC. The ANA has authorized creation of a PAC

(Continued on Page 108)

Florida O.J. ads blasted

Campaign 'misdirected'

By JUDANN DAGNOLI

Lakeland, Fla.—Orange juice may be just for breakfast, after all.

The Florida Citrus Commission's orange juice ad campaign is in trouble because Coca-Cola Foods, marketer of Minute Maid orange juice, believes the longtime "Not just for breakfast anymore" advertising is "not strategically sound" and aimed at "never-never land."

Some commissioners also blasted the advertising—and other efforts for grapefruit juice and fresh citrus—as sparks flew at what was to be a routine budget meeting here last week.

Saatchi & Saatchi DFS Compton, New York, handles the orange juice and grapefruit juice business for the commission, representing $18.2 million and $6.7 million in spending, respectively, while Fry/Hammond/Barr, Orlando, handles the $6 million fresh-citrus business.

Those figures represent budget increases for 1988-89 ap-

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INSIDE:

'Emperors of Adland':
How Jacoby 'unloaded' Bates—P. 44

AD AGE ranks 100 leading
media companies in U.S.—P. S-1

June 27, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Parched products

Drought threatens a shift in media budgets

An Advertising Age roundup

The drought plaguing the nation's farmers probably won't shrivel up marketing dollars any time soon. But if it persists, there could come a dry spell in product introductions and media spending by food companies forced to pay more for commodities.

At the very least, the drought may mean a rejiggering of marketing budgets to accommodate higher retail prices.

Diamandis Communications Inc.'s *Woman's Day* already has felt the heat, said Gregory Coleman, VP-national sales manager.

"The drought has meant a short-term reaction here," he said. "We've seen some [media] budgets cut—not because of a low supply of the product but because the company is concerned about overall profitability. We are hearing lots of question marks from food producers in the Midwest."

Media buyers reported scattered cutbacks by food marketers, hedging their bets by trimming third and fourth-quarter spot TV buys.

"We're already seeing some cancellations of advertising. As commodity prices go up, some companies can't follow directly by raising prices," said Hal Katz, exec VP, Vitt Media International, a New York-based buying company. "To preserve margins, advertising is being pulled."

Mr. Katz wouldn't say which companies are pulling advertising, citing client confidentiality.

Media sources said CPC International's Best Foods division has trimmed substantially its fourth-quarter spending for Hellmann's mayonnaise.

Soybean oil is a key ingredient for salad dressings, oils and shortenings.

Most major food marketers—including Campbell Soup Co., ConAgra, General Mills, Kellogg Co., Quaker Oats Co. and Ralston Purina Co.—though concerned, remain staunchly committed to their new-product plans and high levels of ad spending.

"We haven't seen any effect on marketing yet," said Howard Liszt, exec VP-general manager at Campbell-Mithun, Minneapolis, which handles General Mills, Land O'Lakes and Cargill.

"We'll know a lot more in a month," he said, "but I don't think even increased costs of crops would affect food marketers' support of their brands or would cause them to delay the introduction of new products. They'd let margins suffer first."

A Campbell spokesman said the company wouldn't have to decide on advertising or marketing cutbacks until late this year or early next year. Even then, he said, Campbell would prefer to cut costs in other areas.

"The problem is that there isn't a recent precedent to

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Staff photo by Stan Mieloszewicz

Last Minute News

DDB Needham takes Cannes Grand Prix

Cannes, France—DDB Needham Worldwide's London office took the Grand Prix at the International Advertising Awards Film Festival. The winner was a 60-second spot for Volkswagen Passat called "Launch II." Gary Cox was the creative director, Gary Walton was art director and David Garfath was director. Production was done by Paul Weiland Film Co., London. The U.S. won 11 Gold Lions, 21 Silver Lions and 18 Bronze Lions, its best performance in recent memory. The U.K. took eight gold, 14 silver and 11 bronze. The Soviet Union won a bronze for its first Cannes entry. After winning the Grand Prix last year, Japan came in with two gold, one silver and 10 bronze. The U.S. Gold Lion winners were Leo Burnett USA for Heinz ketchup, Cheer detergent and United Airlines; Hal Riney & Partners for Bartles & Jaymes; Fallon McElligott for Conran retail stores; Chiat/Day for NYNEX Corp.; W.B. Doner & Co. for 7-Eleven Stores; Levine, Huntley Schmidt & Beaver for U.S. Healthcare; BBDO Worldwide for Apple Computer; Ogilvy & Mather for Media-Advertising Partnership for a Drug-Free America; and HutchesonSchutze for South Carolina Federal *(see related stories on Page 106).*

'Sport' going to Petersen Publishing

Los Angeles—Petersen Publishing Co. this week will buy *Sport* from Sport Magazine Associates, sources close to the negotiations say. The monthly, founded in 1946, is the oldest mass-market sports magazine.

WPP says Y&R exec knew of walkout

New York—WPP Group lawyers last Friday produced what they said was the Oct. 9, 1987, page from Young & Rubicam Exec VP-Chief

(Continued on Page 8)

Coke takes Pepsi's challenge to the TV nets

Cola wars return with a diet fight

By PATRICIA WINTERS
and PATRICK McGEEHAN

Pepsi-Cola Co. opens a new round in the cola wars tonight with a taste-test "challenge" commercial claiming victory for Diet Pepsi over rival Diet Coke.

Coca-Cola Co. has taken the challenge and late last week asked the three TV networks not to run the spot.

Pepsi's planned summerlong campaign—claiming "Americans preferred the taste of Diet Pepsi over Diet Coke 55% to 45%"—starts with a new spot featuring heavyweight boxing champ Mike Tyson. It will air tonight during a 9 p.m. (ET) "roadblock" on all three networks.

"Our research continues to show that Diet Coke beats Diet Pepsi," said Carlton Curtis, Coca-Cola spokesman. "We just aren't going to let these kinds of claims go unchallenged."

He said the networks "accepted" Coca-Cola's protest and are looking at test results from both companies before deciding. The process normally takes about two weeks, he said.

The networks couldn't be reached for comment at press time, and Pepsi said its new effort will break as planned.

The new Tyson spot leads into a network TV, radio and print campaign breaking June 28 that promotes the taste tests. The effort also includes nationwide in-store taste tests for consumers.

Tonight's 30-second spot shows Mr. Tyson in a post-fight interview telling reporters there was no question who was going to win the fight. It soon becomes clear Mr. Tyson is talking about Diet Pepsi beating Diet Coke, the category leader. BBDO Worldwide, New York, is the agency.

The spot will be broadcast before the Tyson-Leon Spinks bout, which is on closed-circuit TV, and will also air during the fight on closed-circuit.

The heavyweight battle in Atlantic City, N.J., is one of the more hyped matches in boxing history; Pepsi paid $3.5 million to be the exclusive sponsor. When

(Continued on Page 107)

Southbound

Dow plans regional magazine

By JOBETH McDANIEL

ATLANTA—Dow Jones & Co. is close to approving a 1989 launch of *SouthStreet*, a monthly regional business publication that would represent the company's long-anticipated move into magazine publishing.

Dow Jones has struggled in recent years with several prototype magazine projects, but all projects were put on hold in late November as its flagship newspaper, *The Wall Street Journal*, was hit by sagging ad linage following the Oct. 19 stock market plunge.

Those earlier plans included a national business magazine.

However, it has a prototype in hand of a regional business magazine to be based here. The magazine, which has been shown to several ad agencies, would be sent free to all Southeastern *WSJ* subscribers.

"It's an idea that's been kicking around for a while," said John Huey, the *Journal's* Atlanta bureau chief, who took a leave of absence to lead the team working on the *SouthStreet* prototype. "From an editorial standpoint, there's a demand for regionally tailored editorial."

Dow Jones has been showing great interest in magazines. Late last year, it took a minority interest in Mediatex Communications Corp., publisher of *Texas Monthly*.

If *SouthStreet* is approved by Dow Jones, the color,

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TLK opens up int'l route with French shop

By SCOTT HUME
and CLAIRE WILSON

Tatham-Laird & Kudner Chairman-CEO Charlotte Beers got what she wanted last week. It remains to be seen, however, whether the agency got what it needs.

Chicago-based TLK finally tied the knot with France's RSCG Corp., after flirting with almost every major multinational agency network as well as such independents as Chiat/Day and Hill, Holliday, Connors, Cosmopulos.

Under terms of the deal, Ms. Beers becomes a fifth owner of RSCG. TLK President William Youngclaus and Chief Creative Officer Ralph Rydholm also get a cut of the RSCG action through ownership shares.

In turn, RSCG founders Bernard Roux, Jacques Seguela, Alain Cayzac and Jean-Michel Goudard become "significant" partners of TLK.

The combination of TLK's perhaps $250 million in billings with RSCG's $1 billion-plus creates a network that ranks approximately as the world's 19th-largest agency group.

"We have had an exchange of ownership," Ms. Beers said in an interview in Cannes, France, where she was attending the International Advertising Awards Film Festival. "They are a French corporation, and we are a partnership. A good part of the time was spent working out how we could make the exchange in an equitable way."

An affiliation between the two had been rumored for some time.

Ms. Beers declined to reveal details, but a source who's had acquisition discussions with RSCG noted the Paris-based agency wouldn't take less than a majority share in any deal it might have made in the U.S.

Ms. Beers and Mr. Seguela both will hold the title of vice chairman of RSCG.

She's said to have turned down

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Pillsbury puts heat on Ayer

Burger King sales down 2%

By SCOTT HUME

N W Ayer's honeymoon on the $200 million Burger King account, if it ever had one, is over.

In fact, it may not be a $200 million account much longer.

There are new postnuptial agreements, and Ayer's advertising is certain to be more closely scrutinized by Burger King parent Pillsbury Co. and nervous BK executives. Pillsbury last week expressed disappointment with the agency's "We do it like you do it" campaign, and financial analysts suggest it may force Burger King Corp. to place more dollars in promotion while trimming media spending through Ayer.

The sudden resignations last week of J. Jeffrey Campbell, 44, chairman of Pillsbury's Restaurant Group, and Kyle Craig, 40, chairman-ceo of its S&A Restaurant Group, are indicative of Pillsbury's new, tougher mood.

One Pillsbury source said Mr. Campbell "was the buffer between the restaurant people and agencies, and the hard-nosed, flour-processing guys in Minneapolis. With him gone, it's not going to be easier for anyone on the restaurant side."

It was Messrs. Campbell and Craig who six years ago had BK on a sales roll with their "Battle of the Burgers" marketing strategy. Mr. Campbell was BK's president and Mr. Craig its senior VP-marketing.

But now they're out because New York-based Ayer's attempt to recreate those glory days by reviving the "flame-broiling beats frying" market position is falling flat.

Analysts put BK sales for the first quarter at least 2% below year-earlier levels.

Another source close to the company said that "the sheer size of the account" is "what's saving Ayer now." He said, "If this were a $25 million account, they'd be gone. But because it's $200 million, [Pillsbury Chairman William] Spoor has to stick with them and trust that they can get it together."

Charles Olcott, 41, has been promoted to president-chief operating officer of the chain's worldwide operations, taking over responsibilities previously held by Mr. Campbell.

Formerly president of U.S. operations, Mr. Olcott is the man who, with since-resigned Senior VP-Marketing R.J. Trutz, picked Ayer to replace J. Walter Thompson USA.

"The honeymoon's over," said John McMillin, food analyst at Prudential-Bache Securities. He made that assertion following criticism of Ayer's advertising by Pillsbury's chief financial officer, Roger Headrick, at an analysts' meeting in Minneapolis.

Mr. Headrick told the analysts BK would focus more on promotions while making changes in advertising. He said Ayer's copy needs to be "strengthened."

The "We do it" campaign hasn't produced the desired sales increases, Mr. McMillin said, because "it wasn't designed to help sales but to build a 'theme.' " He said that was a strategic mistake that will have to be corrected.

An Ayer spokesman said new BK commercials set to break this fall "will not represent a thematic change." He said the "We do it" theme "is beginning to get recognition and recall."

Jerry Siano, Ayer vice-chairman, said the executive changes are "a good thing as it relates to our relationship. It gives more focus and more responsibility to the guy who

(Continued on Page 107)

Leo Burnett's work for Marlboro, 7UP, Big Mac crowd roll of best-recalled ads

AdWatch survey of advertising awareness Top 10 in May

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 5/88	4/88	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	3	Coca-Cola	McCann-Erickson
3	7	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
4*	2	Ford	J. Walter Thompson USA
4*	6	McDonald's	Leo Burnett USA
6	4	California raisins	Foote, Cone & Belding
7	5	Chevrolet	Lintas:Campbell-Ewald
8	10	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates
9	—	Marlboro	Leo Burnett USA
10	7	7UP	Leo Burnett USA

* Indicates a tie.

By SCOTT HUME

A lot of consumers noticed the Marlboro Man last month, but they may have looked at him a bit askance.

In the wake of U.S. Surgeon General C. Everett Koop's declaration that cigarette smokers are nicotine addicts, it seems only fitting that the world's most unrepentant cigarette smoker should appear on the list of the best-recalled advertising.

Philip Morris Cos.' Marlboro advertising, which took the No. 9 spot in May's top 10 list, last appeared on the monthly adWatch survey of best-recalled ads in March 1987.

With what age group did the Marlboro Man register the highest recall? Nearly half of those who said Marlboro was the first advertising that came to mind were 18 to 24 years old.

Also making a rare appearance among the top 10 last month (its last appearance was in August 1986) was 7UP. The Uncola continues to advertise under the "Feels so good comin' down" theme, with TV commercials featuring happy people dancing in the rain. That approach may have become even more memorable during the past month's drought across much of the country.

But 7UP's improved recall score likely was spurred by some much more positive news than that which helped Marlboro's score: On April 25, Seven-Up Co. began a $15 million-plus campaign for its new 7UP Gold soft drink (AA, April 25).

Leo Burnett USA, Chicago, is the agency for both Marlboro and 7UP, as well as for McDonald's Corp., which tied for No. 4.

Pepsi-Cola repeated as the best-recalled advertiser last month, followed by Coca-Cola, Anheuser-Busch's Budweiser/Bud Light; Ford; McDonald's; the California Raisin Advisory Board; Chevrolet; Miller Brewing Co.'s High Life/-Genuine Draft/Miller Lite trio; and Marlboro and 7UP.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that comes to mind both overall and in specific product categories.

Last month, 1,000 adults were polled by telephone.

While Marlboro and 7UP had dramatic increases in awareness, several other well-known brands suffered uncharacteristic declines.

One of those was McDonald's. Its advertising remained among the 10 best-recalled overall, but when the 1,000 respondents specifically were asked which fast-food advertising came to mind first, McDonald's share of first mentions was 41.3%.

Although still comfortably leading the category, that share is 4.8 percentage points below the 46.1% share it got in April.

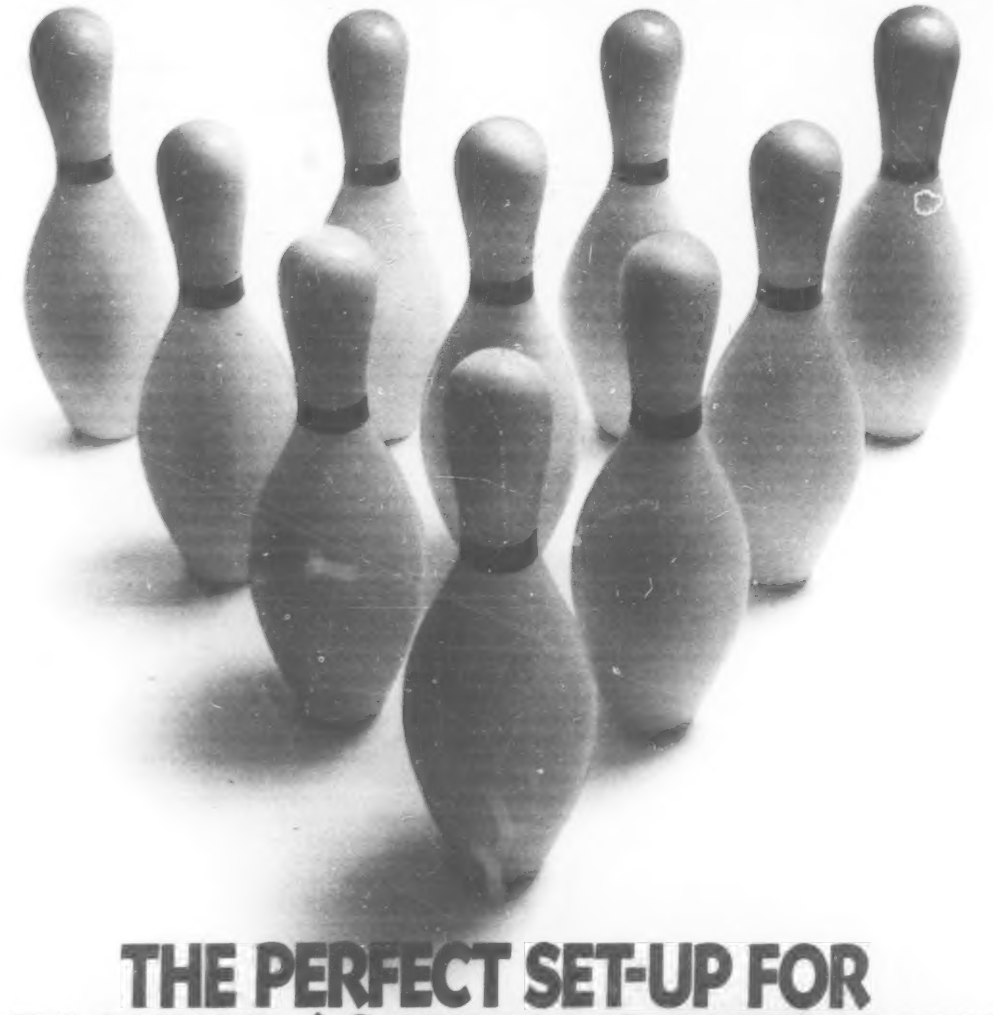
McDonald's decline follows, but is not necessarily a result of, a subtle change in its TV and radio creative. New music backs its "Good time, great taste" theme for the first time in four years.

Rival Burger King Corp. didn't benefit from McDonald's decline: BK's first mentions totaled 13.2% in May, down 2.9 points from 16.1% in April. No. 3 Wendy's International rose slightly to 7.4% from 6.5%.

In the computer category, IBM Corp. lost some of the ground it gained in April. Its share of first mentions in the May survey was 20.4%, down 4.1 percentage points. In April, IBM's recall had jumped 6.8 points to a 24.5%.

Apple Computer remained the leader last month with a 28.1% share, up slightly from its 26.7% in April. AT&T Co. took the No. 3 spot with a 1.8% share, dislodging Radio Shack (1.7%).#

For more information, contact SRI Research Center, 301 S. 68th St. Lincoln, Neb. 68506. Phone: (402) 489-0351.



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Bowling can make the difference in your next marketing effort. So let the National Bowling Council help you get the ball rolling.

NBC

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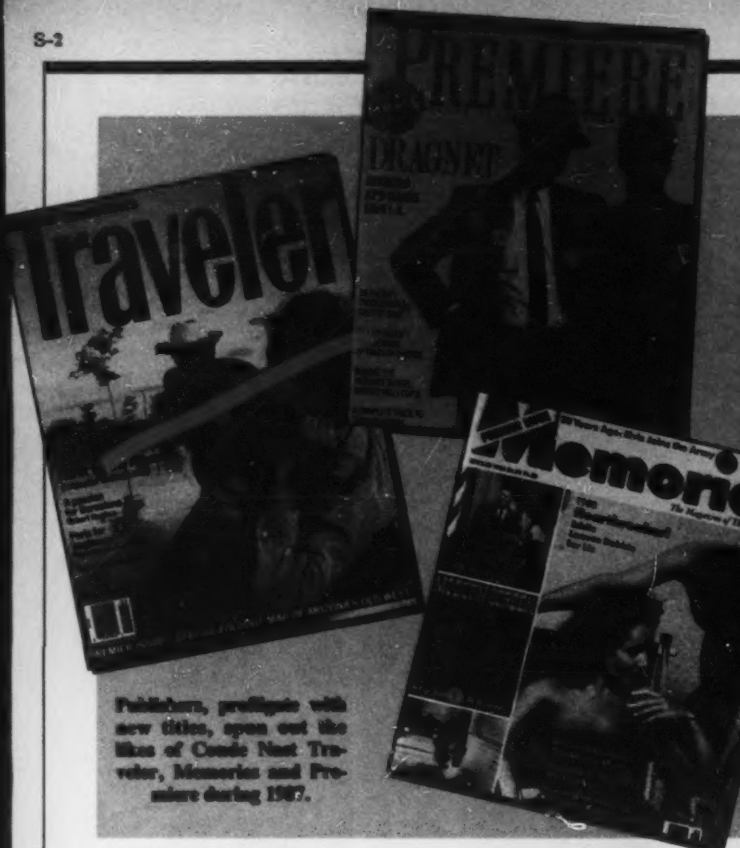
Special Issue June 27, 1988

Advertising Age

100 LEADING MEDIA COMPANIES

1988 Edition



Publishers, profligate with new titles, spun out the likes of Conde Nast Traveler, Memories and Premiere during 1987.

Sunday papers continue to shout FSI growth. Product Movers introduced the "multi-tab" with right margin shingled for a quick read while Quad/Graphics launched Quad/Rail to operate private passenger luxury railcars that include this Silver Chalet.

Media companies post robust growth

Revenues of the 100 Leaders, paced by big gains in cable, increased 11.5% to $64.7 billion as acquisitions and divestitures juggle the lineup

By R. CRAIG ENDICOTT

Media revenues for the nation's leading media companies surged 11.5% in 1987 to $64.7 billion as cable continued its steady march to overtake returns from other media forms, according to ADVERTISING AGE's eighth annual 100 Leading Media Companies report.

Cable, once the weak sister in volume size to broadcast, magazines and newspapers, charted a 24.3% increase over 1986 in reaching revenues of $9.2 billion, just $100 million short of total magazine revenues generated by this year's AD AGE 100.

In the process, cable moved from 12.8% to 14.3% of the total media. It cracked the $1 billion advertising revenue barrier. This year, upfront buying of cable showed significant strength. Cable's big got bigger mainly through acquisition—Tele-Communications Inc. vaulted to No. 17 from No. 23 a year ago on an 86.9% gain in revenues, largely through cable buys. Innovative media forms like video home shopping continue to be spun from cable.

Also reflecting the industry's strength, three first-time entries to the 100 Media chart were cable companies. In the eight years of this issue, they influenced the biggest year-to-year jump in revenues necessary for entry to the list—from a cutoff of $100.1 million in 1986 to $133.4 million this year.

Acquisitions and divestitures affected more than cable numbers. Among the top 10 companies—again paced by Capital Cities/ABC at $4.3 billion, virtually a billion dollar lead over No. 2 Time Inc.—CBS Inc. dropped from No. 4 to No. 5 mainly from the sale of CBS Magazines.

AD AGE permits the top 100 to restate prior year figures to reflect current operations, and then ranks both comparable years on the basis of these restated revenues. Without this adjustment, CBS revenues would have dropped 14.3%. As it was, revenues from continuing operations fell only 1.6%. The other big change was Hearst Corp. Its newly acquired *Houston Chronicle* powered Hearst to No. 10 from No. 12 a year ago.

Media companies continue to be strong bottom-line performers evidenced by an average growth of 12.2% in net income on a 15.2% increase in revenues among 49 of the public companies. While there are 54 publicly traded companies in the AD AGE 100, five of these—3M, Warner Communications, General Electric Co., Westinghouse Electric Corp. and International Thomson Holdings—hold such a small percentage of their business in media that including their gross figures distorts the financial strength of the media-oriented companies. Among the 49 public companies, therefore, revenues from media grew 11.1%, although media as a percentage of their total revenues dropped to 77.9% from 80% in 1986.

Among the public companies, No. 89 LIN Broadcasting with 66% of its revenues derived from media, had a 36.9% return on sales for the highest ratio. However, most of this gain was credited to its growth in the cellular radio-telephone business, considered non-media for the purpose of this listing.

Ten companies suffered a negative return on sales, and seven of those were cable companies whose declines were influenced by expenses related to acquisitions and capital-intensive system building.

Second to LIN in return on sales was Toronto-based Thomson Newspapers, although its operating results show the bittersweet side of foreign investing in the U.S. Thomson lamented that the decline of the U.S. dollar held revenues and operating income to 7% and 4% gains, respectively.

Nonetheless, foreign-based media companies continued to build their U.S. media base. Their total revenues grew to $3.92 billion from the 100's nine that are based abroad, a growth of 39.2% from seven contributors in 1986. Foreign companies in this issue are ranked by their U.S. media revenues.

Acquisitions largely contributed to the growth and placement on the Top 100 for foreign entries—No. 53 Hachette Group and No. 52 Reuters Holdings PLC. Hachette's ticket to the 100 came through its purchase of Diamandis Publications for $722 million.

Revenues at Cahners Publishing Co., No. 48, part of Reed International PLC, London, advanced 27.3%, with at least part of that coming from the acquisition of *Modern Bride* and *Variety*.

Newspapers continue to be the dominant medium in the local markets. A report on the 10 hottest markets in this issue found that newspapers represented an average of 37.3% of the ad dollars from five media sources in the top 50 markets. Of the other media, TV claimed 33.5%, magazines 15.2%, radio 11.8% and outdoor 2.2%. *(See Page S-13.)*

In that same report, Miami was crowned the hottest market on the basis of an ad spending level of $597.93 per household in the market, but newspaper ad spending far outstripped the average for the 50 in totaling $259.90 per household, or 43.5% of the market total.

Newspaper revenues in the AD AGE 100 topped all media reported with $23.2 billion in 1987, up 11.8% from the prior year. Of the total media, the news-

Cover illustration and media logos by Steve Musgrave

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McClatchy Newspapers, Sacramento, and Scripps Howard, Cincinnati—two traditional newspaper companies—joined a trend among closely held, often family-run businesses to go public while keeping much of the stock within their group. Capital from the public markets is expected to be funneled into new acquisitions.

Growth kingpins among the top 100 Media Companies were the video shopping networks, especially Home Shopping Network where computer terminal operators are quick to fill personal requests and build on HSN's revenue base of $582.1 million in 1987, up from $160.2 million. Cable Value Network reported $196.2 million in revenues in only eight months of operation.

HSC HOME SHOPPING CLUB HSC

paper category grew in revenues a tenth of a percentage point to 35.9%.

The top newspaper company among the 100, No. 4 Gannett Co., grew 12.3% in newspaper revenues, although 1987 marked the first time Gannett had not acquired a newspaper property in years.

Several newspaper companies leveraging acquisitions also fell prey to the October tailspin in the financial markets. Goodson Newspaper Group, which invests in newspapers via No. 24 Ingersoll Publications, was forced to restructure its agreement to purchase the *Morristown* (N.J.) *Daily Record* from all-cash to cash and notes when it could not obtain financing. No. 22 Media News Group reduced its cash payment but increased its financing in a restructured deal with the Toronto Sun Publishing Corp. to purchase the *Houston Post*.

Newspaper companies dropping from last year's Top 100 are Warren Buffett's Berkshire Hathaway, Omaha, Neb., which had revenues of $123 million in 1987, all from *The Buffalo News*, and Topeka, Kan.-based Stauffer Communications, which totaled $116.9 million, mostly from newspapers.

Broadcasting as a percentage of the 100's total media dropped to 24.9% in 1987 from 26.5% in 1986 as revenues grew only 4.6% to $16.1 billion.

Sales were heavy in the medium, which includes TV and radio. Kohlberg Kravis Roberts & Co., a New York investment company, sold its Storer TV units to Gillett Holdings, Nashville, pushing Gillett onto the Ad Age 100 as No. 49.

Taft Broadcasting dissolved by spinning off properties largely to two companies, both of which made the 100 for the first time—No. 77 Great American Communications and No. 100 TVX Broadcasting Group. The only broadcast company to exit the 100 was Allbritton Communications, Washington.

Broadcasters who fell short of this year's cutoff were Jefferson-Pilot Communications, Greensboro, N.C., with $121.6 million in revenues; Univision, the New York-based Hispanic network and station operator with $121.5 million, and Cosmo Broadcasting, Greenville, S.C., with $103.5 million.

The 37 companies with cable revenues were paced by $1.62 billion in revenues generated by Time Inc. via its HBO movie channel and ATC Corp.

Four cable-oriented companies entered the chart in 1987. SCI Holdings, No. 23, was actually a name change for its owner, Kohlberg Kravis Roberts & Co., last year's No. 22. SCI Holdings won't be listed next year because it was purchased this spring by TCI and Comcast Corp., No. 58 this year. Comcast's ticket was its buyout of Group W Cable from No. 25 Westinghouse. CVN Cos., No. 73, rode in on the video home shopping craze that it has been feeding through its Cable Value Network. Cooke Media Group, No. 62, qualified on the basis of full-year returns from its McCaw Communications cable acquisitions made in 1986, although its revenues will shoot even higher this year because of its buyout of First Carolina Communications.

Heritage Communications, last year's No. 100, was the only cable company to drop off last year's chart, and that because of its buyout by TCI.

Because of the growth in cable, likely entries to next year's chart, if they remain independent, are Centel Cable Television, Oak Brook, Ill., with revenues of $130.1 million; Western Tele-Communications, Denver, $101.7 million, and Liberty, N.Y.-based Cablevision Industries Corp., which only last month agreed to acquire Wometco Cable TV in a deal valued at $725 million. Cablevision Industries had revenues of $92.9 million in 1987.

Magazine revenues for the 100 declined from 14.7% of the total in 1986 to 14.3% in 1987 on revenues of $9.3 billion, up 8.6%. Leading the revenue generators in this category was Time Inc. at $1.62 billion, up only 2.9% from the prior year. Ad revenue was down in *People* and *Time* magazines in 1987, although advertising gains were reported for the first quarter this year over the prior year period.

The magazine companies new to this year's 100 bought their way onto the list. Hachette bought out Diamandis Communications after it had taken over CBS Magazines in a management buyout. No. 93 Edgell Communications took the Harcourt Brace Jovanovich publications division in a management buyout. HBJ had been No. 75 last year.

Magazine companies previously among the 100 but not making the cutoff this year were this publication's parent, Crain Communications Inc., Chicago, with 1987 revenues of $128 million; Pittway Corp., Northbrook, Ill., with its Penton IPC Cleveland subsidiary reporting $125.1 million, and Knapp Communications, Los Angeles, with $110 million.

Other Top 100 magazine contenders are CMP Publications, Manhasset, N.Y., at $109.6 million, and Whittle Communications, Nashville, $106 million.

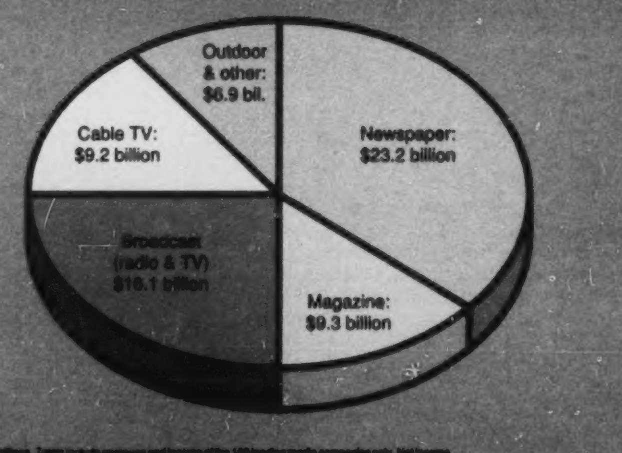
Among the "other" media category, which largely encompasses outdoor, free standing inserts, direct marketers and news wire services, revenues grew to $6.9 billion, up 13.6%.

New entries to the 100 included Reuters Holdings and the Associated Press, No. 61. Missing from this year's chart were Ackerley Communications, Seattle, which reported 1987 revenues of $116.4 million in outdoor and broadcast, and New York-based American Media Network, a.k.a. Winston Network, with $106 million. ■

100 leading media companies' revenues by category

Totals	Corporate totals 1987	Corporate totals 1986	Corporate totals % chg.	Category revenues as % of total media revenues 1987	Category revenues as % of total media revenues 1986
Media revenues	64.7	58.1	11.5		
Total revenues	138.7	123.9	11.9		
Net income	8.5	8.3	3.3		
Newspaper revenues	23.2	20.8	11.8	35.9	35.8
Magazine revenues	9.3	8.5	8.6	14.3	14.7
Broadcast (radio & TV) revenues	16.1	15.4	4.6	24.9	26.5
Cable TV revenues	9.2	7.4	24.3	14.3	12.8
Outdoor & other media revenues	6.9	6.0	13.6	10.6	10.4

Gross revenues by media as % of $64.7 billion



NOTES: Dollars are in billions. Totals include revenues and income of the 100 leading media companies only. Net income reflects earnings of the [illegible] publicly held leading media companies only. Sources: Revenues by media are Advertising Age estimates. Total revenues and net income from annual reports.

Advertising in Yellow Pages hits $7.3 billion

By Kristine Stiven

Five fingers to do the walking through the Yellow Pages are no longer enough. Today even the quickest hand must race to keep up with the variety of books.

Yellow Pages advertising was a $7.3 billion industry in 1987, up 9% from 1986. This figure encompasses 98% of the directories published in the U.S. and 99% of the generated ad revenue.

The Business Publications Audit of Circulation, which began auditing directories in March 1987, currently lists 210 books, although this number represents less than 4% of all published directories.

While there is little argument about the size and strength of the industry, the companies involved, both utilities and independents, are fiercely protective of their directory revenue figures and rarely report numbers. This is the major reason ADVERTISING AGE has not included Yellow Pages as a media category in its 100 Leading Media Companies issue.

Bell South with $1 billion outdistances second-place GTE Corp., although the Bell South figure contains non-ad revenue from the publishing of white pages.

Likewise, the printing and publishing arm of General Telephone reports revenues of $860 million, but this figure includes a number of non-directory concerns.

Bell Atlantic's $800 million figure is relatively free of non-Yellow Page activity although the number is a company estimate.

NYNEX, one of the biggest Baby Bell publishers, would not break out its figures, but industry experts say it ranks in the top five.

Innovation and specialization are the current industry buzz words. They identify the proliferation of targeted directories and high-tech "talking Yellow Pages."

Top 10 Yellow Pages companies

Rank	Company	Yellow Pages revenues	Total revenues
1	BellSouth [1]	$1,000.0	$12,269.1
2	GTE [2]	860.0	15,400.0
3	Bell Atlantic [3]	800.0	10,298.4
4	Dun & Bradstreet, R.H. Donnelley [4]	765.3	3,359.2
5	Pacific Telesis, Pacific Bell Directory [5]	750.0	9,131.0
6	Southwestern Bell [6]	733.0	8,002.6
7	US West [7]	672.0	7,651.5
8	Ameritech [8]	365.7	9,536.0
9	United Telecom [9]	158.0	2,982.0
10	Nynex [10]	NA	12,084.0

NOTES: Dollars are in millions. Yellow Pages revenue per company include the following: [1] Total directory revenues including white pages. [2] Directory revenues and non-directory revenues from GTE Travel Enterprises, Commercial Collections Group, non-directory printing. [3] Total billed directory revenues. [4] Total publishing revenues from Donnelley Directory, Donnelley Information Publishing, Donnelley Information Technology, Official Airline Guides, Moody's Investor Services. [5] Directory Advertising Only. [6] Directory advertising and publishing, white pages. [7] US West Marketing Resources Group, US West Direct, Trans Western Publishing, US West Marketing Resources. [8] Directory advertising and non-directory revenues for billing and collection services sold to other carriers and customer premises equipment. [9] Directories America. [10] NA.
Source: Advertising Age.

Leading public media companies by return on sales

Company	Percent return on sales 1987	1986	Total revenues 1987	1986	Net income 1987	1986	U.S. media revenues 1987	1986	Media revenues % total revs. 1987	1986
LIN Broadcasting, New York	36.9	33.8	$237	$195	$87	$66	$156	$154	66.0	78.9
Thomson Newspapers, Toronto [1,2]	21.0	21.5	826	740	174	159	449	408	54.4	55.1
Associated Press, New York	19.5	3.4	239	224	47	8	239	224	100.0	100.0
Lee Enterprises, Davenport, Iowa	18.8	14.8	238	221	45	33	217	203	91.3	92.0
Dow Jones & Co., New York	15.4	16.2	1,314	1,135	203	183	1,240	1,068	94.3	94.1
Reuters Holdings PLC, London [1,3]	12.6	13.0	[illegible]	919	207	119	326	[illegible]	[illegible]	[illegible]
Park Communications, Ithaca, N.Y.	12.3	11.8	139	127	17	15	139	127	100.0	100.0
Maclean Hunter Ltd., Toronto [1,4,5]	12.0	7.1	848	700	102	50	164	143	19.4	20.4
Affiliated Publications, Boston	11.7	10.7	490	401	58	43	487	399	99.3	99.5
Dun & Bradstreet Corp., New York	11.7	10.9	3,359	3,114	393	340	2,056	1,932	61.2	62.0
McClatchy Newspapers, Sacramento, Calif.	11.5	14.5	332	311	38	45	332	311	100.0	100.0
Gannett Co., Arlington, Va.	10.4	9.9	3,079	2,801	319	276	2,991	2,727	97.2	97.4
Journal Communications, Milwaukee [6]	10.3	10.8	404	361	42	39	249	229	61.7	63.4
Washington Post Co., Washington	10.1	8.2	1,315	1,215	132	100	1,240	1,162	94.3	95.7
Chicago Sun-Times Co., Chicago	10.0	10.0	220	200	22	20	220	200	100.0	100.0
3M, St. Paul	9.7	9.1	9,429	8,602	918	779	217	197	2.3	2.3
Warner Communications, New York	9.6	6.5	3,404	2,848	328	186	425	360	12.5	12.6
New York Times Co., New York	9.5	8.4	1,690	1,565	160	132	1,690	1,565	100.0	100.0
McGraw-Hill, New York	9.4	9.8	1,751	1,577	165	154	1,187	1,089	67.8	69.1
Times Mirror Co., Los Angeles	8.4	13.8	3,155	2,948	267	408	2,549	2,295	80.8	77.8
Cowles Media Co., Minneapolis	7.5	8.8	295	257	22	23	295	257	100.0	100.0
Knight-Ridder, Miami	7.5	7.3	2,073	1,911	155	140	2,049	1,880	98.9	98.4
News Corp. Ltd., Sydney [1,7]	7.4	6.9	4,400	3,503	325	241	1,250	1,133	28.4	32.3
General Electric Co., Fairfield, Conn.	7.2	6.8	40,515	36,728	2,915	2,492	3,165	2,965	7.8	8.1
Westinghouse Electric Corp., Pittsburgh	6.9	6.3	10,679	10,730	739	671	601	839	5.6	7.8
Playboy Enterprises, Chicago	6.9	(28.6)	162	182	11	(52)	144	[illegible]	[illegible]	[illegible]
Macromedia Inc., Hackensack, N.J.	6.9	5.9	169	153	12	9	169	153	100.0	100.0
Tribune Co., Chicago	6.6	14.4	2,160	2,030	142	293	1,886	1,763	87.3	86.8
Capital Cities/ABC, New York	6.3	10.9	4,440	4,124	279	448	4,256	3,941	95.8	95.5
Media General, Richmond, Va.	6.0	2.7	715	636	43	17	423	379	59.1	59.7
Time Inc., New York	6.0	10.0	4,193	3,762	250	376	3,239	3,099	77.2	82.4
International Thomson Holdings, Toronto [1]	5.9	5.7	3,537	2,531	209	144	528	415	14.9	16.4
A.H. Belo Corp., Dallas	5.8	5.1	382	397	22	20	382	397	100.0	100.0
Meredith Corp., Des Moines, Iowa	5.7	8.9	599	533	34	47	449	391	75.1	73.2
Scripps Howard, Cincinnati	5.5	3.3	1,147	1,037	64	34	1,129	995	98.4	96.0
Home Shopping Network, Clearwater, Fla.	5.1	10.6	582	160	30	17	582	160	100.0	100.0
Chris-Craft Industries, New York	4.4	6.6	241	224	11	15	217	200	89.8	89.2
Pulitzer Publishing Co., St. Louis	4.2	5.0	367	329	15	16	367	329	100.0	100.0
National Geographic Society, Washington	3.1	3.2	387	370	12	12	223	219	57.7	59.2
Multimedia Inc., Greenville, S.C.	3.0	(1.3)	411	372	13	(5)	411	372	100.0	100.0
Advo-Systems, Windsor, Conn. [8]	1.7	(11.4)	521	458	9	(52)	521	458	100.0	100.0
CBS Inc., New York	0.6	0.5	2,762	2,809	18	15	2,762	2,808	100.0	100.0
TCI, Denver	0.3	11.2	1,709	646	6	72	1,225	646	71.7	100.0
CVN Cos., Minneapolis [9]	NA	NA	236	130	NA	NA	196	NA	83.0	NA
RKO General, New York	(1.0)	13.0	195	239	(2)	31	195	239	100.0	100.0
United Cable Television Corp., Denver [10]	(1.4)	4.5	223	196	(3)	9	223	196	100.0	100.0
Comcast Corp., Bala Cynwyd, Pa.	(3.0)	0.8	309	131	(9)	1	287	105	92.8	80.0
SCI Holdings, Miami	(3.3)	(11.5)	612	649	(20)	(75)	612	649	100.0	100.0
Rogers Communications, Toronto [1,4]	(5.0)	(2.9)	344	296	(17)	(9)	141	125	41.1	42.2
Viacom International, New York	(12.2)	(1.1)	1,011	919	(123)	(10)	939	854	92.9	93.0
Turner Broadcasting System, Atlanta	(20.1)	33.6	652	557	(131)	187	436	379	66.9	68.1
Cablevision Systems Corp., Woodbury, N.Y	(24.7)	(10.7)	300	151	(74)	(16)	300	151	100.0	100.0
Great American Communications, Cincinnati [11]	(24.8)	(6.2)	340	369	(84)	(23)	190	188	55.9	50.9
TVX Broadcasting Group, Virginia Beach, Va.	(36.0)	(26.6)	133	23	(48)	(6)	133	23	100.0	100.0

NOTES: Dollars are in millions.
[1] Net income and revenues are worldwide, media is U.S. only
[2] Exchange rate: $C1.[illegible] = $1 in '87, $C1.[illegible] = $1 in '86
[3] Exchange rate: $1.[illegible] = 1 pound in '87, $1.[illegible] = 1 pound in '86
[4] Exchange rate: $C1.[illegible] = $1 in '87, $C1.[illegible] = $1 in '86
[5] Financial data for continuing operations
[6] Privately owned by employees
[7] Fiscal comparisons are 6-30-[illegible] and 6-30-87
[8] '86 revenues and income restated by company
[9] Financial data eight months ended 8-31-87 and 8-31-86
[10] Fiscal years ended 8-31-87 and 8-31-86
[11] Media revenues pro forma as if current properties owned 1-1-86
Source: Advertising Age.

100 leading media cos. by revenue

Rank			Total U.S. media Media revenues		Newspaper revenues		Magazine revenues		Broadcast revenues		Cable TV revenues		Other media revenues	
'87	'86	Company/headquarters	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
1	1	**Capital Cities/ABC,** New York	$4,256.0	$3,940.5	$447.6	$412.4	$374.7	$374.5	$3,213.0	$2,968.8	$220.7	$184.8	—	—
2	2	**Time Inc.,** New York	3,239.0	3,099.0	—	—	1,621.0	1,576.0	—	—	1,618.0	1,523.0	—	—
3	3	**General Electric Co.,** Fairfield, Conn.	3,165.0	2,965.0	—	—	—	—	3,165.0	2,965.0	—	—	—	—
4	5	**Gannett Co.,** Arlington, Va.	2,991.4	2,727.0	2,432.4	2,165.0	—	—	357.0	351.0	—	—	$202.0	$211.0
5	4	**CBS Inc.,** New York	2,761.8	2,807.9	—	—	—	—	2,761.8	2,807.9	—	—	—	—
6	6	**Times Mirror Co.,** Los Angeles	2,549.1	2,294.7	1,996.0	1,727.0	203.1	197.7	110.0	127.0	240.0	243.0	—	—
7	7	**Advance Publications ,** New York	2,397.0	2,200.0	1,601.0	1,470.0	593.0	544.0	—	—	203.0	186.0	—	—
8	8	**Dun & Bradstreet Corp.,** New York	2,056.0	1,932.0	—	—	—	—	—	—	—	—	2,056.0	1,932.0
9	9	**Knight-Ridder,** Miami	2,049.0	1,879.6	1,845.2	1,688.1	—	—	104.5	102.8	—	—	99.3	88.7
10	12	**Hearst Corp.,** New York	1,925.0	1,529.0	650.0	390.0	873.0	780.0	262.0	280.0	50.0	9.0	90.0	70.0
11	10	**Tribune Co.,** Chicago	1,885.9	1,762.7	1,475.9	1,363.7	—	—	410.0	399.0	—	—	—	—
12	11	**New York Times Co.,** New York	1,689.6	1,564.7	1,364.3	1,252.4	226.1	219.3	60.5	57.0	38.7	36.0	—	—
13	13	**Cox Enterprises,** Atlanta	1,463.6	1,385.3	710.6	683.3	—	—	328.0	310.0	425.0	392.0	—	—
14	15	**News Corp. Ltd.,** Sydney	1,250.0	1,133.1	260.9	297.7	332.8	291.8	576.8	472.6	—	—	79.5	71.0
15	14	**Washington Post Co.,** Washington	1,240.3	1,162.3	648.1	589.3	322.2	321.0	171.4	167.0	98.6	85.0	—	—
16	17	**Dow Jones & Co.,** New York	1,239.8	1,068.4	948.7	908.1	39.0	34.5	—	—	—	—	252.2	125.8
17	23	**TCI,** Denver	1,225.1	645.7	—	—	—	—	—	—	1,225.1	645.7	—	—
18	16	**McGraw-Hill,** New York	1,187.4	1,089.1	—	—	377.0	318.2	89.7	92.9	—	—	720.7	678.0
19	18	**Scripps Howard,** Cincinnati	1,128.5	994.9	818.2	750.6	—	—	198.2	191.4	112.1	52.9	—	—
20	19	**Viacom International,** New York	938.5	854.5	—	—	—	—	132.1	111.3	806.4	743.2	—	—
21	21	**Triangle Publications,** Radnor, Pa.	730.0	720.0	77.0	72.0	653.0	648.0	—	—	—	—	—	—
22	28	**Media News Group,** Dallas	650.0	450.0	650.0	450.0	—	—	—	—	—	—	—	—
23	22	**SCI Holdings,** Miami	612.0	648.9	—	—	—	—	192.2	232.2	419.8	416.7	—	—
24	39	**Ingersoll Publications,** Princeton, N.J.	609.0	370.0	609.0	370.0	—	—	—	—	—	—	—	—
25	20	**Westinghouse Electric Corp.,** Pittsburgh	600.5	839.0	—	—	—	—	600.5	559.0	—	280.0	—	—
26	80	**Home Shopping Network,** Clearwater, Fla.	582.1	160.2	—	—	—	—	—	—	582.1	160.2	—	—
27	24	**Harte-Hanks Communications,** San Antonio, Texas	544.0	576.0	174.0	212.0	—	—	60.0	79.0	35.0	39.0	275.0	246.0
28	29	**International Thomson Holdings,** Toronto	528.0	415.0	—	—	—	—	—	—	—	—	528.0	415.0
29	25	**Reader's Digest,** Pleasantville, N.Y.	522.2	486.0	—	—	522.2	486.0	—	—	—	—	—	—
30	27	**Advo-Systems,** Windsor, Conn.	520.5	456.4	—	—	—	—	—	—	—	—	520.5	456.4
31	32	**Affiliated Publications,** Boston	486.9	399.0	442.7	399.0	44.2	—	—	—	—	—	—	—
32	26	**Opubco,** Oklahoma City	466.0	485.2	125.0	135.0	—	—	285.0	305.0	56.0	45.2	—	—
33	35	**Meredith Corp.,** Des Moines, Iowa	449.4	390.7	—	—	329.4	267.6	120.0	123.0	—	—	—	—
34	30	**Thomson Newspapers,** Toronto	449.3	407.8	449.3	407.8	—	—	—	—	—	—	—	—
35	34	**Continental Cablevision,** Boston	442.0	392.0	—	—	—	—	—	—	442.0	392.0	—	—
36	36	**Turner Broadcasting System,** Atlanta	436.4	379.4	—	—	—	—	223.6	207.6	212.8	171.8	—	—
37	31	**Central Newspapers,** Indianapolis	427.0	407.0	427.0	407.0	—	—	—	—	—	—	—	—
38	40	**Warner Communications,** New York	425.0	360.0	—	—	38.0	35.0	—	—	387.0	325.0	—	—
39	37	**Media General,** Richmond, Va.	423.0	379.1	285.8	264.1	15.9	16.0	60.8	60.0	60.5	39.0	—	—
40	38	**Multimedia Inc.,** Greenville, S.C.	411.1	372.0	128.1	117.0	—	—	192.0	174.0	91.0	81.0	—	—
41	46	**Valassis Inserts,** Livonia, Mich.	400.0	325.0	—	—	—	—	—	—	—	—	400.0	325.0
42	41	**Freedom Newspapers,** Irvine, Calif.	392.0	357.0	325.0	305.0	—	—	67.0	52.0	—	—	—	—
43	33	**A.H. Belo Corp.,** Dallas	381.8	397.2	216.2	221.6	—	—	165.6	175.6	—	—	—	—
44	45	**Pulitzer Publishing Co.,** St. Louis	367.3	329.0	270.0	232.0	—	—	97.3	97.0	—	—	—	—
45	42	**Morris Communications ,** Augusta, Ga.	359.0	349.0	246.0	239.0	—	—	—	—	—	—	113.0	110.0
46	51	**Chronicle Publishing Co.,** San Francisco	357.0	275.0	221.0	150.0	—	—	90.0	85.0	46.0	40.0	—	—
47	44	**Copley Newspapers,** La Jolla, Calif.	353.4	330.0	350.0	326.0	—	—	—	—	3.4	4.0	—	—
48	52	**Cahners Publishing Co.,** Newton, Mass.	340.0	267.0	—	—	340.0	267.0	—	—	—	—	—	—
49	43	**Gillett Holdings,** Nashville	340.0	334.0	—	—	—	—	340.0	334.0	—	—	—	—
50	47	**McClatchy Newspapers,** Sacramento, Calif.	331.7	310.6	318.9	272.4	—	—	—	8.2	—	18.7	12.8	11.4
51	49	**Landmark Communications,** Norfolk, Va.	331.6	290.0	279.0	244.0	—	—	26.8	32.0	25.9	14.0	—	—
52	68	**Reuters Holdings PLC,** London	326.0	192.4	—	—	—	—	—	—	—	—	326.0	192.4
53	48	**Hachette Group,** Paris	321.0	300.0	—	—	321.0	300.0	—	—	—	—	—	—
54	50	**Donrey Media Group,** Fort Smith, Ark.	302.5	278.0	215.2	197.4	—	—	10.8	10.5	24.5	22.8	52.0	47.3
55	54	**International Data Group,** Framingham, Mass.	300.0	250.0	—	—	300.0	250.0	—	—	—	—	—	—
56	63	**Cablevision Systems Corp.,** Woodbury, N.Y	299.5	150.8	—	—	—	—	—	—	299.5	150.8	—	—
57	53	**Cowles Media Co.,** Minneapolis	295.1	256.8	267.1	250.6	28.0	6.2	—	—	—	—	—	—
58	106	**Comcast Corp.,** Bala Cynwyd, Pa.	286.8	104.7	—	—	—	—	—	—	286.8	104.7	—	—
59	59	**Providence Journal Co.,** Providence, R.I.	265.0	208.0	124.0	111.0	—	—	62.0	29.0	79.0	68.0	—	—
60	56	**Journal Communications,** Milwaukee	249.2	228.7	200.9	183.5	—	—	48.3	45.2	—	—	—	—
61	57	**Associated Press,** New York	239.3	224.0	—	—	—	—	—	—	—	—	239.3	224.0
62	67	**Cooke Media Group,** Middleburg, Va.	225.0	193.0	96.0	88.0	—	—	—	—	129.0	105.0	—	—
63	58	**National Geographic Society,** Washington	223.4	219.0	—	—	223.4	219.0	—	—	—	—	—	—
64	66	**United Cable Television Corp.,** Denver	222.7	195.8	—	—	—	—	—	—	222.7	195.8	—	—
65	62	**Chicago Sun-Times Co.,** Chicago	220.0	200.0	220.0	200.0	—	—	—	—	—	—	—	—
66	61	**Lee Enterprises,** Davenport, Iowa	216.9	203.3	145.7	142.7	—	—	62.8	52.8	—	—	8.4	7.8
67	65	**3M,** St. Paul	216.7	197.0	—	—	—	—	—	—	—	—	216.7	197.0
68	64	**Chris-Craft Industries,** New York	216.7	199.8	—	—	—	—	216.7	199.8	—	—	—	—
69	60	**Quad/Graphics,** New York	215.0	205.0	—	—	5.0	5.0	—	—	—	—	210.0	200.0
70	63	**Product Movers,** New York	210.0	200.0	—	—	—	—	—	—	—	—	210.0	200.0
71	69	**Blade Communications,** Toledo, Ohio	209.7	189.0	167.6	149.0	—	—	15.1	14.0	27.0	26.0	—	—
72	77	**Sammons Communications,** Dallas	201.0	164.0	—	—	—	—	—	—	201.0	164.0	—	—
73	NA	**CVN Cos.,** Minneapolis	196.2	—	—	—	—	—	—	—	127.6	84.6	68.6	45.7
74	55	**RKO General,** New York	195.0	239.0	—	—	—	—	195.0	239.0	—	—	—	—
75	72	**Times Publishing Co.,** St. Petersburg, Fla.	194.4	184.0	171.6	163.0	22.8	21.0	—	—	—	—	—	—
76	71	**Howard Publications,** Oceanside, Calif.	192.0	185.0	155.0	152.0	—	—	22.0	20.0	15.0	13.0	—	—
77	70	**Great American Communications,** Cincinnati	190.3	187.8	—	—	—	—	190.3	187.8	—	—	—	—
78	74	**Seattle Times,** Seattle	190.0	175.0	190.0	175.0	—	—	—	—	—	—	—	—
79	73	**Patrick Media Group,** Scranton, Pa.	183.0	182.0	—	—	—	—	—	—	—	—	183.0	182.0
80	78	**Working Woman-McCalls,** New York	177.9	164.0	—	—	177.9	164.0	—	—	—	—	—	—
81	75	**Dispatch Printing Co.,** Columbus, Ohio	173.5	165.5	130.0	123.0	3.5	3.5	40.0	39.0	—	—	—	—
82	82	**Macromedia Inc.,** Hackensack, N.J.	169.3	153.0	142.7	127.0	—	—	25.4	25.0	—	—	1.2	1.0
83	87	**U.S. News & World Report,** Washington	168.1	140.4	—	—	168.1	140.4	—	—	—	—	—	—
84	96	**Forbes Inc.,** New York	166.0	120.0	6.0	—	160.0	120.0	—	—	—	—	—	—
85	86	**Maclean Hunter Ltd.,** Toronto	164.3	142.9	—	—	69.0	60.7	—	—	95.3	82.2	—	—
86	76	**National Enquirer,** Lantana, Fla.	164.0	164.0	—	—	164.0	164.0	—	—	—	—	—	—
87	85	**Petersen Publishing Co.,** Los Angeles	162.4	143.4	—	—	162.4	143.4	—	—	—	—	—	—
88	88	**TeleCable Corp.,** Norfolk, Va.	157.0	137.0	—	—	—	—	—	—	157.0	137.0	—	—
89	81	**LIN Broadcasting,** New York	156.2	153.9	—	—	19.4	16.9	136.8	137.0	—	—	—	—
90	89	**Times Journal Co.,** Springfield, Va.	145.5	136.0	145.5	136.0	—	—	—	—	—	—	—	—
91	94	**Ziff Communications,** New York	145.0	125.0	—	—	145.0	125.0	—	—	—	—	—	—
92	79	**Playboy Enterprises,** Chicago	143.6	162.8	—	—	121.2	143.1	—	—	22.4	19.7	—	—
93	84	**Edgell Communications,** Cleveland	143.5	145.8	—	—	143.5	145.8	—	—	—	—	—	—
94	95	**Rogers Communications,** Toronto	141.2	124.8	—	—	—	—	—	—	141.2	124.8	—	—
95	100	**H&C Communications,** Houston	140.0	114.0	—	—	—	1.0	140.0	113.0	—	—	—	—
96	90	**General Media International,** New York	139.7	135.6	—	—	139.7	135.6	—	—	—	—	—	—
97	93	**Park Communications,** Ithaca, N.Y.	138.8	126.6	76.9	67.7	—	—	61.9	58.9	—	—	—	—
98	92	**Bonneville International Corp.,** Salt Lake City	137.7	131.0	—	—	—	—	137.7	131.0	—	—	—	—
99	91	**Hubbard Broadcasting,** St. Paul, Minn.	135.0	135.0	—	—	—	—	135.0	135.0	—	—	—	—
100	120	**TVX Broadcasting Group,** Virginia Beach, Va.	133.4	23.0	—	—	—	—	133.4	23.0	—	—	—	—

NOTES: Dollars are in millions. Rank given for 1986 based on 1986 figures as reported in 1987. Source: Revenues by media are Advertising Age estimates based on corporate annual reports and sources in media companies.

FSI companies bolster 'other' ad areas

Outdoor and free-standing insert companies among the 100 leaders

Outdoor companies	Outdoor revenues 1987	Outdoor revenues 1986	1987 media revenues	Outdoor % media revenues	Company	Total 30-sheet structures: Structures	'86-'87 % chg
3M	$217	$197	$217	100.0	3M National Advertising	5,474	11.1
Gannett Co.	202	211	2,991	6.8	Gannett Outdoor Advertising	22,757	(2.5)
Patrick Media Group	183	182	183	100.0	Patrick Media Group	41,084	0.2
Morris Communications	113	110	359	31.5	Naegele Outdoor Advertising	16,581	(0.2)
Donrey Media Group	52	47	303	17.2	Donrey Outdoor Advertising	7,568	(0.3)

Free-standing insert companies	Frequency 1987	Frequency 1986	Pages of inserts 1987	Pages of inserts 1986	Avg. pgs./issue 1987	Avg. pgs./issue 1986	No. pprs. on sched. 1988	No. pprs. on sched. 1987
Valassis Inserts	44	33	1,232	1,478	30	23	304	303
Quad/Graphics, Quad/Marketing div.	31	21	727	381	23	18	326	288
Product Movers	29	27	590	438	20-24	16-20	300	285

NOTES: Dollars are in millions. Structure counts do not include 8-sheet or permanent panels. Frequency is number of individual inserts, magazines or booklets produced and generally is equal to the number of Saturdays and Sundays the fsi's are scheduled to run. Sources: Outdoor revenues are AA estimates. Outdoor structures from Traffic Audit Bureau. Fsi information from company sources.

Companies involved in outdoor and "other" media among the 100 Leading Media Companies expanded their operations in 1987 in the process of building their revenue base to $6.9 billion, up 13.6% from the previous year.

"Other" media, which does not include print, broadcast and cable, is a compilation of free standing inserts, news services, data base subscription activity and some direct mail.

Outdoor, one of the larger categories of "other media," experienced nominal growth of 2.7% to $767 million in 1987 among the five 100 Leading Media Companies involved in the medium. These five companies, representing 59% of the $1.3 billion total estimated for all outdoor companies in 1987 according to the Institute of Outdoor Advertising, trailed the overall industry revenue growth rate of 4.1%.

The dollar volume increase among the five leader companies virtually came from the leader, 3M National Advertising, which outdistanced the pack with $217 million in revenues for a 10.1% gain. 3M's panel totals include permanent panels, a segment not audited by the Traffic Audit Bureau. TAB's structure totals are shown in the accompanying chart.

Outdoor expects growth of 6% in 1988 as the industry continues to rebound from reduced liquor and tobacco spending, says the IOA. Interestingly, healthcare advertising has been a growth area.

The success of the FSI business continues to show up in the nation's Sunday papers. Valassis Inserts, a division of Consolidated Press Holdings U.S., led the big three FSI companies—all of whom rank among the 100 Leading Media Companies—with a growth in revenues from FSIs of 23% to $400 million.

Valassis' current 49% share of market ballooned temporarily to 55% in November, 1987, with the acquisition of Newspaper Co-op Couponing, a division of Marketing Corp. of America, Westport, Conn.

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Strong ad growth sustains newspapers

Revenues from newspaper properties of the top 100 Media companies continued to dominate all media segments in size with $23.2 billion, up 11.8% from 1987.

The total came from 47 companies with newspaper properties and represents 35.9% of all media revenues of the top 100, well ahead of broadcast's 24.9% share of the media pie for the 100.

Major acquisitions were generaled by Media News Group, controlled by William Dean Singleton. It paid Times Mirror Corp. $95 million for *The Denver Post* and paid Toronto Sun Publishing Corp. $150 million plus other considerations for *The Houston Post*. Hearst Corp. paid Houston Endowment $415 million for the *Houston Chronicle*.

Newspaper revenue growth at Media News hit $650 million, up 44.4% from the previous year when returns got a full-year infusion from the $110 million buyout in late 1986 of the *Dallas Times Herald* from Times Mirror Corp. Media News this month announced its intent to sell the *Times Herald* to John Buzzetta, one of Mr. Singleton's associates.

Hearst Corp.'s purchase of the *Chronicle* represented its first major newspaper acquisition in years and helped build corporate newspaper revenues to $650 million, up 66.7% from 1986. Hearst also folded the evening *Albany* (N.Y.) *Knickerbocker News* into the morning *Albany Times-Union*, continuing an industrywide trend that also saw Cox Enterprises combine the *Evening Times* in Palm Beach, Fla., with the morning *Palm Beach Daily News* and fold *The Journal Herald* in Dayton, O., into the *Dayton Daily News*.

Ralph Ingersoll of Ingersoll Publications built newspaper revenues to $609 million, a 64.6% increase largely attributed to first-time returns from the Morristown Newspaper Group and the $318 million buyout of Horvitz Newspaper Group consisting of four mid-sized Ohio newspapers and *The Troy* (N.Y.) *Times Record*. Thomson Newspapers $206.3 million buyout of four Clay Communications papers was the only other major purchase made by a top 100 Media company.

The bigger newspaper companies among the 47 seemed more bent on expanding into other media forms than into newspapers. For example, Gannett did not buy a paper in 1987, but it strengthened its broadcast segment with the purchase of two TV stations from Harte-Hanks Communications and began a broadcast version of *USA Today* called "USA Today: The Television Show"; Times Mirror bought four magazines from Diamandis Communications; Affiliated Publications moved into magazines with the purchase of Billboard Publications.

Four of the 47 companies with newspaper properties suffered revenue declines in 1987. Depressed market conditions affected A.H. Belo Corp. in Dallas and Opubco in Oklahoma City. Harte-Hanks' revenues dropped reflecting its sell-off activity, and News Corp. Ltd.'s newspaper revenues declined largely because of the depressed state of the *New York Post*, which News Corp. sold to real estate developer Peter Kalikow earlier this year for $37 million. The *Post* suffered a 25% decline in daily circulation.

But the *Post* is not alone in its slump. Circulation for all newspaper dailies dropped 0.07% from 1986 to 62.65 million. Sunday papers continued their circulation climb to 60.21 million, up 2.2%, according to Newspaper Advertising Bureau. NAB says advertising, which grew 9% in 1987, is expected to maintain that level of growth in 1988.

The fate of the proposed joint operating agreement between Gannett's *The Detroit News* and Knight-Ridder's *Detroit Free Press* remains in the hands of the Justice Department, which promises a ruling soon. ■

Biggest newspaper deals by leading media cos.

Property	Buyer	Seller	Price
Houston Chronicle	Hearst Corp.	Houston Endowment	$415.0
Five Horvitz dailies [1]	Ingersoll Publications	Horvitz Newspaper Group	318.0
Four Clay papers [2]	Thomson Newspapers	Clay Communications	206.3
Houston Post [3]	Media News Group	Toronto Sun Publishing	150.0
Morristown Daily Record	Ingersoll-Goodson interests	Morristown Newspaper Group	125.0-150.0
Dallas Times-Herald (pending)	John Buzzetta	Media News Group	140.0
Denver Post	Media News Group	Times Mirror Corp.	95.0

NOTES: Dollars are in millions

[1] Troy (N.Y.) Times Record, Dover (O.) Times Reporter, Lorain (O.) Journal, Mansfield (O.) News Journal, Willoughby (O.) News Herald.

[2] Thomson subsidiary, Lincoln Publishing Co., purchased Clay's Monroe (N.C.) Enquirer-Journal, Beckley (W.Va.) Register-Herald, Charleston (W.Va.) Daily Mail via its 50% purchase of Charleston Newspapers, and Shelby (N.C.) Star. Purchase price also included Sun Publishing Co., Brandon, Manitoba, and Worthington (Minn.) Daily Globe.

[3] Price includes $100 million in cash, $50 million in notes, $1.25 for every $1 increase in revenue over the next five years.

Source: Advertising Age.

Media companies by estimated newspaper revenues

Company	Newspaper revenues 1987	Newspaper revenues 1986	1987 media revenues	Nwsp. rev. % media revenues	Top newspaper by daily circulation: Newspaper	3/31/88 circ.	'86-'87 % chg.
Gannett Co.	$2,432	$2,165	$2,991	81.3	*USA Today*	1,345,721	2.6
Times Mirror Co.	1,996	1,727	2,549	78.3	*Los Angeles Times*	1,132,920	1.3
Knight-Ridder	1,845	1,688	2,049	90.1	*Detroit Free Press*	647,763	1.3
Advance Publications	1,601	1,470	2,397	66.8	*Newark Star-Ledger*	460,117	(0.2)
Tribune Co.	1,476	1,364	1,886	78.3	*N[illegible] York Daily News*	1,283,302	0.4
New York Times Co.	1,364	1,252	1,690	80.7	*[illegible]ork Times*	[illegible]	[illegible]
Dow Jones & Co.	949	908	1,240	76.5	*[illegible]reet Journal*	2,025,176	(0.1)
Scripps Howard	818	751	1,129	72.5	*R[illegible] Mountain News*	356,891	3.2
Cox Enterprises	711	683	1,464	48.6	(At[illegible]) *Constitution*	272,499	2.9
Hearst Corp.	650	390	1,925	33.8	*Houston Chronicle*	411,761	[illegible]
Media News Group	650	450	650	100.0	*Houston Post*	302,125	(2.4)
Washington Post Co.	648	589	1,240	52.3	*Washington Post*	810,011	1.7
Ingersoll Publications	609	370	609	100.0	*New Haven Register*	103,004	NA
Thomson Newspapers	449	408	449	100.0	(Canton, Ohio) *Repository*	54,613	(3.2)
Capital Cities/ABC	448	412	4,256	10.5	*Kansas City Times*	280,713	2.5
Affiliated Publications	443	389	487	90.9	*Boston Globe*	[illegible]	[illegible]
Central Newspapers	427	407	427	100.0	*Phoenix Republic*	358,627	[illegible]
Copley Newspapers	350	326	353	99.0	*San Diego Union*	263,224	[illegible]
Freedom Newspapers	325	305	392	82.9	*Orange County* (Calif.) *Register*	325,139	3.4
McClatchy Newspapers	319	272	332	96.1	*Sacramento Bee*	[illegible]	[illegible]
Media General	286	264	423	67.6	*Tampa Tribune*	271,288	9.2
Landmark Communications	279	244	332	84.1	*Norfolk Virginian-Pilot*	143,583	0.3
Pulitzer Publishing Co.	270	232	367	73.5	*St. Louis Post Dispatch*	378,135	5.8
Cowles Media Co.	267	251	295	90.5	*Minneapolis Star & Tribune*	406,246	6.1
News Corp. Ltd.	261	298	1,250	20.9	*New York Post*	555,268	(25.0)
Morris Communications	245	[illegible]	[illegible]	[illegible]	*Jacksonville (Fla.) Times-Union*	[illegible]	[illegible]
Chronicle Publishing Co.	221	150	357	61.9	*San Francisco Chronicle*	569,185	[illegible]
Chicago Sun-Times Co.	220	200	220	100.0	*Chicago Sun-Times*	[illegible]	[illegible]
A.H. Belo Corp.	216	222	382	56.6	*Dallas Morning News*	NA	NA
Donrey Media Group	215	197	303	71.1	*Las Vegas Review-Journal*	[illegible]	[illegible]
Journal Communications	201	184	249	80.6	*Milwaukee Journal*	284,120	(1.8)
Seattle Times	190	175	190	100.0	*Seattle Times*	235,705	1.9
Harte-Hanks Communications	174	212	544	32.0	*Corpus Christi Caller*	69,350	13.8
Times Publishing Co.	172	163	194	88.3	*St. Petersburg Times*	339,428	0.9
Blade Communications	168	149	210	79.9	*Pittsburgh Post-Gazette*	168,444	(1.1)
Howard Publications	[illegible]	[illegible]	[illegible]	[illegible]	Hammond (Ind.) *Times*	[illegible]	[illegible]
Lee Enterprises	146	143	217	67.2	*Wisconsin State Journal*	[illegible]	[illegible]
Times Journal Co.	146	136	[illegible]	100.0	Fairfax (Va.) *Journal*	[illegible]	[illegible]
Macromedia Inc.	143	127	169	84.3	Bergen County (N.J.) *Record*	[illegible]	[illegible]
Dispatch Printing [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Multimedia Inc.	128	117	411	31.2	*Greenville* (S.C.) *News*	86,069	(1.1)
Opubco	125	135	466	26.8	(Oklahoma City) *Oklahoman*	237,653	(0.6)
Providence Journal	124	111	265	46.8	(Providence, R.I.) *Bulletin*	104,394	(5.3)
Cooke Media Group	96	88	225	42.7	*Los Angeles Daily News*	174,599	14.1
Triangle Publications	77	72	730	10.5	*Daily Racing Form*	61,491	(3.3)
[illegible]	[illegible]	NA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Magazine buys, specialties prod growth

Heavy acquisitions, vigorous start-up activity and flareups over the demythologizing of the use of the magazine rate card set the pace for stronger than expected growth in magazine revenues for the 35 companies involved in magazine publishing among the 100.

The group, which experienced narrow revenue growth of 6.4% in 1986, built that to 8.6% in 1987, although many of the larger magazine companies with broadly based consumer titles did not do as well.

The 35 stood out within their industry, however. For magazines as a whole, advertising rose to $8.2 billion in 1987, about 4% above the prior year but considerably lower than a projected 7.5% gain.

Magazines remained valued properties, if not on their own right then in the hands of an entrepreneur like Peter Diamandis. He first engineered a management buyout of CBS Magazines for $650 million, and then spun off four publications to Times Mirror Corp., one to Cahners Publications and the rest to Hachette for a total of $953.2 million.

Most of the CBS publications ended up under the direction of Mr. Diamandis at Hachette, the French company whose previous U.S. magazine interest had been the U.S. edition of *Elle*, held in joint venture with News Corp. Ltd.

Robert Edgell led a group in a $334.1 million management buyout of the technical professional publishing division of Harcourt Brace Jovanovich, which welcomed the deal to help offset its $3 billion recapitalization plan adopted to escape a takeover bid by Robert Maxwell, head of British Printing & Communications Corp.

Two magazine groups from last year's 100 Media chart appear this year under different corporate names: Edgell from HBJ and Hachette from CBS. One company, H&C Communications, left publishing by giving away its *Washington Journalism Review* to the College of Journalism at the University of Maryland.

In the more specialized area where growth was concentrated, both McGraw-Hill and Forbes Inc. showed revenue gains from magazines of 18.6% and 33.3%, respectively. Such growth was traced largely to their mass-circulated business magazines, *Business Week* and *Forbes*. *BW* recorded a phenomenal ad increase of 30.5% to $217.5 million on a 21% growth in ad pages, and *Forbes'* advertising grew 12.8% to $128.6 million on ad page growth of 6.1%, according to Publishers Information Bureau.

Their competitor, Time Inc.-owned *Fortune*, showed similar improvement, its advertising up 10.9% to $122 million on a 3.8% page growth, notes PIB, which also indicates the magazines continued to perform well in the first quarter of 1988, particularly *Fortune*, whose ad revenues ballooned 30.3%.

Time Inc., whose magazine revenues almost double those of its nearest competitor, Hearst Corp., could not carry off the *Fortune* success throughout its other properties as total revenues rose only 2.9% to $1.6 billion. *Time* did not increase its ad rates in 1988, the first year it has not since 1963.

Although *Time* didn't boost its rates, it was factored into Time Inc.'s special Max Plan—launched earlier in the year—which gaves discounts to advertisers that increase Time Inc.'s share (eight magazines) of their advertising budget.

Advance's Conde Nast Publications also offered a group magazine rate package for *Bride's*, *Glamour*, *Mademoiselle*, *Self* and *Vogue*, while Working Women-McCall's Group turned the industry on its ear by eliminating the rate card, which McCall's Publisher Dale Lang said merely formalized a practice followed by many of his competitors.

Specialized publications were the backbone of Cahners Publishing Co.'s 27.3% growth to $340 million in magazine revenues in 1987. The company continued to build on that sector with the acquisition this April of Today Communications, but it also entered the mass market through its purchase of *Modern Bride* and *Variety*, both in late 1987.

General Media International's purchase of *Saturday Review* may be the oddest fit among the magazine companies. General Media, the new name for Penthouse International, plans to relaunch *Saturday Review* this fall.

The outlook for magazines this year remains strong for most magazine categories. Results from the first quarter bear this out. Magazines monitored by PIB gained 11.4% in ad revenues on a 4% increase in ad pages. The general election and the Summer Olympics are expected to help sustain this growth throughout 1988.

Part of that growth no doubt will come from start-ups. Some 250 new start-ups a year have been recorded since 1984, according to Magazine Publishers of America, bringing 1987's total to 11,593. The flip slide of the issue, however, is that 90% of start-ups fail. ■

Biggest magazine deals by leading media cos.

Property	Buyer	Seller	Price
Diamandis Communications	Hachette Group	Diamandis Communications	$722.0
CBS Magazines [1]	Diamandis Communications	CBS Inc.	650.0
HBJ Publications (110 trade mags)	Edgell Communications	Harcourt Brace Jovanovich	334.1
4 former CBS magazines [2]	Times Mirror Corp.	Diamandis Communications	167.5
Billboard Publications Inc. [3]	Affiliated Publications	BPi	95.0
A/C Flyer [4]	McGraw-Hill	News America (News Corp. Ltd.)	82.0
Modern Bride	Cahners Publishing	Diamandis Communications	63.7
Variety	Cahners Publishing	Silverman family	50.0-60.0
Family Handyman	Reader's Digest	Maxwell Communications	30.0
Hanson Publishing Co. [5]	Cowles Media	Hanson Publishing Co.	25.0
50 Plus	Reader's Digest	Whitney Communications	15.0
Discover	Family Media Inc.	Time Inc.	15.0

NOTES: Dollars are in millions.

[1] CBS Magazines sold to Diamandis Communications: American Photographer, Audio, Backpacker, Car & Driver, Field & Stream, Flying, Home Mechanix, Modern Bride, Road & Track, Skiing, Stereo Review, Woman's Day, Yachting.

[2] Diamandis sold to Times Mirror Corp. Field & Stream, Skiing, Yachting, Home Mechanix.

[3] BPI publications purchased: Billboard, Amusement Business, Interiors, Photo Business, Back Stage, Music & Media Magazine, Musician, American Artist, Plants, Sites & Parks, Photo Design.

[4] Business & Commercial Aviation also was purchased. Dollar figure also includes 1 directory, 5 newsletters and two on-line services.

[5] Includes Folio, Catalog Age, Inside Print.

Media companies by estimated magazine revenues

Company	Magazine revenues 1987	1986	1987 media revenues	Mag. rev. % media revenues	Top magazines by gross ad revenues: Magazine	Ad revs.	'87-'86 % chg
Time Inc.	$1,621	$1,576	$3,239	50.0	*Time*	$329	(4.6)
Hearst Corp.	873	780	1,925	45.4	*Good Housekeeping*	132	(8.6)
Triangle Publications	653	648	730	89.5	*TV Guide*	331	4.1
Advance Publications	593	544	2,397	24.7	*Vogue*	80	6.6
Reader's Digest	522	486	522	100.0	*Reader's Digest*	107	(2.0)
McGraw-Hill	377	318	1,187	31.8	*Business Week*	217	30.5
Capital Cities/ABC	375	375	4,256	8.8	*W*	28	13.3
Cahners Publishing Co.	340	267	340	100.0	*Restaurants & Institutions*	40	5.3
News Corp. Ltd.	333	292	1,250	26.6	*New York*	43	5.0
Meredith Corp.	329	306	449	73.3	*Better Homes & Gardens*	142	9.5
Washington Post Co.	322	321	1,240	26.0	*Newsweek*	239	0.4
Hachette Group	321	300	321	100.0	*Woman's Day*	115	(6.5)
International Data Group	300	250	300	100.0	*Computerworld*	52	3.5
New York Times Co.	226	219	1,690	13.4	*Family Circle*	124	(12.5)
National Geographic Society	223	219	223	100.0	*National Geographic*	29	(7.9)
Times Mirror Co.	203	[illegible]	[illegible]	[illegible]	*Popular Science*	21	3.6
Working Woman-McCall's	178	164	178	100.0	*McCall's*	88	1.0
U.S. News & World Report	168	160	168	100.0	*U.S. News & World Report*	106	5.0
National Enquirer	164	164	164	100.0	*National Enquirer*	NA	NA
Petersen Publishing Co.	162	149	162	100.0	*Motor Trend*	25	11.9
Forbes Inc.	160	120	166	96.4	*Forbes*	129	12.8
Ziff Communications	145	125	145	100.0	*PC*	69	60.8
Edgell Communications	144	146	144	100.0	*Hotel & Motel Management*	8	46.9
General Media International	140	136	140	100.0	*Penthouse*	19	(7.2)
Playboy Enterprises	121	143	144	84.4	*Playboy*	38	(22.7)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Affiliated Publications	44	NA	[illegible]	[illegible]	*Billboard*	NA	NA
Dow Jones & Co.	[illegible]	35	[illegible]	[illegible]	*Barron's*	33	16.2
Warner Communications	[illegible]	35	[illegible]	[illegible]	*DC Comics*	NA	NA
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	*Folio*	[illegible]	[illegible]
Times Publishing Co.	23	21	194	11.7	*Florida Trend*	4	0.0
LIN Broadcasting	19	17	156	12.4	*GuestInforment*	19	14.3
Media General	16	16	423	3.8	*Consultant*	NA	NA
Quad/Graphics	5	5	215	2.3	*Milwaukee Magazine*	1	0.5
Dispatch Printing Co.	4	4	174	2.0	*Ohio Magazine*	NA	NA

NOTES: Dollars are in millions. Sources: Magazine revenues are Advertising Age estimates. Gross ad revenues are from Publishers' Information Bureau or company sources, except *Folio*, from MMS-Rome Reports.

Ten hottest U.S. media markets

By gross media revenues per household in 1987

Rank	Market	Revenues per household	Total gross media revenues	Households	Gross revenues per household by media: Newspaper	Magazine	TV	Radio	Outdoor
1	**Miami**	$597.93	$734	1,227,400	$259.90	$52.91	$206.62	$78.21	$0.29
2	**San Diego**	585.32	483	825,700	225.26	77.75	190.14	81.02	11.14
3	**Dallas-Ft. Worth**	578.92	960	1,658,700	237.54	64.45	198.35	70.24	8.35
4	**Washington**	559.54	916	1,637,500	225.34	87.04	167.94	76.95	2.27
5	**Los Angeles**	556.89	2,661	4,777,600	195.70	72.89	214.97	61.45	11.87
6	**Houston**	544.86	810	1,486,900	228.66	59.53	176.21	67.46	13.00
7	**San Francisco**	541.89	1,196	2,207,800	174.38	85.52	196.15	67.22	18.61
8	**Atlanta**	540.91	714	1,320,200	199.21	64.01	183.91	74.91	18.86
9	**Denver**	527.53	522	989,800	212.16	74.78	172.76	59.71	8.11
10	**Boston**	526.44	1,093	2,076,800	208.49	83.70	183.63	50.22	0.39

NOTES: Total gross revenue dollars per market are in millions. All other figures except total households are estimated total media gross revenue dollars per TV household in each market.
Sources: Gross revenues per household by market and media are Advertising Age estimates. Total TV households supplied by A.C. Nielsen Co. Total gross revenue estimates by market for newspaper, radio and some TV were supplied by Jim Duncan Jr., Duncan's Radio Market Guide, 1988 edition. Total gross revenue estimates by market for magazine and outdoor were supplied by Leading National Advertisers from Publishers' Information [illegible], Institute of Outdoor Advertisers and Outdoor Advertising Association of America. Some TV revenue estimates were also supplied by National Association of Broadcasters.

Sun Belt soars in revenue per household

By Norma Green

While scorching, rainless weather is drying up parts of the country, there appears to be no drought in total gross ad revenues per household in the 10 hottest U.S. media markets.

Miami, the growing international trade and financial center, muscled its way to the top on the strength of its newspaper, TV and radio revenues per household.

Miami, which ranks No. 1 in newspaper revenues per household and No. 2 in both TV and radio revenues, scored a revenue-per-household total of $597.93 to top the No. 2 hottest market, San Diego, at $585.32.

Source of Miami's media strength is its newspapers—Knight-Ridder with *The Miami Herald*, which boasts the largest circulation of any daily newspaper in the Southeast with 437,200 copies, *The Miami News* and the Spanish-language *Diario Las Americas*, along with the Tribune Co.-owned *Fort Lauderdale News* and *Sun-Sentinel*. These papers accounted for 43.5% of Miami's household revenue total by generating $259.90 in ad revenues per household.

In TV, which followed newspapers as the leading source of media income in the hottest markets, Miami was in the No. 2 slot with its ABC affiliate, WPLG, garnering a 22% share, the largest of any local stations rated during Nielsen's February sweeps.

Indicative of the hot TV market was General Electric's $270 million purchase in 1987 of WTVJ-TV.

Los Angeles was the top market in TV with $214.97 revenues per household with its KABC ranking at the top, also with a 22% share.

In radio, Miami was second only to San Diego in revenues per household. Of 19 viable stations identified by "Duncan's Radio Guide," only one San Diego station—KFMB—ranked in the listing of $10 million-plus billings. Ironically, Chicago's WGN, the top billing U.S. radio station with an estimated $31 million, was not a factor in the placement of the top ten because Chicago is ranked the 12th hottest media market overall.

Magazine revenues offered another twist as New York led the pack with $100.51 revenues per household but did not rank in the overall top 10 hottest markets. It was No. 20.

The Dallas-Fort Worth market demonstrates the advertising power of a competitive newspaper market. Dallas-Fort Worth's $578.92 revenues per household media total drew 41% or $237.54 from newspapers, the second highest newspaper figure among the top ten.

Denver rated in the lower half of the top ten media markets with sixth place in newspapers, seventh place in magazines and tenth in TV revenues. Denver was the only one of the top ten whose local TV advertising, total time sales and net revenues declined last year.

The most northern city in the hot media market lineup, Boston, ranked fourth in magazine revenues, as well as seventh in both newspaper and TV.

In absolute terms, the nation's largest ad market according to this report is New York with total expenditures of $3.01 billion in 1987. Los Angeles trails New York with $2.66 billion, then comes Chicago, $1.54 billion, San Francisco, $1.20 billion, and Boston, $1.09 billion.

The hottest media markets were determined by totaling local market ad spending for newspapers, magazines, TV, radio and outdoor for the nation's 50 largest Designated Market Areas as defined by A.C. Nielsen Co., and dividing the total by TV households in the respective DMA.

The local ad numbers show discretionary spending by advertisers, but in this study are not an attempt to reflect total dollars advertisers credit to various markets because the total also would include so-called uncontrolled allocations based on money a national advertiser would "attribute" to Miami for the exposure it got from buys made on network TV, network radio, national full-run magazine buys and USA Today. *Most advertisers also believe local spending monitored by national ad tracking services is under-reported.*

The top 50 DMAs, for example, represent about 50% of total local advertising spending in the U.S., according to this report, however, that percentage probably would rise to 60%-65% if national ad totals were added into these markets.

The 10 hottest should be viewed in relative terms—how they measure up against each other.

Ten hottest magazine markets

Rank	Market	Gross magazine revenues/ h'hold	Total gross magazine revenues
1	**New York City**	$100.51	$701
2	**Washington**	87.04	143
3	**San Francisco**	85.52	189
4	**Boston**	83.70	174
5	**San Diego**	77.75	64
6	**Hartford-New Haven**	76.64	68
7	**Denver**	74.78	74
8	**Los Angeles**	72.89	348
9	**Seattle-Tacoma**	72.05	89
10	**Sacramento-Stockton**	70.87	68

NOTES: Total gross magazine revenue dollars are in millions.
Sources: Gross magazine revenues per household are AA estimates. Gross magazine revenues per market were supplied by Leading National Advertisers from Publishers' Information Bureau.

Ten hottest newspaper markets

Rank	Market	Gross newspaper revenues/ h'hold	Total gross newspaper revenues
1	**Miami**	$259.90	$319
2	**Dallas-Ft. Worth**	237.54	394
3	**Houston**	228.66	340
4	**Washington**	225.34	369
5	**San Diego**	225.26	186
6	**Denver**	212.16	210
7	**Boston**	208.49	433
8	**Atlanta**	199.21	263
9	**Los Angeles**	195.70	935
10	**Baltimore**	193.97	176

NOTES: Total gross newspaper revenue dollars are in millions.
Sources: Gross newspaper revenues per household are AA estimates. Gross newspaper revenues per market were supplied by Jim Duncan Jr., Duncan's Radio Market Guide, 1988 edition.

Ten hottest TV markets

Rank	Market	Gross TV revenues/ h'hold	Total gross TV revenues
1	**Los Angeles**	$214.97	$1,027
2	**Miami**	206.62	254
3	**Dallas-Ft. Worth**	198.35	329
4	**San Francisco**	196.15	433
5	**San Diego**	190.14	157
6	**Atlanta**	183.91	243
7	**Boston**	183.63	381
8	**Houston**	176.21	262
9	**Phoenix**	175.19	160
10	**Denver**	172.76	171

NOTES: Total gross TV revenue dollars are in millions.
Sources: Gross TV revenues per household are AA estimates. Gross TV revenues per market supplied by Jim Duncan Jr., Duncan's Radio Market Guide, 1988 edition and National Association of Broadcasters.

Ten hottest radio markets

Rank	Market	Gross radio revenues/ h'hold	Total gross radio revenues
1	**San Diego**	$81.02	$67
2	**Miami**	78.21	96
3	**Washington**	76.95	126
4	**Atlanta**	74.91	99
5	**Phoenix**	71.72	66
6	**Dallas-Ft. Worth**	70.24	117
7	**Houston**	67.46	100
8	**San Francisco**	67.22	148
9	**San Antonio**	66.80	37
10	**Baltimore**	65.21	59

NOTES: Total gross radio revenue dollars are in millions.
Sources: Gross radio revenues per household are AA estimates. Gross radio revenues per market were supplied by Jim Duncan Jr., Duncan's Radio Market Guide, 1988 edition.

Media holdings of 100 leaders

NEWSPAPER PROPERTIES

Company	Headquarters	Media holdings
Advance Publications	Newhouse Newspapers Newark, N.J. Star-Ledger Star-Ledger Plaza Newark, N.J. 07101 (201) 877-4141	ALABAMA: *Birmingham News & Post-Herald, Huntsville Times, Huntsville News, Mobile Press, Mobile Register*. LOUISIANA: *New Orleans Times-Picayune/States-Item*. MASSACHUSETTS: *Springfield Republican, Springfield Union News*. MICHIGAN: Booth Newspapers, including *Ann Arbor News, Bay City Times, Flint Journal, Grand Rapids Press, Jackson Citizen Patriot, Kalamazoo Gazette, Muskegon Chronicle, Saginaw News*. MISSISSIPPI: *Pascagoula Press & Chronicle*. NEW JERSEY: *Jersey Journal, Newark Star-Ledger, Trenton Times*. NEW YORK: *Staten Island Advance, Syracuse Herald-Journal, Syracuse Post-Standard*. OHIO: *Cleveland Plain Dealer*. OREGON: *Portland Oregonian*. PENNSYLVANIA: *Harrisburg Patriot-News*.
Affiliated Publications	135 Morrissey Blvd. Boston, Mass. 02107-2378 (617) 929-3300	*Boston Globe*.
A.H. Belo Corp.	Communications Center Dallas, Texas 75265 (214) 977-6730	*Dallas Morning News*; Dallas-Fort Worth Suburban Newspapers—*Arlington Daily News, Garland Daily News, Grand Prairie Daily News, Irving Daily News, Mid-Cities Daily News, Richardson Daily News*. **Non-dailies:** Dallas-Fort Worth Suburban Newspapers-*Metrocrest News*.
Blade Communications	541 Superior Street Toledo, Ohio 43660 (419) 245-6000	CALIFORNIA: *Monterey Peninsula Herald*. OHIO: *Toledo Blade*. PENNSYLVANIA: *Pittsburgh Post-Gazette*.
Capital Cities/ABC	24 E. 51st Street New York, N.Y. 10022 (212) 421-9595	ILLINOIS: *Belleville News-Democrat*. MICHIGAN: *Oakland Press*. MISSOURI: *Kansas City Times, Kansas City Star*. OREGON: *Albany Democrat-Herald, Daily Tidings* (Ashland). PENNSYLVANIA: *Times Leader* (Wilkes-Barre). TEXAS: *Fort Worth Star-Telegram*. **Non-dailies:** CALIFORNIA: Sutton Industries: pennysavers in Orange, Riverside and San Diego counties, Sacramento and Stockton. CONNECTICUT: Shore Line Newspapers, Guilford. ILLINOIS: *Highland News-Leader*. KANSAS/MISSOURI: *Pennypower Shopping News* (Wichita and Topeka, Kan., and Springfield, Mo.). OREGON: *Gresham Outlook, Newport News-Times, Nickel Ads* (Portland), *Springfield News, Cottage Grove Sentinel, Sandy Post, Lebanon Express*. TEXAS: *Arlington Citizen-Journal*. WASHINGTON: *Little Nickel Want Ads* (Seattle-Tacoma), *Nickel Nik* (Spokane).
Central Newspapers	307 North Pennsylvania St. Indianapolis, Ind. 46204 (317) 633-9027	ARIZONA: *Arizona Republic, Phoenix Gazette*. INDIANA: *Indianapolis News, Indianapolis Star, Muncie Press, Muncie Star, Vincennes Sun-Commercial*. **Non-dailies:** ARIZONA: *Arizona Business Gazette*.
Chicago Sun-Times	401 N. Wabash Ave. Chicago, Ill. 60611 (312) 321-3000	ILLINOIS: *Chicago Sun-Times*. **Non-dailies:** ILLINOIS: Star Newspapers-Williams Press (Chicago Heights): *Chicago Heights Star, Crete University Park Star, Frankfort-Mokena Star, Harvey-Markham Star, Hazel Crest-Country Club Hills Star, Homewood-Flossmoor Star, Matteson-Richton Park Star, Oak Forest Star, Orland Park Star, Park Forest Star, South Holland Dolton-Riverdale-Thornton Star, Tinley Park Star, Homer Township Star, Lansing-Lynwood Star, Calumet City-Burnham Star*.
Chronicle Publishing Co.	Fifth & Mission Streets San Francisco, Calif. 94119 (415) 441-4444	CALIFORNIA: *San Francisco Chronicle, San Francisco Sunday Examiner & Chronicle* (owned jointly with the Hearst Corp.). ILLINOIS: *Bloomington Daily Pantagraph*. MASSACHUSETTS: *Worcester Telegram & Gazette, Marlboro Enterprise, Clinton Daily Item, Hudson Daily Sun*.
Cooke Media Group	Kent Farms Middleburg, Va. 22117 (703) 687-4000	CALIFORNIA: *Los Angeles Daily News*.
Copley Newspapers	7776 Ivanhoe Ave. La Jolla, Calif. 92037 (619) 454-0411	CALIFORNIA: *San Diego Tribune, San Diego Union, San Pedro News-Pilot, Daily Breeze* (Torrance), *Santa Monica Outlook*. ILLINOIS: *Aurora Beacon-News, Elgin Courier-News, Joliet Herald-News, Lincoln Courier, Springfield State Journal Register, Waukegan News-Sun, Wheaton Daily Journal*. **Non-dailies:** CALIFORNIA: *Borrego Sun*. Also, 23 nonpaid circulation weeklies and shoppers associated with dailies.
Cowles Media Co.	329 Portland Ave. Minneapolis, Minn. 55415 (612) 375-7000	MINNESOTA: *Minneapolis Star & Tribune*. MONTANA: *Great Falls Tribune*. SOUTH DAKOTA: *Rapid City Journal*. IDAHO: *South Idaho Press*. ARIZONA: *Scottsdale Progress*. **Non-dailies:** COLORADO: Sentinel newspapers in Arapahoe, Arvada, Aurora, Commerce City, Englewood, Lakewood, Littleton, North Glen-Thornton, South Jefferson, Westminster, Wheat Ridge. IDAHO: *Minidoka News, Reminder Shopper*.
Cox Enterprises	1400 Lake Hearn Drive Atlanta, Ga. 30319 (404) 843-5000	ARIZONA: *Chandler Arizonan, Mesa Tribune, Tempe Daily News, Yuma Sun & Sentinel*. COLORADO: *Daily Sentinel* (Grand Junction). FLORIDA: *Miami News, Palm Beach Daily News, Palm Beach Post*. GEORGIA: *Atlanta Constitution, Atlanta Journal*. OHIO: *Dayton Daily News, Springfield News-Sun*. TEXAS: *Austin American-Statesman, Longview Daily News, Longview Morning Journal, Lufkin Daily News, Orange Leader, Port Arthur News, Waco Tribune Herald*. **Non-dailies:** ARIZONA: *Arizona Pennysaver* (Mesa), *Valley Foothills News* (Yuma). COLORADO: *Shopping News*. FLORIDA: *Florida Pennysaver* (West Palm Beach). OHIO: *DownTowner* (Dayton), *Town & Country Times, Tri-County Shopper News* (Springfield). TEXAS: *Community Post, Opportunity Valley News* (Port Arthur).
Dispatch Printing Co.	University Club 40 S. 3rd Street Columbus, Ohio 43216 (614) 461-5000	OHIO: *Columbus Dispatch*.
Donrey Media Group	920 Rogers Ave. Fort Smith, Ark. 72901 (501) 785-7810	ARKANSAS: *Daily Siftings Herald* (Arkadelphia), *Northwest Arkansas Morning News* (Rogers), *Pine Bluff Commercial, Southwest Times Record* (Fort Smith), *Springdale News, Southern Standard*. CALIFORNIA: *Chico Enterprise-Record, Daily News* (Red Bluff), *Hemet News, Lompoc Record, Ontario Daily Report, Progress Bulletin* (Pomona), *Redlands Daily Facts, Ukiah Daily Journal, Vallejo Times-Herald, Daily Democrat* (Woodland). HAWAII: *Hawaii Tribune-Herald* (Hilo), *West Hawaii Today* (Kailua-Kona). INDIANA: *Washington Times-Herald*. IOWA: *Clinton Herald, Oskaloosa Herald*. KENTUCKY: *Glasgow Daily Times*. MISSISSIPPI: *Picayune Item*. MISSOURI: *Moberly Monitor-Index*. NEVADA: *Nevada Appeal* (Carson City), *Ely Daily Times, Las Vegas Review-Journal*. NEW MEXICO: *Alamogordo Daily News*. NORTH DAKOTA: *Minot Daily News*. OKLAHOMA: *Altus Times, Bartlesville Examiner-Enterprise, Blackwell Journal-Tribune, Chickasha Daily Express, Claremore Daily Progress, Durant Daily Democrat, Daily Leader* (Frederick), *Guthrie Daily Leader, Guymon Daily Herald, Henryetta Daily Free-Lance, Holdenville Daily News, Norman Transcript, Okmulgee Daily Times, Pauls Valley Daily Democrat, Pawhuska Daily Journal-Capital, Wewoka Daily Times*. TENNESSEE: *Daily Herald* (Columbia). TEXAS: *Athens Daily Review, Borger News-Herald, Cleburne Times Review, Denison Herald, Gainesville Daily Register, Jacksonville Daily Progress, Kilgore News Herald, Sherman Democrat, Sweetwater Reporter, Weatherford Democrat*. WASHINGTON: *Daily World* (Aberdeen), *Valley Daily News* (Auburn, Kent, Renton). **Non-dailies:** ARKANSAS: *Advertiser* (Arkdaphia), *Booneville Democrat, Southwest American, Market Place* (Fort Smith), *Preview* (Springdale). CALIFORNIA: *Mid-Valley News, Off the Record* (Chico), *Moreno Valley Butterfield Express; Riverside Valley News Advertiser, San Jacinto Valley Register* (Hemet), *Fort Bragg Advocate-News, Coast Plus Edition, Mendocino Beacon* (Fort Bragg), *Mission Valley review* (Lompoc), *Montclair Tribune, Rancho Cucamonga Times, Upland News* (Ontario), *Bulletin, La Verne Leader, San Dimas Prce* (Pomona), *Times-Sentinel* (Red Bluff), *Community Spotlight* (Redlands), *Buyer's Guide* (Ukiah), *Bargain Hunter* (Vallejo), *Weekly Democrat* (Woodland). ILLINOIS: *Northwestern Illinois Dispatch* (Savanna), *Savanna Times Journal*. IOWA: *Clinton Herald, Oskaloosa Herald*. KENTUCKY: *Glasgow Republican*. MISSISSIPPI: *Shopper* (Picayune), *Poplarville Democrat*. MISSOURI: *Randolph County Times Herald, Regional Super Saver* (Moberly). NEVADA: *Chronicle* (Carson City), *Family Fare* (Las Vegas). NEW MEXICO: *Lincoln County Weekly News, Otero County Weekly News* (Alamorgordo). NORTH DAKOTA: *Review* (Minot). OKLAHOMA: *Farm & Ranch Report, Southwest Shopper* (Altus), *Dewey Herald-Record, Living/Morning American* (Bartlesville), *Times-Record* (Blackwell), *Port of Catoosa Times-Herald, Will Rogers Country News* (Claremore), *Weekly News* (Durant), *Tipton Leader* (Frederick), *Market Place* (Guthrie), *Guymon, Super Paper* (Henryetta), *Spotlight* (Norman), *Mainstream Edition* (Okmulgee), *Merchant's Choice* (Pauls Valley), *Osage Journal-News* (Pawhuska). TENNESSEE: *Mt. Pleasant Record, Value Guide, Spring Hill Morning Sun* (Columbia). TEXAS: *Advertiser, Athens Weekly Review, Cedar Creek Pilot, Malakoff News* (Athens), *High Plains Sampler, Stinnett Hutchinson County Herald* (Borger), *Johnson County News* (Cleburne), *Shopping News* (Gainesville), *Cherokee County Banner, Shopping Guide* (Jacksonville), *Nolan County News* (Sweetwater), *Parker County News* (Weatherford). WASHINGTON: *East County News* (Aberdeen), *Wednesday Only* (Auburn, Kent, Renton).
Dow Jones & Co.	World Financial Center 200 Liberty St. New York, N.Y. 10281 (212) 416-2000	*Asian Wall Street Journal, Wall Street Journal, Wall Street Journal/Europe*. Ottaway Newspaper Group-ARIZONA: *News-Sun* (Sun City). CALIFORNIA: *Santa Cruz Sentinel*. CONNECTICUT: *Danbury News-Times*. KENTUCKY: *Ashland Daily Independent*. MASSACHUSETTS: *Beverly Times, Peabody Times, Cape Cod Times, Gloucester Daily Times, New Bedford Standard-Times, Newburyport Daily News*. MICHIGAN: *Traverse City Record-Eagle*. MINNESOTA: *Mankato Free Press, Owatonna People's Press*. MISSOURI: *Joplin Globe*. NEW YORK: *Middletown Times Herald-Record, Oneonta Daily Star, Plattsburgh Press Republican, Tri-State Gazette*. NORTH CAROLINA: *Chapel Hill Newspaper*. OREGON: *Medford Mail Tribune*. PENNSYLVANIA: *Pocono Record, Sharon Herald, Sunbury Daily Item*.
Forbes Inc.	60 Fifth Ave. New York, N.Y. 10011 (212) 620-2478	NEW JERSEY: *Bound Brook Chronicle, Greenbrook/North Plainfield Journal, Metuchen-Edison Review, Middlesex Chronicle, Middlesex County Shopper, Piscataway-Dunellen Review, Somerset Messenger-Gazette, South Plainfield Reporter*.
Freedom Newspapers	17666 Fitch, P.O. Box 19549 Irvine, Calif. 92714 (714) 553-9292	CALIFORNIA: *Anaheim Bulletin, La Habra-Brea Daily Star- Progress, Marysville Appeal-Democrat, Porterville Recorder, Orange County Register* (Santa Ana), *Turlock Daily Journal, Victorville Daily Press*. COLORADO: *Colorado Springs Gazette-Telegraph*. FLORIDA: *Playground Daily News* (Fort Walton Beach); *Fort Pierce News Tribune, Panama City News-Herald*. INDIANA: *Crawfordsville Journal Review, Seymour Daily Tribune*. MISSISSIPPI: *Greenville Delta-Democrat Times*. NEBRASKA: *Columbus Telegram*. NEW MEXICO: *Clovis News Journal*. NORTH CAROLINA: *Burlington Times-News, Gastonia Gazette, Jacksonville Daily News, Kinston Daily Free Press, New Bern Sun-Journal*. OHIO: *Bucyrus Telegraph-Forum, Lima News*. SOUTH DAKOTA: *Huron Daily Plainsman*. TEXAS: *Brownsville Herald, Harlingen Valley Morning Star, McAllen Monitor, Odessa American, Pampa Daily News*. **Non-dailies:** ALABAMA: *Dothan Progress*. Three weeklies-Dothan. COLORADO: Community Press Newspapers-28 shoppers.
Gannett Co.	1100 Wilson Blvd. Arlington, Va. 22209 (703) 284-6000	*USA Weekend, USA Today*. ARIZONA: *Tucson Citizen*. ARKANSAS: *Arkansas Gazette*. CALIFORNIA: *Indio Daily News, Marin Independent Journal, Palm Springs Desert Sun, Salinas Californian, San Bernardino County Sun, Stockton Record, Visalia Times-Delta*. COLORADO: *Fort Collins Coloradoan*. CONNECTICUT: *Norwich Bulletin*. DELAWARE: *Wilmington Morning News, Evening Journal*. FLORIDA: *Florida Today, Fort Myers News-Press, Pensacola News Journal*. GEORGIA: Gainesville Times. GUAM: *Pacific Daily News* (Agana). HAWAII: *Honolulu Star-Bulletin, Sunday Star-Bulletin & Advertiser*. IDAHO: *Boise Idaho Statesman*. ILLINOIS: *Danville Commercial-News, Rockford Register Star*. IOWA: *Des Moines Register, Iowa City Press-Citizen*. KANSAS: *Coffeyville Journal*. KENTUCKY: *Louisville Courier-Journal*. LOUISIANA: *Monroe News-Star-World, Shreveport Times*. MICHIGAN: *Battle Creek Enquirer, Detroit News, Lansing State Journal, Port Huron Times Herald, Sturgis Journal*. MINNESOTA: *St. Cloud Daily Times*. MISSISSIPPI: *Hattiesburg American, Jackson Clarion-Ledger, Jackson Daily News*. MISSOURI: *Springfield News-Leader*. NEBRASKA: *Fremont Tribune*. NEVADA: *Reno Gazette-Journal*. NEW JERSEY: *Bridgewater Courier-News, Camden Courier-Post, Millville Daily, Vineland Times Journal*. NEW MEXICO: *Santa Fe New Mexican*. NEW YORK: *Binghamton Press & Sun Bulletin; Elmira Star-Gazette, Ithaca Journal, El Diario-La Prensa, Niagara Gazette, Poughkeepsie Journal, Rochester Democrat and Chronicle, Rochester Times-Union, Saratoga Springs Saratogian, Utica Observer-Dispatch*. Westchester Rockland Newspapers-*Mamaroneck Daily Times, Mount Vernon Daily Argus, New Rochelle Standard-Star, Ossining Citizen Register, Peekskill Star, Port Chester Daily Item, Tarrytown Daily News, West Nyack-Rockland Journal-News, White Plains Reporter Dispatch, Yonkers Herald Statesman*. OHIO: *Chillicothe Gazette, Cincinnati Enquirer, Fremont News-Messenger, Marietta Times, Port Clinton News Herald*. OKLAHOMA: *Muskogee Daily Phoenix and Times-Democrat*. OREGON: *Salem Statesman-Journal*. PENNSYLVANIA: *Chambersburg Public Opinion, Lansdale Reporter, Tarentum Valley News Dispatch*. SOUTH DAKOTA: *Sioux Falls Argus Leader*. TENNESSEE: *Jackson Sun, Nashville Tennessean*. TEXAS: *El Paso Times*. VERMONT: *Burlington Free Press*. VIRGIN ISLANDS: *St. Thomas Virgin Islands Daily News*. WASHINGTON: *Bellingham Herald, Olympia Olympian*. WEST VIRGINIA: Huntington Herald-Dispatch. WISCONSIN: *Green Bay Press-Gazette, Wausau Daily Herald*. **Non-dailies:** 39 weekly or semi-weekly publications in Connecticut, Florida, Georgia, Iowa, Mississippi, New Jersey, New York, Pennsylvania and Virginia.
Harte-Hanks Communications	Harte-Hanks Tower 7710 Jones Maltsberger San Antonio, Texas 78216 (512) 829-9000	MASSACHUSETTS: *Daily Transcript* (Dedham), *Middlesex News* (Framingham), *News-Tribune* (Waltham). SOUTH CAROLINA: *Anderson Independent-Mail*. TEXAS: *Abilene Reporter-News, Corpus Christi Caller-Times, Lewisville Daily Leader, Plano Star-Courier, San Angelo Standard-Times, Wichita Falls Times-Record News*. **Non-dailies:** MASSACHUSETTS: *Arlington Advocate, Belmont Citizen-Herald, Needham Chronicle, Newton Graphic, Parkway Transcript* (Roslindale), *Sudbury Town Crier, Watertown Sun, Wayland-Weston Town Crier, Wellesley Townsman, West Roxbury Transcript, Winchester Star*. TEXAS: *Allen American, Carrollton Chronicle, Colony Leader, Coppell Gazette, Farmers Branch Times, Harte-Hanks Graphics* (San Antonio), *Mesquite News, Trademark Press* (Corpus Christi), *Nortex Press* (Wichita Falls).
Hearst Corp.	959 Eighth Ave. New York, N.Y. 10019 (212) 262-5700	CALIFORNIA: *Los Angeles Herald Examiner, San Francisco Examiner*. FLORIDA: *Clearwater Sun*. ILLINOIS: *Edwardsville Intelligencer*. MICHIGAN: *Huron Daily Tribune, Midland Daily News*. NEW YORK: *Albany Times-Union*. TEXAS: *Beaumont Enterprise*, Houston Chronicle, *Laredo Times, Midland Reporter-Telegram, Plainview Daily Herald, San Antonio Light*. WASHINGTON: *Seattle Post-Intelligencer*. **Non-dailies:** MICHIGAN: *Marlette Leader, Vassar Pioneer Times*. TEXAS: *Jasper News Boy*.
Howard Publications	P.O. Box 570 Oceanside, Calif. 92054 (619) 433-5771	CALIFORNIA: *Oceanside Blade-Tribune, San Clemente Sun-Post*. COLORADO: *Northwest Colorado Press* (Craig). IDAHO: *Twin Falls Times-News*. ILLINOIS: *Charleston Times-Courier, Freeport Journal-Standard, Mattoon Journal-Gazette, Pekin Daily Times*. INDIANA: *Hammond Times, Logansport Pharos-Tribune & Press*. IOWA: *Sioux City Journal* (owned jointly with Hagadone Newspapers), *Waterloo Courier*. KENTUCKY: *Maysville Ledger-Independent*. NEW YORK: *Auburn Citizen-Advertiser, Corning Leader, Glens Falls Post-Star*. PENNSYLVANIA: *Carlisle Sentinel*. SOUTH CAROLINA: *Orangeburg Times & Democrat*. WYOMING: *Casper Star-Tribune*.

NEWSPAPER PROPERTIES (continued)

Company	Headquarters	Media holdings
Ingersoll Publications Co.	457 N. Harrison Street Princeton, N.J. 08540 (609) 683-5300	CALIFORNIA: *Orange Coast Daily Pilot* (Costa Mesa), *Glendale News Press, Burbank Daily Review*. CONNECTICUT: *Milford Citizen, New Haven Register*. ILLINOIS: *Alton Telegraph*. INDIANA: *Anderson Herald-Bulletin, Terre Haute Tribune-Star*. MASSACHUSETTS: *North Adams Transcript, Fall River Herald News*. MICHIGAN: *Ionia Sentinel-Standard, South Haven Daily Tribune-Sentinel-Standard, Lake Odessa-Sentinel, Portland Sentinel, Royal Oak Tribune*. MISSOURI: *News Democrat*. NEW HAMPSHIRE: *Eagle-Times* (Claremont). NEW JERSEY: *Trentonian, Toms River Ocean County Times-Observer, Ocean County Reporter, Suburban News Target* (Westfield), *Daily Record* (Morristown). NEW YORK: *Daily Freeman* (Kingston), *Oneida Daily Dispatch, Tonawanda News, Times Record* (Troy).NORTH CAROLINA: *Courier-Tribune* (Asheboro). OHIO: *Evening Independent* (Massillon), *Daily-Times* (Niles), *Tribune Chronicle* (Warren), *News Herald* (Willoughby), *News Journal* (Mansfield), *Lorain Journal, Times Reporter* (Dover). PENNSYLVANIA: *Delaware County Times, Coatesville Record, Mercury* (Pottstown), *Evening Phoenix, Evening Herald* (Shenandoah), *Daily Local News* (West Chester). RHODE ISLAND: *Pawtucket-Central Falls Times, Woonsocket Call & Reporter*. WISCONSIN: *Sheboygan Press*. **Non-dailies:** CALIFORNIA: *Leader, Burbank Weekly Review, Glendale Weekly Review, North Hollywood Review. Huntington Beach Independent, Fountain Valley Independent*. CONNECTICUT: *Stratford Bard, West Haven News, Milford Reporter*. DELAWARE: *Town Talk/Delaware, The Brandywine, Wilmington West*. ILLINOIS: *Alton Citizen Journal, Bethalto American Journal, Wood River Journal, Belleville Journal, Cahokia/Dupo Journal, Collinsville Herald, Collinsville Journal, Collinsville Herald Journal, County Journal, East St. Louis News Journal, Edwardsville Journal, Fairview/O'Fallon Journal, Granite City Press-Record, Granite City Journal, Granite City Press Record Journal, News Journal, Clarion* (Columbia). INDIANA: *Star Weekly* (Terre Haute). MICHIGAN: *Tribune Plus* (Royal Oak). MISSOURI: *Central West End Journal, Clayton Citizen Journal, County Star Journal, Courier Journal, Fenton Journal, Jefferson County Journal, Meramec Journal, Neighborhood Journal, North County Journal, North Side Journal, Northwest County Journal, Press Journal, St. Charles Journal, South County Journal, South Side Journal, Tri-County Journal, T.V. Week-Jefferson County, Warrenton News-Journal, Weekend Journal, West Citizen Journal, West County Journal*. NEW HAMPSHIRE: *Claremont/Springfield* (Vt.) *Advisor*. NEW JERSEY: *Midweek, Weekend* (Trenton), *News Beacon, Shopper, Week Ahead* (Fair Lawn), *Beach Haven Times, Beacon, Summer Times* (Manahawkin), *Town News* (Paramus), *Northern New Jersey Suburbanite, Teaneck Suburbanite. Jackson News,Point Pleasant Leader, Ocean County Reporter, Suburban Trends* (Butler), *Ridgewood News, Local Review, Sunday News, Sunday Post, Suburban News* (Franklin Lakes), *Summit Independent, Independent Press, Short Hills/Millburn Independent, Madison Independent, Independent of the Chathams, Berkley Heights/New Provident Press, Dateline Journal* (Wayne), *Lakeland Today, Passaic Valley Today, Suburban Life, Wayne Today, West Milford-Ringwood Argus Today, Suburban News Target* (Westfield). NEW YORK: *Kenmore Record-Advertiser, Tonawanda News Extra, Rockville Pennysaver, Freeport Pennysaver, Oneida Pennysaver, Pennysaver* (Farmingdale). OHIO: *Girard News, Hubbard News, Liberty News, Austintown Leader, Poland Clarion, Howland Bandwagon, Courtland Home News, Western Reserve Democrat, Brookfield Masury News*. PENNSYLVANIA: *Main Line Times* (Ardmore), *News of Delaware County, Neighbors News, Germantown Courier, West Philadelphia Scene, TMC News, Tri-County Shopper News* (Coatesville), *Chester County Courier*, Town Talk *Newspapers—Media Editions, Ashton/Brookhaven/Chester* Editions, *Suburban and Wayne Times, Suburban Advertisers, King of Prussia Courier*. WISCONSIN: *Shoreline Chronicle* (Sheboygan).
Journal Communications	333 W. State Street Milwaukee, Wis. 53203 (414) 224-2000	WISCONSIN: *Milwaukee Journal, Milwaukee Sentinel*. **Non-dailies:** CONNECTICUT: Hometown Publishing—*Easton Courier, Huntington Herald, Monroe Courier, Stratford Star, Trumbull Times, Milford Mirror, North End News* (Bridgeport). FLORIDA: *Gainesville Buyers' Guide, Jax Air News, Airwinger* (Jacksonville). GEORGIA: *Americus Buyers' Guide, Warner Robins Buyers' Guide*. MONTANA: *Great Falls Consumers' Press, Missoula Messenger*. NORTH CAROLINA: *Hendersonville Buyers' Guide*. OHIO: *Hocking Valley Advertiser, Lancaster Advertiser, Newark Advertiser, Zanesville Advertiser*. PENNSYLVANIA: *Carrier Pigeon* (Philadelphia). VERMONT: *Pennysaver Press* (Bennington), *Vermont News Guide* (Manchester Center). WISCONSIN: ADD Inc: *Appleton Buyers' Guide, Berlin Buyers' Guide, Hodag Shopper* (Rhinelander), *Marshfield Buyers' Guide, Neenah Buyers' Guide, New London Buyers' Guide, Oshkosh Buyers' Guide, Our Town* (Rhinelander), *Seymour Buyers' Guide, Stevens Point Buyers' Guide, Waupaca Buyers' Guide, Wausau Buyers' Guide, Wisconsin Rapids Buyers' Guide, New London Press-Star, Print-n-Press* (Waupaca).
Knight-Ridder	One Herald Plaza Miami, Fla. 33132-1693 (305) 376-3800	CALIFORNIA: *Long Beach Press Telegram, Pasadena Star-News, San Jose Mercury News-AM, San Jose Mercury News-PM*. COLORADO: *Boulder Daily Camera*. FLORIDA: *Boca Raton News, Bradenton Herald, Miami Herald, Tallahassee Democrat*. GEORGIA: *Columbus Enquirer, Columbus Ledger, Macon Telegraph and News, Milledgeville Union-Recorder*. INDIANA: *Fort Wayne News-Sentinel, Gary Post-Tribune*. KANSAS: *Wichita Eagle-Beacon*. KENTUCKY: *Lexington Herald-Leader*. MICHIGAN: *Detroit Free Press*. MINNESOTA: *Duluth News-Tribune & Herald, St. Paul Pioneer Press and Dispatch*. MISSISSIPPI: *Biloxi Sun Herald*. NEW YORK: *Journal of Commerce*. NORTH CAROLINA: *Charlotte Observer*. NORTH DAKOTA: *Grand Forks Herald*. OHIO: *Akron Beacon Journal*. PENNSYLVANIA: *Philadelphia Daily News, Philadelphia Inquirer, State College Centre Daily Times*. SOUTH CAROLINA: *Columbia Record, Columbia State, Myrtle Beach Sun News*. SOUTH DAKOTA: *Aberdeen News American*. **Non-dailies:** CALIFORNIA: *Arcadia Tribune, Duartean* (Duarte), *Monrovia News-Post, Temple City Times*. FLORIDA: *Florida Keys Keynoter*. SOUTH CAROLINA: *Newberry Observer*.
Landmark Communications	150 W. Brambleton Ave. Norfolk, Va. 23501 (804) 446-2000	CALIFORNIA: *Daily Californian* (El Cajon). FLORIDA: *Citrus County Chronicle* (Inverness). KENTUCKY: *News Enterprise* (Elizabethtown). MARYLAND: *Carroll County Times* (Westminster). NEW MEXICO: *Los Alamos Monitor*. NORTH CAROLINA: *Greensboro News & Record*. VIRGINIA: *Virginian Pilot, Ledger-Star* (Norfolk), *Roanoke Times & World News*. **Non-dailies:** FLORIDA: *Sumter County Times* (Bushnell). ILLINOIS: *Vandalia Leader Union*. INDIANA: *Journal-Democrat* (Rockport), *Mount Vernon Democrat, News* (Tell City). IOWA: *Opinion Tribune* (Glenwood), *Red Oak Express*. KENTUCKY: *Anderson News* (Lawrenceburg), *Henry County Local* (New Castle), *News Democrat* (Carollton), *Lebanon Enterprise, Casey County News* (Liberty), *Central Kentucky News-Journal* (Campbellsville), *Cynthiana Democrat, Grant County News* (Williamstown), *Oldham Era* (La Grange), *Sentinel News* (Shelbyville), *Springfield Sun, Trimble Banner Democrat* (Bedford), *Kentucky Standard* (Bardstown), *Pioneer News* (Shepherdsville). MARYLAND: *Community Times* (Reisterstown). MISSISSIPPI: *New Albany Gazette*. TENNESSEE: *Harriman Record, Morgan County News* (Wartburg), *Rockwood Times, Roane County News* (Kingston). VIRGINIA: *Gazette* (Galax). Also, 24 classified advertising publications & 22 shoppers.
Lee Enterprises	130 E. Second St. Davenport, Iowa 52801 (319) 383-2202	ILLINOIS: *Herald & Review* (Decatur), *Star Courier* (Kewanee), *Southern Illinoisan* (Carbondale). IOWA: *Globe-Gazette* (Mason City), *Muscatine Journal, Ottumwa Courier, Quad-City Times* (Davenport). MINNESOTA: *Winona Daily News*. MONTANA: *Billings Gazette, Montana Standard* (Butte), *Independent Record* (Helena), *Missoulian*. NEBRASKA: *Lincoln Star*. NORTH DAKOTA: *Bismarck Tribune*. OREGON: *Corvallis Gazette-Times*. WISCONSIN: *La Crosse Tribune, Journal Times* (Racine), *Wisconsin State Journal* (Madison).
Macromedia Inc.	150 River Street Hackensack, N.J. 07602 (201) 646-4000	NEW JERSEY: *News Tribune* (Woodbridge), *Record* (Hackensack).
McClatchy Newspapers	2100 Q Street Sacramento, Calif. 95813 (916) 321-1000	ALASKA: *Anchorage Daily News*. CALIFORNIA: *Fresno Bee, Gilroy Dispatch, Hollister Free Lance, Modesto Bee, Sacramento Bee*. WASHINGTON: *Tri-City Herald* (Richland); *Tacoma News-Tribune*. **Non-dailies:** CALIFORNIA: *Clovis Independent, Lincoln News Messenger, Morgan Hill Times*. WASHINGTON: *Pierce County Herald*.
Media General	333 E. Grace Street Richmond, Va. 23219 (804) 649-6000	FLORIDA: *Tampa Tribune*. NORTH CAROLINA: *Winston-Salem Journal*. VIRGINIA: *News-Leader* (Richmond), *Times-Dispatch* (Richmond). **Non-dailies:** CALIFORNIA: Highlander Publications, publishing 20 weeklies in the Orange County-Los Angeles area. Golden West Publishing, Mission Viejo, publishing 13 papers in the area between Los Angeles and San Diego.
MediaNews Group	1101 Pacific Ave. Dallas, Texas 75202 (214) 720-5800	CALIFORNIA: *Argus* (Fremont), *Daily Review* (Hayward), *San Ramone Herald* (Danville), *Herald* (Dublin), *Alameda Times-Star*. CONNECTICUT: *Bristol Press*. COLORADO: *Denver Post*. MICHIGAN: *Ypsilanti Press*. NEW JERSEY: *North Jersey Advance* (Flanders), *Hudson Dispatch* (Union City), *Daily Journal* (Elizabeth), *Gloucester County Times* (Woodbury), *The News* (Passaic), *North Jersey Herald News* (Passaic), *Today's Sunbeam* (Salem). OHIO: *Journal-News* (Hamilton). PENNSYLVANIA: *Johnstown Tribune-Democrat, York Dispatch, Columbia News*. TEXAS: *Dallas Times Herald, Houston Post*. WASHINGTON: *Yakima Herald Republic*. **Non-dailies:** CALIFORNIA: *Times Star* (Alameda), *Enterprise, Herald Sampler* (Hayward). CONNECTICUT: *Press Plus* (Bristol), *Express* (Thomaston), *Farmington Valley Herald* (Simsbury). MICHIGAN: *Ypsilanti Shopper's Showcase*. NEW JERSEY: *Advertiser, Record* (Woodbury). OHIO: *Fairfield Echo/News, Journal Shopping News, Oxford Shopper, Pulse Journal* (Hamilton). PENNSYLVANIA: *Free Press* (York), *Era, Shopper* (Winber). TEXAS: *Community Close-Up* (Dallas), *Graham Leader*. UTAH: *Park Record* (Park City), *Murray Eagle, Green Sheet East, West Valley View, Green Sheet West, Jordon Valley Sentinel, Sentinel West, Sandy Sentinel* (Murray). WASHINGTON: *Yakima Herald Republic Extra*.
Morris Communications	P.O. Box 936 Augusta, Ga. 30913 (404) 724-0851	ALASKA: *Juneau Empire*. FLORIDA: *Florida Times-Union* (Jacksonville), *Jacksonville Journal, St. Augustine Record*. GEORGIA: *Athens Banner Herald, Athens Daily-News, Augusta Chronicle, Augusta Herald, Savannah Morning News, Savannah Evening Press*. TEXAS: *Amarillo Daily News, Amarillo Globe-Times, Lubbock Avalanche Journal, Evening Journal* (Lubbock). **Non-dailies:** FLORIDA: *Courier Journal* (Crescent City). GEORGIA: *Elberton Star, Hartwell Sun, News Leader* (Royston). SOUTH CAROLINA: *Hilton Head News*. TEXAS: *Quarter Horse News* (Fort Worth).
Multimedia Inc.	P.O. Box 1688 Greenville, S.C. 29602 (803) 298-4373	ALABAMA: *Advertiser* (Montgomery), *Alabama Journal* (Montgomery). ARKANSAS: *Baxter Bulletin* (Mountain Home). FLORIDA: *News Chief* (Winter Haven). GEORGIA: *Moultrie Observer*. NORTH CAROLINA: *Asheville Citizen, Asheville Times*. OHIO: *Gallipolis Daily Tribune, Daily Sentinel* (Pomeroy). SOUTH CAROLINA: *Greenville News, Greenville Piedmont*. TENNESSEE: *Leaf-Chronicle* (Clarksville). VIRGINIA: *Daily News Leader* (Staunton). WEST VIRGINIA: *Point Pleasant Register*. **Non-dailies:** ALABAMA: *Progress* (Prattville), *Review, Bonus* (Montgomery), *Gulf Coast Magazine*, a summer guide. ARKANSAS: *Twin Lakes Shopper* (Mountain Home). FLORIDA: *Auburndale Star, Orange Shopper, TV & Shopping Guide, Ad Express* (Winter Haven). GEORGIA: *Weekly Moultrie Observer*. NORTH CAROLINA: *Asheville Citizen, Asheville Times Neighbors-North, South, East, West, Smoky Mountain Neighbors, Extra Neighbors*. OHIO: *Tri-County News* (Gallipolis). SOUTH CAROLINA: *Poinsett Register* (Greenville), *The Paper* (Spartanburg). TENNESSEE: *Ashland City Times, Clarksville Money Saver, Dickson Herald, Humphreys County Money-Saver, Nashville Record, News-Examiner* (Gallatin), *Stewart-Houston Times* (Dover-Erin), *Music City News* (Nashville), *Star News* (Hendersonville), *Rural Examiner* (Gallatin), *Shopper's Fair* (Dickson), *Cheatham County Money-Saver*. VIRGINIA: *Spotlight* (Staunton).
News Corp. Ltd.	News America Publishing 10 E. 53rd Street New York, N.Y. 10022 (212) 527-2300	MASSACHUSETTS: *Boston Herald*. TEXAS: *San Antonio Express-News*.
New York Times Co.	229 West 43rd Street New York, N.Y. 10036 (212) 556-1234	ALABAMA: *TimesDaily* (Florence), *Gadsden Times, Tuscaloosa News*. CALIFORNIA: *Press Democrat* (Santa Rosa), *Santa Barbara News-Press*. FLORIDA: *Gainesville Sun, Lake City Reporter, Ledger* (Lakeland), *Daily Commercial* (Leesburg), *Ocala Star-Banner, Palatka Daily News, Sarasota Herald-Tribune*. GEORGIA: *Gwinnett Daily News*. KENTUCKY: *Daily News* (Middlesboro), *Harlan Daily Enterprise,Messenger* (Madisonville). LOUISIANA: *Daily Comet* (Thibodaux), *Daily World* (Opelousas), *Houma Daily Courier*. MISSISSIPPI: *Daily Corinthian* (Corinth). NEW YORK: *New York Times*. NORTH CAROLINA: *Dispatch* (Lexington), *Lenoir News-Topic, Times-News* (Hendersonville), *Wilmington Morning Star*. SOUTH CAROLINA: *Spartanburg Herald-Journal*. TENNESSEE: *State Gazette* (Dyersburg). **Non-dailies:** FLORIDA: *Avon Park Sun, Marco Island Eagle, News-Leader* (Fernandina Beach), *Sebring News*. GEORGIA: *Forsyth County News, Winder News*. MAINE: *York County Coast Star* (Kennebunk). MISSISSIPPI: *Banner-Independent* (Booneville). TENNESSEE: *Claiborne Progress* (New Tazewell).
Oklahoma Publishing Co.	P.O. Box 25125 Oklahoma City, Okla. 73125 (405) 232-3311	OKLAHOMA: Daily *Oklahoman*.
Park Communications	Terrace Hill, Tower Building Ithaca, N.Y. 14850 (607) 27[illegible]-9020	ARKANSAS: *Courier News* (Blytheville), Daily World (Helena). FLORIDA: *Daily Sun Journal* (Brooksville). GEORGIA: *Daily Sun* (Warner Robins), *Calhoun News-Dispatch*. IDAHO: *South Idaho Press* (Burley). ILLINOIS: *Macomb Journal*. INDIANA: *Evening News* (Jeffersonville), *Pilot-News* (Plymouth). IOWA: *Evening Sentinel* (Shenandoah). MICHIGAN: *Coldwater Daily Reporter*. MINNESOTA: *Pioneer* (Bemidji). NEBRASKA: *Nebraska City News-Press*. NEW YORK: *Evening Sun* (Norwich), *Journal* (Ogdensburg), *Journal-Register* (Medina), *Register-Star* (Hudson), *Union-Sun & Journal* (Lockport). NORTH CAROLINA: *Citizen News-Record* (Aberdeen), *Concord Tribune* (Concord), *Daily Independent* (Kannapolis), *McDowell News* (Marion), *News Observer-News Enterprise* (Newton), *Robesonian* (Lumberton), *Sampson Independent* (Clinton), *Statesville Record & Landmark* (Statesville). NORTH DAKOTA: *Devils Lake Daily Journal*. OKLAHOMA: *Daily Ledger* (Broken Arrow), *News-Capital & Democrat* (McAlester), *Sapulpa Daily Herald*. PENNSYLVANIA: *Milton Standard, Lewisburg Daily Journal, Wayne Independent* (Honesdale). VIRGINIA: *Journal Messenger* (Manassas), *News-Virginian* (Waynesboro). **Non-dailies:** ARKANSAS: *Osceola Times, Mail Call* (Blytheville), *Missco Shopper Guide* (Osceola), *Twin City Tribune/Advertiser* (Helena/West Helena). FLORIDA: *Wednesday Hernando Free Press, Sunday Hernando Free Press* (Brooksville). GEORGIA: *Houston County News* (Warner Robins), *Houston Home Journal* (Perry), *Shoppers Extra* (Perry), *Consumer Guide* (Calhoun). IDAHO: *Wood River Journal* (Hailey), *Reminder* (Burley). ILLINOIS: *Business News* (Macomb). INDIANA: *Bremen Enquirer, Clark County Journal* (Jeffersonville), *Bourbon News-Mirror, Nappanee Advance News, Farm & Home News* (Nappanee). IOWA: *Essex Independent, Weekly Times* (Shenandoah). KENTUCKY: *Menifee County News, Grayson Journal Enquirer, Grayson County News-Gazette* (Leitchfield), *Greenup News, Logan Leader* (Russellville), *Morehead News, News-Democrat* (Russellville), *Olive Hill Times, Shopping News* (Morehead), *Sentinel Echo* (London). MICHIGAN: *Reporter* (Coldwater). MINNESOTA: *Advertiser* (Bemidji). NEBRASKA: *Tri-State Weekly* (Nebraska City). NEW YORK: *Albion Advertiser, Chatham Courier, Massena Observer, Potsdam Courier Freeman, St. Lawrence Plaindealer, Rural News* (Canton), *Tri-County News* (Lockport), *TV Signals* (Medina), *Pennysaver* (Medina), *Chenango Shopper* (Norwich). NORTH CAROLINA: *Mecklenburg Gazette* (Davidson), *Bladen Journal* (Elizabethtown), *Valdes News, Mooresville Tribune, News Herald* (Ahoskie), *North Hampton News* (Jackson), *Gates County Index* (Gatesville), *Commonwealth* (Scotland Neck), *Enfield Progress, Sampson County Shopping Guild & TV Schedule, Cabarrus Observer* (Kannapolis), *Carbarrus Observer* (Concord), *Robesonian Weekly* (Lumberton), *McDowell Express* (Marion), *News Outlook Shopping Guide* (Aberdeen), *County News Enterprise-Maiden Times* (Newton), *Burke County Observer* (Morganton), *Landmark Observer* (Statesville), *Shoppers Guide* (Mooresville), *Murfreesboro Advantage, Southeast Halifax Advantage* (Scotland Neck), *Southwest Halifax Advantage* (Enfield). NORTH DAKOTA: *County Peddler* (Devils Lake). OKLAHOMA: *Bixby Bulletin, Broken Arrow Weekly Ledger, Jenks Journal, Hartshorne Sun, Herald Extra* (Sapulpa), *Mannford Eagle, Sand Springs Leader, Southeastern Oklahoma Shopping News* (McAlester), *Sand Springs Extra*. PENNSYLVANIA: *Wayne Weekly* (Honesdale). VIRGINIA: *Suburban Virginia Times* (Manassas), *Smart Shopper* (Waynesboro).
Providence Journal Co.	75 Fountain Street Providence, R.I. 02902 (401) 277-7000	*Providence Journal & Evening Bulletin, Sunday Journal*.
Pulitzer Publishing Co.	900 N. Tucker Blvd. St. Louis, Mo. 63101 (314) 622-7000	ARIZONA: *Arizona Daily Star* (Tucson). ILLINOIS: *Southtown Economist* (Chicago), *Daily Calumet* (Chicago). MISSOURI: *St. Louis Post-Dispatch*. **Non-dailies:** ILLINOIS: Pulitzer Community Newspapers: *Frankfort-Mokena-New Lenox Weekly Southtown Economist, News-Marketer Shopping Guides, Calumet Day, Southtown Shopper*. Pulitzer-Lerner Newspapers: *Lincoln-Belmont Booster, North Center-Irving Park Booster, Skyline, Uptown News, Ravenswood/Lincolnite, Ravenswood News, Albany Park News, Northtown News, Rogers Park/Edgewater News, Sunday Star, Harlem/Irving Times, Harlem/Foster Times, Schiller Park Times, Jefferson/Mayfair Times, Portage Park Times, Logan Square Times, Franklin Park Times, River Grove Time, Elmwood Park Times, Northwest Times, Skokie Life, Lincolnwood Life, Morton Grove Life, Niles Life, Voice of Roselle/Medinah, Voice of Bloomingdale, Voice of Hanover Park, Suburban Voice, Voice of Elk Grove Village, Voice of Bensenville/Wood Dale, Voic of Itasca, DuPage County Voice, Voice of Schaumburg, Voice of Hoffman Estates, Voice of Hanover-NorthMarket/Journal, Classified Ad Week*.

NEWSPAPER PROPERTIES (continued)

Company	Headquarters	Media holdings
Scripps Howard	1100 Central Trust Tower Cincinnati, Ohio 45202 (513) 977-3000	ALABAMA: Birmingham Post-Herald. CALIFORNIA: Redding Record-Searchlight, San Luis Obispo Telegram-Tribune, Thousand Oaks News-Chronicle, Tulare Advance-Register, Ventura County Star Free-Press, Watsonville Register-Pajaronian. COLORADO: Rocky Mountain News (Denver). FLORIDA: Naples Daily News, Stuart News, Sun-Tattler (Hollywood). INDIANA: Evansville Courier. KENTUCKY: Kentucky Post (Covington). NEW MEXICO: Albuquerque Tribune. OHIO: Cincinnati Post. PENNSYLVANIA: Pittsburgh Press. PUERTO RICO: San Juan Star. TENNESSEE: Commercial Appeal (Memphis), Knoxville News-Sentinel. TEXAS: El Paso Herald-Post. WASHINGTON: Bremerton Sun. **Non-dailies:** CALIFORNIA: Cambrian (Cambria), Central Coast Sun-Bulletin (Morro Bay), Scott Valley Banner, Valley Press (Felton). FLORIDA: Jensen Beach Mirror, Port St. Lucie Mirror, Stuart Mirror, Palm City Mirror, Port Salerno-Hobe Sound Mirror, Bonita Springs Banner, Star Shopping Guide (Collier County), Courier Journal (Jupiter), Destin Log.
Seattle Times Co.	Fairview Ave. N. & John Seattle, Wash. 98111 (206) 464-2111	WASHINGTON: Seattle Times, Walla Walla Union-Bulletin.
Thomson Newspapers Ltd.	65 Queen Street West Toronto, Ontario M5H 2M8 (416) 864-1710	ALABAMA: Dothan Eagle, Enterprise Ledger, Opelika-Auburn News. ARKANSAS: Northwest Arkansas Times (Fayetteville). CALIFORNIA: Barstow Desert Dispatch, Eureka Times-Standard, Oxnard Press-Courier, San Gabriel Valley Tribune (West Covina), Siskiyou Daily News (Yreka), Whittier Daily News. CONNECTICUT: Ansonia Evening Sentinel. FLORIDA: Clay Today (Orange Park), Jackson County Floridian (Marianna), Charlotte Herald-News (Punta Gorda), Key West Citizen. GEORGIA: Americus Times-Recorder, Cordele Dispatch, Dalton Daily Citizen-News, Griffin Daily News, Thomasville Times-Enterprise, Tifton Gazette, Valdosta Daily Times. ILLINOIS: Jacksonville Journal Courier, Mount Vernon Register-News, Sterling-Rock Falls Daily Gazette. INDIANA: Kokomo Tribune, New Albany Tribune, Vidette-Messenger (Valparaiso). IOWA: Council Bluffs Nonpariel, Oelwein Daily Register. KANSAS: Atchison Daily Globe, Leavenworth Times. KENTUCKY: Corbin Times-Tribune, Richmond Register. LOUISIANA: Lafayette Daily Advertiser. MARYLAND: Salisbury Daily Times, Cumberland News/Evening Times. MASSACHUSETTS: Fitchburg Daily Sentinel & Enterprise, Taunton Daily Gazette. MICHIGAN: Benton Harbor Herald-Palladium, Adrian Daily Telegram, Escanaba Daily Press, Houghton Daily Mining Gazette, Iron Mountain Daily News, Marquette Mining Journal. MINNESOTA: Albert Lea Evening Tribune, Austin Daily Herald, Daily Journal (Fergus Falls), Worthington Daily Globe. MISSISSIPPI: Laurel Leader-Call. MISSOURI: Carthage Press, Sedalia Democrat, Sikeston Daily Standard, Mexico Ledger. NEW HAMPSHIRE: Portsmouth Herald. NEW YORK: Herkimer Evening Telegram, Newburgh Evening News, Oswego Palladium-Times. NORTH CAROLINA: Daily Advance (Elizabeth City), Rocky Mount Evening Telegram, Shelby Star, Enquirer-Journal (Monroe). NORTH DAKOTA: Dickinson Press. OHIO: Canton Repository, Coshocton Tribune, East Liverpool Evening Review, Greenville Daily Advocate, Lancaster Eagle-Gazette, Marion Star, Middletown Journal, Newark Advocate, Piqua Daily Call, Portsmouth Times, Salem News, Steubenville Herald-Star, Xenia Daily Gazette, Zanesville Times Recorder, Star-Beacon (Ashtabula), News-Herald (Conneaut), Geauga Times Leader. OKLAHOMA: Ada Evening News, Enid Morning News/Daily Eagle. PENNSYLVANIA: Altoona Mirror, Connellsville Daily Courier, Easton Express, Greenville Record-Argus, Hanover Evening Sun, Kittanning Leader-Times, Lock Haven Express, Meadville Tribune, Monessen Valley Independent, News Item (Shamokin-Mount Carmel), Lebanon Daily News, New Castle News. SOUTH CAROLINA: Florence Morning News. SOUTH DAKOTA: Mitchell Daily Republic. TEXAS: Big Spring, Del Rio News-Herald, Huntsville Item, Marshall News Messenger. UTAH: St. George Daily Spectrum. VIRGINIA: Petersburg Progress-Index. WEST VIRGINIA: Fairmont Times-West Virginian, Weirton Daily Times, Charleston Daily Mail, Beckley Register-Herald, Bluefield Daily Telegraph. WISCONSIN: Fond du Lac Reporter, Manitowoc Herald-Times Reporter, Appleton Post-Crescent, Waukesha Freeman, Wisconsin Rapids Daily Tribune. **Non-dailies:** FLORIDA: Englewood Herald. ILLINOIS: McLeansboro Times-Leader. OHIO: Franklin Chronicle. WEST VIRGINIA: Princeton Times, Fayette Times, Meadow River Post, Montgomery County Herald. WISCONSIN: West Bend News.
Times Journal Co.	6883 Commercial Drive Springfield, Va. 22159 (703) 750-2000	MARYLAND: Montgomery Journal, Prince Georges Journal. VIRGINIA: Alexandria Journal, Arlington Journal, Fairfax Journal. **Non-dailies:** NATIONAL: Air Force Times, Army Times, Defense News, Federal Times, Military Market, Navy Times. CALIFORNIA: Coast Dispatch, Carlsbad Journal, Del Mar Surfcomber, Rancho Santa Fe Times. VIRGINIA: Journal Life.
Times Mirror Co.	Times Mirror Square Los Angeles, Calif. 90053 (213) 237-3700	CALIFORNIA: Los Angeles Times. CONNECTICUT: Greenwich Time, Hartford Courant, Stamford Advocate. MARYLAND: Baltimore Sun & Evening Sun, Sunday Sun, (Baltimore). PENNSYLVANIA: Morning Call, (Allentown). NEW YORK: Newsday, New York Newsday.
Times Publishing Co.	490 First Ave. South St. Petersburg, Fla. 33701 (813) 893-8111	St. Petersburg Times.
Triangle Publications	4 Radnor Corporate Center Radnor, Pa. 19088 (215) 293-8500	Daily Racing Form.
Tribune Co.	435 N. Michigan Ave. Chicago, IL 60611 (312) 222-3232	CALIFORNIA: Times-Advocate (Escondido), Peninsula Times Tribune (Palo Alto). FLORIDA: Fort Lauderdale News & Sun-Sentinel, Orlando Sentinel. ILLINOIS: Chicago Tribune. NEW YORK: Daily News (New York). VIRGINIA: Daily Press, Times Herald, Newport News. **Non-dailies:** Tribune Community Publications.
Washington Post Co.	1150 15th Street N.W. Washington, D.C. 20071 (202) 334-6000	DISTRICT OF COLUMBIA: Washington Post. WASHINGTON STATE: Herald (Everett). **Non-dailies:** DISTRICT OF COLUMBIA: Washington Post National Weekly.

MAGAZINE PROPERTIES

Company	Headquarters	Media holdings
Advance Publications	Conde Nast Publications 350 Madison Ave. New York, N.Y. 10017 (212) 880-8800	Conde Nast Publications: Bride's, Conde Nast's Traveler, Glamour, Gourmet, Gentlemen's Quarterly, H&G, Mademoiselle, Self, Vanity Fair, Vogue. Other: Details, New Yorker, Parade.
Affiliated Publications	135 Morrissey Blvd. Boston, Mass. 02107-2378 (617) 929-3300	Billboard Publications—Billboard and Billboard Information Network, Music & Media, Backstage, Interiors, Photo Business, Amusement Business, Musician, American Artist, Plants, Sites & Parks, Photo/Design; Hollywood Reporter; Directories—Amusement Business Directory, Amusement Rides & Games Buyers Guide, Audio/Video Tape Source Book, Cavalcade of Arts and Attractions, Country Music Source Book, Directory of North American Fairs, Facility Supplies Source Book, Funparks Directory, International Recording Studio & Equipment Directory, International Talent & Touring Directory, Trade Show & Convention Guide, World Radio TV Handbook.
Cahners Publishing Co.	275 Washington St Newton, Mass. 02158 (617) 964-3030	American Baby, American Baby/The First Year of Life, American Journal of Cardiology, American Journal of Medicine, American Journal of Surgery, Building Design & construction, Building Supply Home Centers, Childbirth '87, Childbirth Educator, CPI Purchasing, consulting/Specifying Engineer, Construction Equipment Contractor, Control Engineering, Corporate Design, Cutis, Datamation, Design News, EDN, EDN News, Electronic Business, Electronic Packaging & Production, Electronics Purchasing, Emergency Medicine, Foodservice Equipment & Supplies Specialist, Graphic Arts Monthly, Highway & Heavy Construction, Hotels & Restaurants Int'l., Industrial Distribution, Interior Design, Library Journal, Mini-Micro Systems, Modern Bride, Modern Materials Handling, Packaging, Physicians Travel & Meeting Guide, Plant Engineering, Plastics World, Professional Builder, Publishers Weekly, Purchasing, Research & Development, Restaurants & Institutions, School Library Journal, Security, Security Distributing & Marketing Semiconductor International, Test & Measurement World, Traffic Management, U.S. Industrial Directory, VA Practitioner, Variety.
Capital Cities/ABC	24 E. 51st Street New York, N.Y. 10022 (212) 421-9595	McCall's Needlework & Crafts, Modern Photography, High Fidelity, Schwann Record & Tape Guide, Country Style, Video & Sound, Schwann CD, Musical America, Los Angeles Magazine, COMPUTE!, COMPUTE! PC, COMPUTE!'s Gazette, COMPUTE!'s Atari ST Disk & Magazine. Chilton Co.: Automotive Industries, Automotive Marketing, Commercial Carrier Journal, Distribution, Electronic Component News, Food Engineering, Food Engineering International, Food Engineering Master (annual prefiled catalog), Industrial Maintenance and Plant Operation (IMPO), Industrial Safety & Hygiene News, IAN, I&CS, Jewelers' Circular-Keystone, Motor/Age, Owner Operator, Product Design & Development, Review of Optometry. Hitchcock Publishing: Assembly Engineering, Industrial Finishing, Infosystems, Machine and Tool Blue Book, Manufactur- ing Systems, Office Products Dealer, Quality, MITE. ABC Agricultural Publications: Prairie Farmer (Illinois), Ohio Prairie Farmer, Michigan Prairie Farmer, Indiana Prairie Farmer, Wallace's Farmer (Iowa, N.D., S.D., Neb., Mo., Minn., Kan.), Wisconsin Agriculturist, Dairy Herd Management, Farm Store Merchandising, Feedstuff, Garden Supply Retailer, Hog Farm Management, Tack 'n Togs. Fairchild Publications: Woman's Wear Daily, Daily News Record, American Metal Market, HFD-Retailing Home Furnishings, Energy User News, Footwear News, Supermarket News, Electronic News, MIS Week, Multichannel News, W, SportStyle, Entree, Children's Business, M, Metal Center News, Home Fashions Textiles, Heat Treating, Travel Agent. Fairchild International Medical News Group: Family Practice News, Internal Medicine News, Ob. Gyn. News, Pediatric News, Clinical Psychiatry News, Skin & Allergy News. Fairchild Professional Press Group: Optical Index, International Eyecare. Institutional Investor: II Domestic Edition, II International Edition. Philatelic Publications: Stamp Collector, Stamp Wholesaler.
Cowles Media Co.	329 Portland Ave. Minneapolis, Minn. 55415 (612) 375-7000	Civil War Times, American History Illustrated, Country Journal, Fly Fisherman, British Heritage, Early American Life, Opus, Bowhunter, Folio, Catalog Age, Inside Print.
Cox Enterprises	1400 Lake Hearn Drive Atlanta, Ga. 30319 (404) 843-5000	Palm Beach Life.
Dispatch Printing Co.	University Club 40 S. 3rd Street Columbus, Ohio 43216 (614) 461-5000	Ohio.
Dow Jones & Co.	World Financial Center 200 Liberty St. New York, N.Y. 10281 (212) 416-2000	American Demographics, Asian Wall Street Journal Weekly, Barron's, National Business Employment Weekly.
Edgell Communications	7500 Old Oak Blvd. Cleveland, Ohio 44130 (216) 243-8100	COMMUNICATIONS: Communications News, Telco Technician, Telephone Engineer & Management, Telephone Engineer & Management Directory, Telephone Engineer & Management Fast Action Postcards. EDUCATION: Instructor, Instructor Action Cards, Instructor Books, Instructor Computer Director for Schools, Instructor Education Service, ECE Teacher. ENERGY: Brown's Directory of North American and International Gas Companies, Drilling, LP/Gas, Petroleum Engineer International, Pipeline & Gas Journal, SGA Directory.HEALTHCARE: Dental Management, Dermatology Times, DVM, The Newsmagazine of Veterinary Medicine, Geriatrics, Hearing Instruments, Hearing Instruments Convention News, Hospital Formulary, Modern Medicine, Neurology, Ophthalmology Times, Physician's Management, Urology Times. MANUFACTURING, DISTRIBUTING & SERVICE: American Automatic Merchandiser, American Automatic Merchandiser Bluebook, American Salon, American Salon Postcard Deck, Green Book, BBSI Convention Preview, International Beauty Show Programs, Automatic ID News, Automatic ID Action Cards and Directory, Concrete Producers News, Exteriors, Lawn Care Industry, Pest Control, Pest Control Show Daily, Landscape Management, RSI (Roofing, Siding, Insulation), RSI Handbook of Commercial Roofing Systems, RSI Extra. MERCHANDISING: Aftermarket Business, Buyer's Guide, APAA Show Daily, Big "I" Show Daily, Body Fashions/Intimate Apparel, Body Fashions/Intimate Apparel Directory, Market Maker, Flooring, Flooring Market Shopper, CDTA Extra, Hosiery & Underwear, Housewares, Housewares Show Stopper, Pets Supplies Marketing, Your Companion Animal, Pet Talk. PAPER: Official Container Directory, Official Board Markets, Paperboard Packaging, Paper Sales, Paper Sales Convention News, Paper Year Book. PLASTICS: Advance Composites, Plastics Compounding, Plastics Compounding Redbook, Plastics Design Forum, Plastics Machinery & Equipment, Plastics Machinery & Equipment Postcards, Plastics Packaging. PROCESSING & PACKAGING: Beverage Industry, Beverage Industry Annual Manual, Beverage Industry Show Daily, Candy Industry, Candy Marketer, Drug & Cosmetic Industry Catalog, Cosmetic Insiders' Report, Food & Drug Packaging, Food & Drug Packaging Postcards, Meat Processing, Meat Processing Target Action Postcards, Snack Food. RECREATION AND LEISURE: Bicycle Dealer Showcase, Motorcycle Business USA, Dealernews, Dealernews Buyers Guide, Spa & Sauna, Spa & Sauna Buyers Guide, Video Store. SCHOOL: Instructor, Instructor Action Deck Cards, Instructor Fast Pak, Instructor Special Issues, EC Teacher, Instructor Books. TRAVEL & LODGING: Corporate Meetings & Incentives, Corporate Meetings & Incentives Action Cards, Directory of Incentive Travel International, Hotel & Motel Management, Hotel & Motel Management Quick Order Product Postcards, Hotel & Motel Management Show Daily, Directory of Hotel/Motel Management Companies, Food Management, Restaurant Management, Equipment Show Daily, Restaurant Show Daily.
Forbes Inc.	60 Fifth Ave. New York, N.Y. 10011 (212) 620-2478	American Heritage, American Heritage of Invention & Technology, Forbes.
General Media International	1965 Broadway New York, N.Y. 10023 (212) 496-6100	Forum, "Girls of Penthouse," Four Wheeler, Hot Talk, Longevity, Omni, Penthouse, Penthouse Letters, Saturday Review, Spin, Variations.

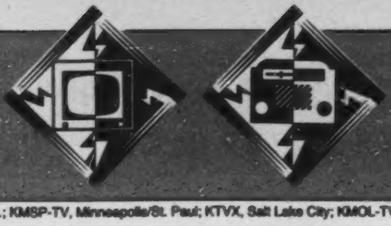
MAGAZINE PROPERTIES (continued)

Company	Headquarters	Media holdings
Hachette Group	12, Rue Francois 75008 Paris, France (331) 43 59 79 59	Diamandis Communications—Woman's Day, Car & Driver, Road & Track, Popular Photography, American Photographer, Stereo Review, Audio, Cycle, Cycle World, Boating, Flying, Memories; Hachette Publications—Elle, Premiere (50% interest).
Hearst Corp.	959 Eighth Ave. New York, N.Y. 10019 (212) 262-5700	American Druggist, Colonial Homes, Connoisseur, Cosmopolitan, Country Living, Diversions, Electronic Products, Esquire, Good Housekeeping, Harper's Bazaar, House Beautiful, Motor Boating & Sailing, Motor Magazine, Popular Mechanics, Redbook, Sports Afield, Town & Country, Victoria.
International Data Group	5 Speen St. Framingham, Mass. 01701-9192 (508) 875-5000	CW Publishing-Computerworld, Computerworld Focus; Network World Publishing-Network World; InfoWorld Publishing-InfoWorld; PCW Communications-Macworld, PC World, Macintosh Today, Publish!; IDG/CI Peterborough—AmigaWorld, inCider, Run, CD-ROM Review, PC Resource, Portable Computer Review; Digital News Publishing-Digital News; FCW Publishing-Federal Computer Week; Computer Currents-Computer Currents, Computer Review; CIO Publishing-CIO Magazine; International Data Corp.—special supplements, single sponsor/private label publications, & Executive Reports.
Landmark Communications	150 W. Brambleton Ave. Norfolk, Va. 23501 (804) 446-2000	Antiques & Collectibles (El Cajon, Calif.); Apartments of Greater Baltimore (Westminster, Md.), Florida Nursing News (Ft. Lauderdale), Folio Weekly (Jacksonville, Fla.); Gambit (New Orleans); Homes of York-Adams County (Westminster, Md.); Port Folio (Virginia Beach, Va.); Senior World (El Cajon, San Diego, Orange County, Central Coast, Los Angeles, Calif.); Triad Style (Greensboro, N.C.); Style Weekly (Richmond, Va).
LIN Broadcasting	1370 Ave. of the Americas New York, N.Y. 10019 (212) 765-1902	Guestinformant (distributed in hotel rooms).
Maclean Hunter Ltd.	Maclean Hunter Bldg. 777 Bay Street Toronto, Ontario M5W 1A7 (416) 596-5000	Airport Services Management, American Printer, Blue Book of Used Truck Evaluations, Boxboard Containers, Coal, Concrete Products, Dog World, EP&P, Engineering & Mining Journal, Frozen Food Age, Graphic Arts Product News, High Performance Manager, Hospital Practice, Kennel Doctor, Mobile/Manufactured Home Blue Book, Motorcycle Red Book, National Boat Book, National Farm Tractor & Implement Blue Book, National Mall Monitor, Older Car Red Book, Pacific Fishing, Paper, Film & Foil Converter, Potentials in Marketing, Potentials Mart, Progressive Grocer, Progressive Grocer Executive Report, Recreation, Sports & Leisure, Recreational Vehicle Blue Book, Red Book of Official User Car Valuations, Rock Products, Training, Van Conversion Blue Book.
McGraw-Hill	1221 Avenue of the Americas New York, N.Y. 10020 (212) 512-2000	A/C Flyer, American Machinist & Automated Manufacturing, Architectural Record, Aviation Week & Space Technology, Business & Commercial Aviation, Business Week, Business Week International, Business Week's Careers, BYTE, Chemical Engineering, Chemical Week, Coal Age, CPI Equipment Reporter, Data Communications, Electrical Construction & Maintenance, Electrical Wholesaling, Electrical World, Electronics, Engineering & Mining Journal, Engineering News-Record, Fleet Owner, Graduating Engineer, Industrial Chemist, International Management, Modern Plastics, Modern Plastics International, The Physician & SportsMedicine, Postgraduate Medicine, Power, Textile World, 33 Metal Producing. Newsletters: Airports, Aerospace Daily, Aviation Daily, Avoided Cost Quarterly, Clean-Coal/Synfuels Letter, Coal Statistics International, Coal Week-Coal Week International Combination, Cogeneration Report, Electric Utility Week, Electrical Marketing, Electronic Chemicals News, From DRI Health Care Costs, Green Markets, Hazardous Wastes Newsletter, Health Business, Health Legislation & Regulation, ICW Africa Construction Business Report, ICW Asia Construction Business Report, ICW Latin America Construction Report, ICW Mideast Construction Report, Industrial Energy Bulletin, Inside Energy/ With Federal Lands, Inside F.E.R.C., Inside F.E.R.C.'s Gas Market Report, Inside N.R.C., International Construction Week, International Petrochemical Report, Legal Briefs for the Construction Industry, Long Term Care Management, McGraw-Hill's Biotechnology Newswatch, McGraw-Hill's Biotechnology Patentwatch, Medicine and Health-Washington Health Record Combination, Metals Week, NuclearFuel, Nucleonics Week, Nuclear Index Platt's Export/Import Report, Platt's Oilgram News, Platt's Oil Price Handbook, Platt's Oilgram Price Report, Platt's Week, Regional Aviation Weekly, Report on Proformance Materials, Securities Week, Techpak, Utility Cost Forecaster, Waste-To-Energy Report, Weekly of Business Aviation, World Nuclear Performance.
Media General	333 E. Grace Street Richmond, Va. 23219 (804) 649-6000	Consultant, Journal of Respiratory Diseases, Journal of Musculoskeletal Medicine, Journal of Critical Illness, Tidewater Virginian, Virginia Business.
Meredith Corp.	Locust at 17th Des Moines, Iowa 50336 (515) 284-3000	Better Homes & Gardens (including 18 special interest publications), Country Home, Metropolitan Home, Midwest Living, Ladies' Home Journal, SAIL, Successful Farming, WOOD.
National Enquirer	600 S.E. Coast Ave. Lantana, Fla. 33464 (305) 586-1111	National Enquirer, Weekly World News.
National Geographic Society	17th & M Streets N.W. Washington, D.C. 20036 (202) 857-7000	National Geographic, "National Geographic Research," National Geographic Traveler, "National Geographic World."
News Corp. Ltd.	News America Publishing 10 E. 53rd Street New York, N.Y. 10022 (212) 527-2300	Automobile, Elle, European Travel & Life, In Fashion, Meetings & Conventions, New Woman, New York, Premiere, Sportswear International, Star, Travel Weekly.
New York Times Co.	229 West 43rd Street New York, N.Y. 10036 (212) 556-1234	Child, Cruising World, Decorating Remodeling, Family Circle, Family Circle Great Ideas, Golf Digest, Golf Shop Operations, Snow Country, Southern Travel, Tennis, Tennis Buyer's Guide.
Petersen Publishing Co.	8490 Sunset Blvd. Los Angeles, Calif. 90069 (213) 854-2222	Car Craft, Cartoons, Chevrolet High-Performance, Dirt Rider, Drag Racing, Guns & Ammo, Hot Rod, International Combat Arms, Kit Car, Motor Trend, Motorcyclist, Musclecar Classics, Mustang, Petersen's Circle Track, Petersen's Fishing, Petersen's 4-Wheel & Off-Road, Petersen's Handguns, Petersen's Hunting, Petersen's Photo-Graphic, SkinDiver, Sport Truck, Super/Moto Cross, 'Teen. Also one-shot special interest publications.
Playboy Enterprises	919 North Michigan Ave. Chicago, Ill. 60611 (312) 751-8000	Playboy.
Quad/Graphics	DuPlainville Rd. Pewaukee, Wis. 53072 (414) 246-9200	Milwaukee Magazine.
Reader's Digest	Pleasantville, N.Y.10570 (914) 238-1000	Reader's Digest, Travel Holiday, Family Handyman, 50 Plus.
Time Inc.	Rockefeller Center New York, N.Y. 10020 (212) 586-1212	Asiaweek (84% ownership), Cooking Light, Creative Ideas for Living, Fortune, Life, Money, People, Progressive Farmer, Southern Accents, Southern Living, Sports Illustrated, Time.
Times Mirror Co.	Times Mirror Square Los Angeles, Calif. 90053 (213) 237-3700	Broadcasting, Field & Stream, Golf, Government Executive, Home Mechanix, National Journal, Outdoor Life, Popular Science, Ski, Ski Business, Skiing, Sporting Goods Dealer, Sporting News, Sportsinc., Yachting.
Times Publishing Co.	490 First Ave. South St. Petersburg, Fla. 33701 (813) 893-8111	Florida Trend; Georgia Trend; Arizona Trend, Congressional Quarterly, Governing.
Triangle Publications	4 Radnor Corporate Center Radnor, Pa. 19088 (215) 293-8500	Good Food, Seventeen, TV Guide.
U.S. News & World Report	2400 N Street N.W. Washington, D.C. 20037 (202) 955-2000	Atlantic, U.S. News & World Report, U.S. News Washington Business Report.
Warner Communications	75 Rockefeller Plaza New York, N.Y. 10019 (212) 484-8000	DC Comics, Mad, Mad Specials.
Washington Post Co.	1150 15th Street N.W. Washington, D.C. 20071 (202) 334-6000	Newsweek, Newsweek International, Newsweek Japan, Travel & Leisure/Asia.
Working Woman-McCall's Group	230 Park Ave. New York, N.Y. 10169 (212) 551-9500	America Entertains, Baby!, McCall's, Working Mother, Working Mother Million Edition, Working Woman.
Ziff Communications	One Park Ave. New York, N.Y. 10016 (212) 503-3500	A+, Computer Shopper, Data Sources, Digital Review, Government Computer News, Macuser, Macweek, PC, PC Computing, PC Week, PC Tech Journal, Unique Homes.

BROADCAST PROPERTIES

Company	Headquarters	Media holdings
A.H. Belo Corp.	Communications Center Dallas, Texas 75265 (214) 977-8730	**TV:** KHOU-TV, Houston; KOTV, Tulsa, Okla.; KXTV, Sacramento-Stockton, Calif.; WFAA-TV, Dallas-Fort Worth; WVEC-TV, Hampton-Norfolk, Va.
Blade Communications	541 Superior Street Toledo, Ohio 43660 (419) 245-6000	**TV:** KTRV, Nampa/Boise, Idaho; WLFI-TV, Lafayette, Ind.; WLIO, Lima, Ohio; WDRB-TV, Louisville, Ky.
Bonneville International	36 S. State St. Salt Lake City, Utah 84111 (801) 575-7500	**TV:** KSL-TV, Salt Lake City; KIRO-TV, Seattle. **RADIO:** KBIG (FM), Los Angeles; KIRO, KSEA (FM), Seattle; KMBZ, KMBR (FM), Kansas City, Mo.; KOIT (AM, FM), San Francisco; KSL, Salt Lake City; KAAM, KZPS (FM), Dallas; WCLR-FM, Skokie, Ill.; WNSR (FM), New York.
Capital Cities/ABC	24 E. 51st Street New York, N.Y. 10022 (212) 421-9595	**TV:** WABC-TV, New York; WLS-TV, Chicago; WPVI-TV, Philadelphia; WTVD, Raleigh-Durham, N.C.; KABC-TV, Los Angeles; KGO-TV, San Francisco; KTRK-TV, Houston; KFSN-TV, Fresno, Calif. **RADIO:** KABC, KLOS (FM), Los Angeles; KQRS (AM, FM) Minneapolis; KGO, San Francisco; WBAP, KSCS (FM), Dallas-Fort Worth; WABC, WWPR (FM), New York; WJR, WHYT (FM), Detroit; WKHX (AM, FM), Atlanta; WPRO (AM, FM), Providence, R.I.; WMAL, WRQX (FM), Washington; WLS, WYTZ (FM), Chicago; KRXY (AM, FM), Denver.
CBS Inc.	51 W. 52nd St. New York, N.Y. 10019 (212) 975-4321	**TV:** KCBS-TV, Los Angeles; WBBM-TV, Chicago; WCBS-TV, New York; WCAU-TV, Philadelphia. **RADIO:** KNX (AM, FM), Los Angeles; KCBS, KRQR (FM), San Francisco; WBBM (AM, FM), Chicago; WODS (FM), Boston; KMOX, KHTR (FM), St. Louis; WCBS (AM, FM), New York; WCAU, WOGL (FM), Philadelphia; KTXQ (FM), Dallas-Fort Worth; KLTR (FM), Houston; WSUN, WYNF (FM), Tampa-St. Petersburg, Fla.; WLTT (FM), Washington.

BROADCAST PROPERTIES (continued)



Company	Headquarters	Media holdings
Chris-Craft Industries	600 Madison Ave., 25th Floor New York, N.Y. 10022 (212) 421-0200	**TV:** KCOP, Los Angeles; KPTV, Portland, Ore.; KMSP-TV, Minneapolis/St. Paul; KTVX, Salt Lake City; KMOL-TV, San Antonio, Texas; KBHK-TV, San Francisco; KUTP, Phoenix, Ariz.
Chronicle Publishing Co.	Fifth & Mission Streets San Francisco, Calif. 94119 (415) 441-4444	**TV:** KLBY, Colby, Kan.; KAKE-TV, Wichita, Kan.; KRON-TV, San Francisco; WOWT, Omaha, Neb.
Cox Enterprises	1400 Lake Hearn Drive Atlanta, Ga. 30319 (404) 843-5000	**TV:** KDNL-TV, St. Louis; KTVU, Oakland-San Francisco; WHIO-TV, Dayton, Ohio; WFTV, Orlando, Fla.; WKBD-TV, Detroit; WPXI, Pittsburgh; WSB-TV, Atlanta; WSOC-TV, Charlotte, N.C. **RADIO:** KFI, KOST (FM), Los Angeles; WCKG (FM), Chicago; WHIO (AM, FM) Dayton, Ohio; WIOD, WGTR (FM), Miami; WSB (AM, FM), Atlanta; WSOC (AM, FM) Charlotte, N.C.; WWBA (FM), Tampa-St. Petersburg, Fla. (pending).
Dispatch Printing Co.	University Club 40 S. 3rd Street Columbus, Ohio 43216 (614) 461-5000	**TV:** WTHR, Indianapolis; WBNS-TV, Columbus, Ohio. **RADIO:** WBNS (AM, FM), Columbus, Ohio.
Donrey Media Group	920 Rogers Ave. Fort Smith, Ark. 72901 (501) 785-7810	**TV:** KOLO-TV, Reno, Nev. **RADIO:** KBRS, Springdale, Ark.
Freedom Newspapers	17666 Fitch, P.O. Box 19549 Irvine, Calif. 92714 (714) 553-9292	**TV:** KFDM-TV, Beaumont, Texas; KTVL, Medford, Ore.; WLNE, New Bedford, Mass./Providence, R.I.; WRGB, Schenectady, N.Y.; WTVC, Chattanooga, Tenn.
Gannett Co.	1100 Wilson Blvd. Arlington, Va. 22209 (703) 284-6000	**TV:** KPNX-TV, Phoenix, Ariz.; KUSA-TV, Denver; WUSA, Washington; WXIA-TV, Atlanta; WLVI-TV, Boston; KARE, Minneapolis-St. Paul; KOCO-TV, Oklahoma City; KVUE-TV, Austin, Texas; WFMY-TV, Greensboro, N.C.; WTLV, Jacksonville, Fla. **RADIO:** KIIS (AM, FM), Los Angeles; KSDO, KSWV (FM), San Diego; WDAE, WUSA (FM), Tampa-St. Petersburg, Fla.; WGCI (AM, FM), Chicago; KCMO, KCPW (FM), Kansas City, Mo.; KUSA, KSD (FM), St. Louis; KOAI (FM), Dallas; KKBQ (AM, FM), Houston; KNUA (FM), Seattle.
General Electric Co.	3135 Easton Turnpike Fairfield, Conn. 06431 (203) 373-2211	**TV:** NBC-TV Network, with 207 **affiliates.** NBC-owned stations: WNBC-TV, New York; KNBC-TV, Los Angeles; WMAQ-TV, Chicago; WKYC-TV, Cleveland; WRC-TV, Washington. GE-owned: KCNC-TV, Denver; WTVJ, Miami. **RADIO:** NBC Radio Network. NBC-owned stations: KNBR, KYUU (FM), San Francisco; WJIB (FM), Boston; WNBC, WYNY (FM), New York; WMAQ, WKQX (FM), Chicago; WKYS (FM), Washington.
Gillett Holdings	P.O. Box 4 Nashville, Tenn. 37202 (615) 749-2244	**TV:** WMAR-TV, Baltimore; WSMV, Nashville; WOKR, Rochester, N.Y.; KSBW, Salinas-Monterey, Calif.; KSBY-TV, San Luis-Obispo, Calif.; WAGA-TV, Atlanta; WSBK-TV, Boston; WJW-TV, Cleveland; WJBK-TV, Detroit; WITI-TV, Milwaukee; KCST-TV, San Diego. **RADIO:** KBIZ, KTVO (FM), Ottumwa, Iowa.
Great American Comm. Co.	One East Fourth St. Cincinnati, Ohio 45202 (513) 597-2177	**TV:** WBRC-TV, Birmingham, Ala.; WDAF-TV, Kansas City, Mo.; WKRC-TV, Cincinnati; KTSP-TV, Phoenix, Ariz.; WTSP-TV, Tampa-St. Petersburg, Fla. **RADIO:** WKLS (AM, FM), Atlanta; WKRC, WKRQ (FM), Cincinnati; WTVN, WLVQ (FM), Columbus, Ohio; WNDE, WFBQ (FM), Indianapolis; WDAF, KYYS (FM), Kansas City, Mo.; WDVE (FM), Pittsburgh; KEX, KKRZ (FM), Portland, Ore.; WLZR (AM, FM), Milwaukee.
Harte-Hanks Communications	Harte-Hanks Tower 7710 Jones Maltsberger San Antonio, Texas 78216 (512) 829-9000	**TV:** KENS-TV, San Antonio, Texas.
H&C Communications	3050 Post Oak Blvd., Ste. 1330 Houston, Texas 77056 (713) 993-2500	**TV:** KCCI-TV, Des Moines, Iowa; KPRC-TV, Houston; KSAT-TV, San Antonio, Texas; KVOA-TV, Tucson, Ariz.; WESH, Daytona Beach/Orlando, Fla.; WTVF, Nashville, Tenn. **RADIO:** KPRC, Houston.
Hearst Corp.	959 Eighth Ave. New York, N.Y. 10019 (212) 262-5700	**TV:** KMBC-TV, Kansas City, Mo.; WBAL-TV, Baltimore; WCVB-TV, Boston; WDTN, Dayton, Ohio; WISN-TV, Milwaukee; WTAE-TV, Pittsburgh. **RADIO:** WAPA, San Juan, P.R.; WBAL, WIYY (FM), Baltimore; WTAE, WHTX (FM), Pittsburgh; WISN, WLTQ (FM), Milwaukee.
Home Shopping Network	12000 25th Court North St. Petersburg, Fla. 33716 (813) 572-8585	**TV:** O&O Stations: WQHS, Cleveland; KHSC, Ontario, Calif.; WHSH, Marlborough, Mass.; WEHS, Aurora, Ill.; WHSE, New York; WHSI, Smithtown, N.Y.; WHSW, Baltimore; KHSH, Alvin, Texas; KHSX, Irving, Texas; WHSP, Philadelphia. Affiliated Stations: KWVT-TV, Portland/Salem, Ore.; KPST-TV, Vallejo, Calif.; WMOD, Melbourne, Fla.; KOOG-TV, Ogden, Utah; WTVE, Reading, Pa.; KMSG-TV, Sanger, Calif.
Howard Publications	P.O. Box 570 Oceanside, Calif. 92054 (619) 433-5771	**TV:** WIVB-TV, Buffalo, N.Y.
Hubbard Broadcasting	3415 University Ave. W. St. Paul, Minn. 55415 (612) 646-5555	**TV:** WTOG, St. Petersburg, Fla.; KSTP-TV, St. Paul, Minn.; KSAX-TV, Alexandria, Minn.; KRWF-TV, Redwood Falls, Minn.; KOB-TV, Albuquerque, N.M.; KOBF, Farmington, N.M.; KOBR-TV, Roswell, N.M.; WDIO-TV, Duluth, Minn.; WIRT-TV, Hibbing, Minn. **RADIO:** KSTP (AM, FM), St. Paul, Minn;
Journal Communications	333 W. State Street Milwaukee, Wis. 53203 (414) 224-2000	**TV:** KTNV-TV, Las Vegas, Nev.; WTMJ-TV, Milwaukee; WSYM, Lansing, Mich. **RADIO:** WTMJ (AM), WKTI (FM), Milwaukee; WSAU, WIFC (FM), Wausau, Wis.
Knight-Ridder	One Herald Plaza Miami, Fla. 33132-1693 (305) 376-3800	**TV:** WJRT-TV, Flint, Mich.; WKRN-TV, Nashville, Tenn.; WPRI-TV, Providence, R.I.; WTEN, Albany, N.Y.; WTKR-TV, Norfolk, Va; KOLD-TV, Tucson, Ariz.; KTVY, Oklahoma City; WALA-TV, Mobile, Ala.
Landmark Communications	150 W. Brambleton Ave. Norfolk, Va. 23501 (804) 446-2000	**TV:** KLAS-TV, Las Vegas, Nev.; KNTV, San Jose, Calif. **RADIO:** WTAR, WLTY (FM), Norfolk, Va.
Lee Enterprises	130 E. Second St. Davenport, Iowa 52801 (319) 383-2202	**TV:** KGGM-TV, Albuquerque, N.M. (42% ownership); KGMB, Honolulu; KHQA-TV, Hannibal, Mo.; KOIN-TV, Portland, Ore.; WSAZ-TV, Huntington-Charleston, W. Va.; KMTV, Omaha, Neb.; KGUN-TV, Tucson, Ariz.
LIN Broadcasting	1370 Ave. of the Americas New York, N.Y. 10019 (212) 765-1902	**TV:** WAND, Decatur-Champaign-Springfield-Danville, Ill.; KXAN-TV, Austin, Texas; KXAS-TV, Dallas-Fort Worth; WAVY-TV, Hampton Roads, Va.; WOTV, Grand Rapids-Kalamazoo-Battle Creek, Mich.; WISH-TV, Indianapolis; WANE-TV, Fort Wayne, Ind.
Macromedia Inc.	150 River Street Hackensack, N.J. 07602 (201) 646-4000	**TV:** WBNG-TV, Binghamton, N.Y.; WLYH-TV, Harrisburg-York-Lancaster-Lebanon, Pa.; WOWK-TV, Charleston-Huntington, W.Va.; WTAJ-TV, Johnstown-Altoona, Pa.
McGraw-Hill	1221 Avenue of the Americas New York, N.Y. 10020 (212) 512-2000	**TV:** KERO-TV, Bakersfield, Calif.; KGTV, San Diego, Calif.; KMGH-TV, Denver; WRTV, Indianapolis.
Media General	333 E. Grace Street Richmond, Va. 23219 (804) 649-6000	**TV:** WCBD-TV, Charleston, S.C.; WJKS, Jacksonville, Fla.; WXFL, Tampa, Fla.
Meredith Corp.	Locust at 17th Des Moines, Iowa 50336 (515) 284-3000	**TV:** KPHO-TV, Phoenix, Ariz.; KSEE, Fresno, Calif.; WOFL, Orlando, Fla.; WNEM-TV, Saginaw-Bay City-Flint, Mich.; KCTV, Kansas City, Mo.; WTVH, Syracuse, N.Y.; KVVU-TV, Henderson-Las Vegas, Nev.
Multimedia Inc.	P.O. Box 1688 Greenville, S.C. 29602 (803) 298-4373	**TV:** KSDK, St. Louis; WLWT, Cincinnati; WZTV, Nashville, Tenn.; WBIR-TV, Knoxville, Tenn.; WMAZ-TV, Macon, Ga. **RADIO:** KEEL, KITT (FM), Shreveport, La.; WMAZ, WAYS (FM), Macon, Ga; WFBC (AM, FM), Greenville-Spartanburg, S.C.; WEZW (FM), Milwaukee.
News Corp. Ltd.	News America Publishing 10 E. 53rd Street New York, N.Y. 10022 (212) 527-2300	**TV:** WFXT, Boston; WFLD, Chicago; KDAF, Dallas-Fort Worth; KRIV, Houston; KTTV, Los Angeles; WNYW, New York; WTTG, Washington.
New York Times Co.	229 West 43rd Street New York, N.Y. 10036 (212) 556-1234	**TV:** WHNT-TV, Huntsville, Ala.; KFSM-TV, Fort Smith, Ark.; WREG-TV, Memphis, Tenn.; WNEP-TV, Wilkes-Barre/Scranton, Pa.; WQAD-TV, Moline, Ill. **RADIO:** WQXR (AM, FM), New York.
Oklahoma Publishing Co.	P.O. Box 25125 Oklahoma City, Okla. 73125 (405) 232-3311	**TV:** KHTV, Houston; KSTW, Tacoma, Wash.; KTVT, Dallas-Fort Worth; WUAB, Lorain (Cleveland), Ohio; WVTV, Milwaukee. **RADIO:** WKY, Oklahoma City; WSM (AM, FM), Nashville, Tenn.
Park Communications	Terrace Hill, Tower Building Ithaca, N.Y. 14850 (607) 272-9020	**TV:** WBMG, Birmingham, Ala.; WUTR, Utica, N.Y.; WNCT-TV, Greenville, N.C.; WSLS-TV, Roanoke, Va.; WTVR-TV, Richmond, Va.; WDEF-TV, Chattanooga, Tenn.; WJHL-TV, Johnson City, Tenn. **RADIO:** KWLO (AM, FM), KFMW (FM), Waterloo, Iowa; WPAT (AM, FM), Clifton, N.J.; KJJO (AM, FM), Minneapolis; WHEN, WRRB (FM), Syracuse, N.Y.; WNCT (AM, FM), Greenville, N.C.; KWJJ (AM, FM), Portland, Ore.; WNAX, Yankton, S.D.; WDEF (AM, FM), Chattanooga, Tenn.; WTVR (AM, FM), Richmond, Va.; KEZX (AM, FM), Seattle.
Providence Journal Co.	75 Fountain Street Providence, R.I. 02902 (401) 277-7000	**TV:** KMSB-TV, Tucson; Ariz.; KGSW, Albuquerque, N.M; WHAS-TV, Louisville, Ky.
Pulitzer Publishing Co.	900 N. Tucker Blvd. St. Louis, Mo. 63101 (314) 622-7000	**TV:** KETV, Omaha, Neb.; KOAT-TV, Albuquerque, N.M.; WGAL-TV, Lancaster, Pa.; WLKY-TV, Louisville, Ky.; WPTA, Fort Wayne, Ind.; WXII, Winston-Salem, N.C.; WYFF-TV, Greenville, S.C. **RADIO:** KTAR, KKLT (FM), Phoenix, Ariz.
RKO General	1440 Broadway New York, N.Y. 10018 (212) 642-4000	**TV:** WHBQ-TV, Memphis, Tenn.; KHJ-TV, Los Angeles. **RADIO:** KRTH (AM, FM), Los Angeles; KFRC, San Francisco; WGMS (AM, FM), Bethesda, Md./Washington; WAXY (FM), Miami/Fort Lauderdale, Fla.; WFYR (FM), Chicago; WRKO, WROR (FM), Boston; WOR, WRKS (FM), New York; WHBQ, Memphis, Tenn.
SCI Holdings	12000 Biscayne Blvd. Miami, Fla. 33261-8000 (305) 899-1000	**TV:** WAGA-TV, Atlanta; WSBK-TV, Boston; WTVG-TV, Toledo, Ohio; WJBK-TV, Detroit; WJW-TV, Cleveland; WITI-TV, Milwaukee; KCST-TV, San Diego (all sold).
Scripps Howard	1100 Central Trust Tower Cincinnati, Ohio 45202 (513) 977-3000	**TV:** WCPO-TV, Cincinnati; WEWS, Cleveland; WMC-TV, Memphis, Tenn.; WPTV, West Palm Beach, Fla.; KJRH, Tulsa, Okla.; KNXV-TV, Phoenix, Ariz.; KSHB-TV, Kansas City, Mo.; WXYZ-TV, Detroit; WFTS, Tampa, Fla. **RADIO:** WMC (AM, FM), Memphis, Tenn.; KUPL (AM, FM) Portland, Ore.; WBSB (FM), Baltimore.
Times Mirror Co.	Times Mirror Square Los Angeles, Calif. 90053 (213) 237-3700	**TV:** KDFW-TV, Dallas; KTBC-TV, Austin, Texas; KTVI, St. Louis; WVTM-TV, Birmingham, Ala.

BROADCAST PROPERTIES (continued)

Company	Headquarters	Media holdings
Tribune Co.	435 N. Michigan Ave. Chicago, IL 60611 (312) 222-3232	**TV:** KWGN-TV, Denver; KTLA, Los Angeles; WGN-TV, Chicago; WGNO-TV, New Orleans; WGNX, Atlanta; WPIX, New York. **RADIO:** KGNR, KCTC (FM), Sacramento, Calif.; WGN, Chicago; WICC-AM, Bridgeport, Conn; WPIX, New York.
Turner Broadcasting System	One CNN Center P.O. Box 105366 Atlanta, Ga. 30348-5366 (404) 827-1500	**TV:** WTBS, Atlanta. **RADIO:** CNN Radio.
TVX Broadcast Group	5501 Greenwich Rd., Ste. 300 Virginia Beach, Va. 23462 (804) 499-9800	**TV:** WTAF-TV, Philadelphia; KTXA, Dallas-Ft. Worth; WDCA-TV, Washington; KTXH, Houston; WCIX, Miami; WCAY-TV, Nashville, Tenn.; WNOL-TV, New Orleans; WLFL-TV, Raleigh-Durham, N.C.; WMKW-TV, Memphis, Tenn.; KRRT, Kerrville, Texas (80% interest); WTVZ, Norfolk, Va.; KJTM-TV, Pine Bluff, Ark.
Viacom International	1211 Avenue of the Americas New York, N.Y. 10036 (212) 575-5175	**TV:** KSLA-TV, Shreveport, La.; WVIT, New Britain-Hartford, Conn.; WHEC-TV, Rochester, N.Y.; WNYT, Albany-Troy-Schenectady, N.Y.; KMOV-TV, St. Louis. **RADIO:** KIKK, Pasadena, Texas; KIKK-FM, Houston; WMZQ-FM, Washington; WMZQ, Arlington, Va.; KBSG (FM), Tacoma, Wash.; WLAK-FM, Chicago; WLTW (FM), New York; WRVR (AM, FM), Memphis, Tenn.
Washington Post Co.	1150 15th Street N.W. Washington, D.C. 20071 (202) 334-6000	**TV:** WDIV, Detroit; WPLG, Miami; WFSB, Hartford, Conn.; WJXT, Jacksonville, Fla.
Westinghouse Electric Corp.	Westinghouse Bldg. Gateway Center Pittsburgh, Pa. 15222 (412) 244-2000	**TV:** KPIX, San Francisco; WJZ-TV, Baltimore; WBZ-TV, Boston; KYW-TV, Philadelphia; KDKA-TV, Pittsburgh. **RADIO:** WBZ, Boston; KQZY (FM), Dallas; KEZW, KOSI (FM), Denver; KODA (FM), Houston; KFWB, Los Angeles; WINS, New York; KYW, Philadelphia; KDKA, Pittsburgh; KJQY (FM), San Diego; KQXT (FM), San Antonio, Texas; KMEO (AM, FM), Phoenix, Ariz.; KFBK, KAER (FM), Sacramento, Calif.; WMAQ, Chicago (pending).

CABLE TV PROPERTIES

Company	Headquarters	Media holdings
Advance Publications	Newark, N.J. Star-Ledger Star-Ledger Plaza Newark, N.J. 07101 (201) 877-4141	**SYSTEMS:** MetroVision—ILLINOIS: Blue Island, Berwyn, Crestwood, Hickory Hills (90% interest), Melrose Park, Midlothian, Northlake, Palos Hills, Posen, Stickney, Tinley Park, Westhaven. INDIANA: Portage. KENTUCKY: Newport. LOUISIANA: St. John the Baptist Parish. NEBRASKA: Auburn, Crete, David City, Fairbury, Fremont, Humbolt, Lincoln, Nebraska City, Pawnee City, Seward, Superior, Table Rock, Tecumseh, York. OHIO: Green Township. TEXAS: Belton, Belmead, Beverly Hills, Greenville, Killeen, Lacey-Lakeview, Robinson, North Weedway, Temple, Waco. WISCONSIN: Lannon (90% interest), Menomonee Falls. WYOMING: Sheridan. NewsChannels Corp.—ALABAMA: Anniston, Eufala, Greenville, Wetumpka. NEW YORK: Binghamton, Carthage, Cooperstown, Corning, Delhi, Fulton, Malone, Massena, Ogdensberg, Oenonta, Potsdam, Rome, Sidney, Syracuse, Troy. PENNSYLVANIA: Canonsburg, Coraopolis, Crescent Township, Moon Township, Neville Township. Vision Cable Communications—FLORIDA: Clearwater (90% owned), Kenneth City, Pinellas Park. LOUISIANA: Alexandria, Houman. NEW JERSEY: Fort Lee. NORTH CAROLINA: Albemarle, Concord, Jacksonville, Morehead City, Salisbury, Shelby, Southport, Wilmington. PENNSYLVANIA: DuBois. SOUTH CAROLINA: Darlington, Florence, Sumter.
Blade Communications	541 Superior Street Toledo, Ohio 43660 (419) 245-6000	**SYSTEMS:** OHIO: Buckeye Cablevision-Harbor View, Holland, Lucas County, Maumee, Ottawa Hills, Oregon, Perrysburg, Perrysburg Township, Rossford, Springfield Township, Sylvania, Sylvania Township, Toledo, Washington Township, Wood County; Erie County Cablevision-Bay View, Castalia, Erie County, Huron, Huron Township, Margaretta Township, Oxford Township, Perkins Township, Sandusky. MICHIGAN: Monroe Cablevision-Monroe, Frenchtown Township.
Cablevision Systems Corp.	One Media Crossways Woodbury, N.Y. 11797 (516) 364-8450	**SYSTEMS:** Cablevision of Connecticut Cablevision of Long Island; Cablevision of Dutchess County; Cablevision of New York City; Cablevision of Michigan (Kalamazoo area); Cablevision of Ohio; Cablevision of Bayonne (N.J.); Cablevision of New Jersey (Bergen County); Cablevision of Westchester (Yonkers, N.Y.), Cablevision of Chicago, Cablevision of Boston. Adams-Russell: ARKANSAS: Paragould. ILLINOIS: Rockford. MAINE: Auburn, Bangor, Lewiston. MASSACHUSETTS: Braintree, Hudson, Leominster, Lexington, Norwood, Peabody. MISSOURI: Bootheel. NEW YORK: Lynbrook, Penn Yan, Port Chester, Rensselaer, Wellsville, Yorktown Heights. **CHANNELS:** Rainbow Program Enterprises—SportsChannel New York, SportsChannel New England, SportsChannel Chicago; PRISM (Philadelphia area); American Movie Classics; Bravo.
Capital Cities/ABC	24 E. 51st Street New York, N.Y. 10022 (212) 421-9595	**CHANNELS:** ESPN, Bristol, Conn. (80% interest).
Chronicle Publishing Co.	Fifth & Mission Streets San Francisco, Calif. 94119 (415) 441-4444	**SYSTEMS:** CALIFORNIA: Butte County, Carmel-by-the-Sea, Carmel Valley, Chico, Clayton, Concord, Contra Costa County, Corning, Del Monte Forest, Del Rey Oaks, Glenn County, Hemet, Marina, Monterey County, Orland, Pacific Grove, Rancho California, Salinas, San Mateo County, Seaside, South San Francisco, Ventura County, Willows. NEW MEXICO: Dona Ana County, Las Cruces, Mesilla.
Comcast Corp.	One Belmont Ave. Bala Cynwyd, Pa. 19004 (215) 667-4200	**SYSTEMS:** ALABAMA: Dothan, Florence, Gadsden, Huntsville, Mobile, Tuscaloosa. CALIFORNIA: Fullerton, Lompoc, Ontario, San Bernardino, Santa Ana, Santa Maria, Simi Valley. CONNECTICUT: Danbury, Middletown. FLORIDA: Boca Raton, Marianna, Panama City, Perry, Quincy, Tallahassee, West Palm Beach. INDIANA: Indianapolis, Ft. Wayne. KENTUCKY: Paducah. MARYLAND: Aberdeen, Timonium. MICHIGAN: Flint, Grosse Point Woods, Hillsdale, Pontiac, Sterling Heights. MISSISSIPPI: Corinth, Laurel, Meridian, Tupelo. NEW JERSEY: North Arlington, Trenton. PENNSYLVANIA: Bala Cynwyd, New Kensington, Philadelphia, Willow Grove.
Continental Cablevision	Pilot House, Lewis Wharf Boston, Mass. 02110 (617) 742-9500	**SYSTEMS:** CHICAGO REGION: Continental Cablevision of Cook County-Calumet City-Calumet Park-Dolton-Riverdale; Elmhurst-Berkeley-Oakbrook Terrace-Bensenville; Elmwood Park; Forest Park; Franklin Park-River Grove-Rosemont-Schiller Park; Lombard; Unincorporated DuPage County; Westchester-Hillside; Westmont-Clarendon Hills-Countryside-Hinsdale-Oakbrook-Unincorporated Westmont-Willowbrook; Unincorporated Cook County; Continental Cablevision of Morton Grove-Morton Grove. FLORIDA REGION: Continental Cablevision of Jacksonville-Jacksonville; St. Johns County. ILLINOIS-IOWA-MISSOURI REGION: Continental Cablevision of Illinois-Freeport-Cedarville-Stephenson County; Keokuk-Carthage-Hamilton-Warsaw; Kewanee; Lincoln-Logan County; Morton; Pekin-Groveland-Marquette Heights-N. Pekin-S. Pekin-Tazewell County-Tremont; Quincy; Continental Cablevision of St.Louis County-Belleville-Fairview Heights-O'Fallon-St. Clair County-Swansea; Jennings-Bellefontaine Neighbors-Country Club Hills-Flordell Hills-Moline Acres-Northwoods-Pine Lawn-Riverview-Wherry Housing Base; Lake St. Louis-St. Charles County-St.Paul-Wentzville; Overland-Breckenridge Hills-Brentwood-Clayton-Edmundson-Maplewood-St. Ann-University City-St. Louis County Area B-Maryland Heights; Scott Air Force Base-Albers-Aviston-Clinton County-Damiansville-Freeburg-Lebanon-Mascoutah-New Baden-St. Clair County-Shiloh-Summerfield-Trenton. MICHIGAN REGION: Continental Cablevision of Michigan-Dearborn Heights; Hazel Park; Holland; Jackson-Blackman Township-Rives Junction; Lansing-Dewitt-Eaton Rapids-Grand Lodge-Delhi, Delta, Dewitt, Eaton Rapids, Himlin, Lansing and Oneida Townships; Madison Heights; Oak Park; Roseville; Southfield-Lathrup Village; West Bloomfield Township; Westland. NEW HAMPSHIRE-MASSACHUSETTS-MAINE-CONNECTICUT REGION: American Cablesystems of Massachusetts-Dedham; Marion-Mattapoisett-Rochester-Wareham; Orleans-Brewster-Eastham-Provincetown-Truro-Wellfleet; Scituate-Cohasset-Hanover-Hingham-Hull-Norwell; Continental Cablevision of Brockton (99.9% owned)-Brockton. Continental Cablevision of Massachusetts-Beverly-Hamilton-Marblehead-Topsfield-Wenham; Natick; Newton-Wayland-Wellesley-Weston; Reading; Saugus-Hahent; Watertown; Winchester; Woburn-Billerica-Burlington-Stoneham-Wilmington; Continental Cablevision of Needham (99.7% owned)-Needham; Continental Cablevision of New England-Concord-Alexandria-Allenstown-Antrim-Boscawen-Bow-Bridgewater-Bristol-Deering-Henniker-Hillsboro-Hopkinton-New Hampton-Pembroke; Dover-Berwick-Hebron-Madbury-Rollinsford-Somersworth-South Berwick; Exeter-Durham-Epping-Fremont-Hampton Falls-Newfields-Newmarket-North Hampton-Raymond-Seabrook; Lawrence-Methuen-North Andover; Portsmouth-Eliot-Greenland-Hampton-Kittery-New Castle-Newington-Rye-Stratham; Saco-Old Orchard Beach; Salem-Derry-Hampstead-Plaistow-Sandown; Continental Cablevision of Southern Massachusetts-Hanson-East Bridgewater-Holbrook-West Bridgewater-Whitman; Middleboro-Lakeville-Berkeley-Dighton-Freetown; Stoughton-Avon- Easton-Raynham. Milton Cablesystems Corp. (99% owned)-Milton. Pease Cablevision-Pease Air Force Base. Quincy Cablesystems Corp. (98%owned)-Quincy. Randolph Cablesystems Corp. (94% owned)-Randolph. OHIO REGION: Continental Cablevision of Ohio-Athens-The Plains; Bay Village-Avon Lake; Bellevue-Clyde-Green Springs-Greencreek Township; Butler Township-Clayton-Englewood-Madison Township-Randolph Township-Trotwood-Union-Vandalia; Eastlake-Fairport Harbor-Grand River-Lakeline-Mentor-Painesville-Timberlake-Wickliffe-Willoughby-Willoughby Hills; Elyria-Carlisle and Elyria Townships; Fairborn-Donnelsville-Enon-New Carlisle-Bath, Bethel, and Mad River Townships; Findley-Arlington-McComb-Mount Blanchard-Mount Cory-Rawson-Van Buren-Vanlue; Fostoria-Arcadia-New Riegel-Sycamore-Tiffin; Galion-Crestline-North Robinson; Huber Heights-Bath Township-Harrison Township; Kettering-Beavercreek-Beavercreek Township-Bellbrook-Centerville-Clearcreek Township-Corwin-Franklin Township-Miamisburg-Miami Township-Moraine-Oakwood-Springboro-Sugarcreek-Washington Township-Wayne Township-Waynesville-West Carrollton; Lancaster-Ashville-Berne Township-Baltimore-Bremen-Carroll-Circleville-Greenfield Township-Hocking Township-Lima Township-Millersport-Pataskala-Pleasant Township-Pleasantville-South Bloomfield-Stoutsville-Sugar Grove-Thurston; N.Ridgeville-Amherst-S. Amherst-Amherst Township; Norwalk-Milan-Monroeville-Norwalk Township; Springfield-Harmony, Monroeville, Pleasant and Springfield Townships-South Charleston-South Vienna Village; Upper Sandusky-Nevada; Willard-Attica-Chatfield-Greenwich Village-New Haven-New Washington-North Fairfield-Plymouth-Republic-Shiloh; Xenia-Cedarville-Jamestown-New Jasper and Silver Creek Townships-Spring Valley-Wilberforce-Cedarville, Spring Valley and Xenia Townships. SIERRA REGION: Continental Cablevision of California-Manteca-Lathrop; Stockton-San Joaquin County. ST. PAUL REGION: Continental Cablevision of St.Paul-St. Paul. VIRGINIA REGION: Continental Cablevision of Richmond(88.8% owned)-Richmond; Continental Cablevision of Virginia-Ashland; Goochland County; Hanover County; Henrico County; James City County; York County. WESTERN NEW ENGLAND REGION: American Cablesystems of New York-Ossining Town-Bedford-Briarcliff Manor-Mount Pleasant-New Castle-North Tarrytown-Ossining Village-Pleasantville-Tarrytown; Peekskill-Buchanan-Cortlandt-Croton-on-Hudson-Philipstown; Rockland-Haverstraw Town-Haverstraw Village-Pomona-Ramapo-Stony Point-West Haverstraw. Continental Cablevision of Western New England-Agawam-Granby-Holyoke-South Hadley-Southwick-Westfield-West Springfield;Deerfield-Bernardston-Northfield-Sunderland; Enfield; Northampton-Hatfield-Williamsburg; Springfield-Longmeadow. LOS ANGELES REGION: American Cablesystems of California-Bellflower; Carson; Compton; Corona-Riverside County; Covina-Los Angeles County; Downey-Bell Gardens-La Mirada-Lynwood-Paramount-Santa Fe Springs; Hollywood-Los Angeles-Venice-Wilshire (Metro System); Inglewood; Maywood; Pomona; Tustin-Orange County; Westchester-Los Angeles City-Los Angeles County; Westside-Culver City-Venice; American Cablesystems of South Central Los Angeles (80% owned)-Los Angeles County (Area K). SIERRA REGION-Continental Cablevision of Sierra Valleys-Hanford-Corcoran-Kings County-LeMoore; Tulare-Tulare County-Visalia; Fresno Cable TV Limited-Fresno-County of Fresno-Clovis-Madera; Nor Cal Cablevision-Yuba City-County of Sutter-County of Yuba-Beale Air Force Base-Marysville-Wheatland; Telcab Communications-Reno-Washoe.
Cooke Media Group	Kent Farms Middleburg, Va. 22117 (703) 687-4000	**SYSTEMS:** ALASKA: Fairbanks, Ketchikan, Juneau, Sitka. ARIZONA: Benson, Douglas, Green Valley, Sierra Vista, Tucson, Wilcox. GEORGIA: Cuthbert, Peachtree City. HAWAII: Hawaii Kai, Wailuku. ILLINOIS: Kankakee. MISSISSIPPI: Greenville. NEW MEXICO: Clovis. NEW YORK: Syracuse. NORTH CAROLINA: Ahoskie, Elizabeth City, Murfreesboro, Rocky Mount. OHIO: Blanchester, Wilmington. OREGON: Astoria, Baker, Cottage Grove, The Dalles, Florence, Grants Pass, Klamath Falls, LaGrande, Medford, Redmond, Rogue, Roseburg, St. Helens. SOUTH CAROLINA: Aiken, Barnwell, Edgefield, Hilton Head, Johnston, McCormick, Saluda, Ware Shoals. TENNESSEE: Alcoa, Brentwood, Concord, Gatlinburg, Madisonville, Mt. Pleasant, Pigeon Forge, Rogersville, Sevierville, Sweetwater. TEXAS: Bryan, Paris, Victoria. VIRGINIA: Amherst, Emporia, Glasgow, South Boston, South Hill. WASHINGTON: Aberdeen, Centralia, Cle Elum, Montesano, North Bend, Omak, Walla Walla, Yakima. WYOMING: Jackson Hole.
Copley Newspapers	7776 Ivanhoe Ave. La Jolla, Calif. 92037 (619) 454-0411	**SYSTEMS:** CALIFORNIA: San Pedro-Wilmington-Harbor City, Lomita and portions of unincorporated areas, Los Angeles County, Costa Mesa, Cypress, unincorporated area in Orange County.
Cox Enterprises	1400 Lake Hearn Drive Atlanta, Ga. 30319 (404) 843-5000	**SYSTEMS:** CALIFORNIA: Bakersfield, Humboldt Bay, San Diego, Santa Barbara. CONNECTICUT: Hartford. FLORIDA: Gainesville, Ocala, Pensacola. GEORGIA: Macon, Waycross. ILLINOIS: Quad Cities. IOWA: Cedar Rapids. LOUISIANA: Jefferson Parish, New Orleans. MICHIGAN: Saginaw. NEBRASKA: Omaha. NEW YORK: Staten Island (under development). OHIO:Cleveland. OKLAHOMA: Oklahoma City. RHODE ISLAND: Cranston/Johnston. SOUTH CAROLINA: Myrtle Beach. TEXAS: Lubbock. VIRGINIA: Roanoke, Hampton Roads. WASHINGTON: Spokane.
CVN Cos.	1405 Xenium Lane North Plymouth, Minn. 55447 (615) 559-6000	**CHANNELS:** Cable Value Network (home shopping).
Donrey Media Group	920 Rogers Ave. Fort Smith, Ark. 72901 (501) 785-7810	**SYSTEMS:** ARKANSAS: Rogers. CALIFORNIA: Vallejo. OKLAHOMA: Bartlesville, Blackwell, Guymon.

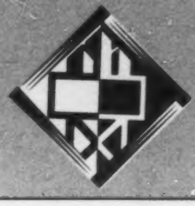
CABLE TV PROPERTIES (continued)

Company	Headquarters	Media holdings
Harte-Hanks Communications	Harte-Hanks Tower 7710 Jones Maltsberger San Antonio, Texas 78216 (512) 829-9000	**SYSTEMS:** FLORIDA: Miami, Okeechobee. NEW JERSEY: Asbury Park, Ocean. PENNSYLVANIA: Delaware County, Montgomery County. TEXAS: East and West Houston. (all sold as of January 1988).
Hearst Corp.	959 Eighth Ave. New York, N.Y. 10019 (212) 262-5700	**SYSTEMS:** CALIFORNIA: Hearst Cablevision of California—Los Gatos, Milpitas, Mountain View, Newark, Santa Clara, Saratoga.
Home Shopping Network	12000 25th Court North St. Petersburg, Fla. 33716 (813) 572-8585	**CHANNELS:** HSN I.
Howard Publications	P.O. Box 570 Oceanside, Calif. 92054 (619) 433-5771	**SYSTEMS:** CALIFORNIA: Alhambra, Huntington Park, Norco, Norwalk, Pasadena, Riverside, San Gabriel, Temple City, Walnut, West Covina and unincorporated parts of Los Angeles County including Altadena. WYOMING: Evanston.
Landmark Communications	150 W. Brambleton Ave. Norfolk, Va. 23501 (804) 446-2000	**CHANNELS:** Weather Channel.
Maclean Hunter Ltd.	Maclean Hunter Bldg. 777 Bay Street Toronto, Ontario M5W 1A7 (416) 596-5526	**SYSTEMS:** MICHIGAN: Barden Cablevision (58.7% interest), Maclean Hunter Cable TV. NEW JERSEY: Cable TV of Jersey City (80% interest), Suburban Cablevision.
Media General	333 E. Grace Street Richmond, Va. 23219 (804) 649-6000	**SYSTEMS:** VIRGINIA: Fredericksburg, Spotsylvania County, Stafford County, Fairfax County.
Multimedia Inc.	P.O. Box 1688 Greenville, S.C. 29602 (803) 298-4373	**SYSTEMS:** ILLINOIS: Alsip/Worth, Batavia, Chicago Ridge, Evergreen Park, Harvey, Hometown, Lisle, Markham, Oak Forest, Oak Lawn, Phoenix, Kane County, Four Lakes, South Holland, Villa Park. KANSAS: Bel Aire, Colonial Mobile Home Park, Crestview/Shadybrook, East Borough, Great Bend, Herington, Hoisington, Kechi, LaCrosse, Larned, Lyons, McConnell Air Force Base, McPherson, Medicine Lodge, Oaklawn, Park City, Rolling Hills, Sedgwick County, Springdale/Timberlakes, Wichita. NORTH CAROLINA: Ayden, Battleboro, Beaufort County, Bethel, Bridgeton, Clinton, Chocowinity, Craven County, Edgecombe County, Enfield, Greenville, Kinston, La Grange, Lenoir County, Martin County, Nash County, Nashville, New Bern, Parmele/Bethel, Pitt, River Bend, Robertsonville, Rocky Mount, Sampson County, Scotland Neck, Sharpsburg, Tarboro, Trent Woods, Vanceboro, Walnut Creek, Washington, Wayne County, Winterville, Wingate. OKLAHOMA: Bethany, Bixby, Chickasha, Cresent, Cushing, Del City, Edmond, El Reno, Erin Springs, Guthrie, Lindsay, Logan County, Midwest City, Moore, Mustang, Nichols Hill, Norman, Perry, Stillwater, Tinker Air Force Base, Valley Brook, The Village, Warr Acres, Yukon.
New York Times Co.	229 West 43rd Street New York, N.Y. 10036 (212) 556-1234	**SYSTEMS:** NEW JERSEY: NYT Cable TV, Cherry Hill.
Oklahoma Publishing Co.	P.O. Box 25125 Oklahoma City, Okla. 73125 (405) 232-3311	**CHANNELS:** Nashville Network.
Playboy Enterprises	919 North Michigan Ave. Chicago, Ill. 60611 (312) 751-8000	**CHANNELS:** Playboy Channel.
Providence Journal Co.	75 Fountain Street Providence, R.I. 02902 (401) 277-7000	**SYSTEMS:** CALIFORNIA: Colony Communications-Harbor City, San Pedro, Wilmington. FLORIDA: Colony Communications-Hialeah-Coral Gables. MASSACHUSETTS: Colony Communications-Fall River, Lowell, New Bedford. NEW YORK: Colony Communications-Beacon, Hyde Park, Lloyd, Monroe, Wappinger. RHODE ISLAND: Hopkinton, Westerly.
Rogers Communications	Commercial Union Tower Toronto Dominion Center, Ste. 6000 Toronto, Ontario M5K 1J5 (416) 864-2373	**SYSTEMS:** MINNESOTA: Minneapolis (62% interest), Minneapolis suburbs—Edina, Hopkins, Minnetonka, Eden Prairie, Richfield (74% interest). OREGON: Portland (78% interest). CALIFORNIA: Orange County—Huntington Beach, Westminster, Fountain Valley, Stanton, Garden Grove, Los Alamitos; Los Angeles County (79% interest)—Downey, Santa Fe Springs, Lynwood, Bell Gardens, Paramount, La Mirada; El Centro (79% interest). TEXAS: Laredo (79% interest). ARIZONA: Yuma (79% interest).
Sammons Communications	500 S. Ervay, Ste. 200A Dallas, Texas 75201 (214) 742-9828	**SYSTEMS:** ALABAMA: Lanett, Russellville, Tuskegee. CALIFORNIA: Ceres, Glendale, Turlock, Whittier. CONNECTICUT: Waterbury. GEORGIA: West Point. ILLINOIS: Dwight, Jacksonville, Ottawa, Pontiac, Streator. INDIANA: Logansport. KENTUCKY: Middlesboro. MISSISSIPPI: Brookhaven, McComb, Natchez, Pascagoula. NEW JERSEY: Dover, Millviller, Morristown, Ocean City, Pleasantville, Vineland. NEW YORK: Cortland, Johnstown.NORTH CAROLINA: Black Mountain, Canton, Clyde, Waynesville. OKLAHOMA: Clinton, Elk City. PENNSYLVANIA: Bensalem, Easton, Emmaus, Fleetwood, Harrisburg, Morrisville, Oil City. TENNESSEE: Bristol, Johnson City, Morristown, Newport. TEXAS: Benbrook, Borger, Cleburne, Denton, Dumas, Duncanville, Fort Worth, Hurst, Mansfield, Pampa, Park City, Waxahachie, Weatherford. VIRGINIA: Covington, Petersburg. WASHINGTON: Ephrata, Moses Lake, Othello .
SCI Holdings	12000 Biscayne Blvd. Miami, Fla. 33261-8000 (305) 899-1000	**SYSTEMS:** Storer Cable Communications—ALABAMA: Baldwin County, Bay Minette, Brundidge, Chilton County, Clanton, Daphne, Elba, Elmore, Fairhope, Florala, Geneva, Hartford, Lockhart, Montgomery, Oak Grove, Prattville, Samson, Slocomb, Sylacauga, Troy. ARKANSAS: Bryant, Cammack Village, Jacksonville, Little Rock, North Little Rock, Pulaski County, Sherwood. CONNECTICUT: Chester, Clinton, Deep River, Durham, Essex, Groton, Haddam, Hamden, Killingworth, Ledyard, New Haven, North Stonington, Old Saybrook, Stonington, U.S. Naval Facility-Groton, Voluntown, West Haven, West Brook. DELAWARE: Blades, Camden, Cheswold, Clayton, Delmar, Dover, Dover Air Force Base, Georgetown, unincorporated Kent & Sussex Counties, Laurel, Lewes, Milford, Rehoboth Beach, Smyrna, Seaford, Wyoming. FLORIDA: Altamonte Springs, Arcadia, Avon Park, Bartow, Blountstown, Biscayne Park, Bristol, unincorporated Broward County, Charlotte County, Chattahoochee, Chipley, Dade County, DeFuniak Springs, DeSoto County, El Portal, Fort Meade, Frostproof, Graceville, unincorporated Hardee County, Highlands County, Hillcrest Heights, Hollywood (85% interest), Lake Mary, Lake Placid, Lake Wales, Lee County, Longboat Key, Maanatee County, metropolitan Dade County, Miami Shores, Miramar, North Miami, North Miami Beach, North Port, Pembroke Park, Pembroke Pines, unincorporated Polk County, Port Charlotte, Punta Gorda, Sarasota, Sarasota County, Sebring, Seminole County, Seminole Tribe of Florida, Venice, Wauchula. GEORGIA: Adel, Albany, Americus, Ashburn, Bainbridge, Berrien County, Camilla, Colquitt, Cook County, Cordele, Dawson, Donalsonville, Ellaville, Lee County, Leesburg, Miegs, Moultrie, Nashville, Omega, Pelham, Poulan, Sparks, Sumter County, Sycamore, Sylvester, Tift County, Tifton, Vienna. KENTUCKY: Anchorage, Audubon Park, Bancroft, Barbourmeade, Beechwood Village, Bellemeade, Bellewood, Blue Ridge Manor, Boone County, Bowling Green, Briarwood, Broadfields, Broeck Point, Brownsboro Farm, Brownsboro Village, Campbell County, Cambridge, Cherrywood Village, Covington, Creekside, Crossgate, Devondale, Douglass Hills, Druid Hills, Fairmeade, Fincastle, Forest Hills, Glenview Hills, Glenview Manor, Goose Creek, Graymore, Green Springs, Hickory Hill, Hills and Dales, Hollow Creek, Hollyvilla, Hurstbourne Acres, Indian Hills, Jefferson County, Jeffersontown, Keeneland, Kenton County, Kingsley, Langdon Place, Lincolnshire, Louisville, Lyndon, Lynnview, Manor Creek, Maryhill Estates, Meadowbrook Farm, Meadow Vale, Meadowview Estates, Middletown, Minor Lane Heights, Mockingbird Valley, Moorland, Newport, Norbourne Estates, Northfield, Norwood, Oakland, Old Brownsboro Place, Parkway Village, Pewee Valley, Plantation, Plum Springs, Plymouth Village, Prospect, Richlawn, River Bluff, Riverwood, Robinswood, Rolling Hills, Rolling Fields, St. Matthews, St. Regis Park, Seneca Gardens, Shivley, Smiths Grove, Springlee, South Park View, Strathmoor Manor, Strathmoor Village, Sycamore, Ten Broeck, Thornhill, Warren County, Watterson Park, Wellington, West Point, Westwood, Whipps Millgate, Wildwood, Winding Falls, Windy Hills, Woodburn, Woodland Hills, Woodland Park, Worthington Hills. MARYLAND: Delmar, Fruitland, Hebron, Howard County, Pocomoke City, Princess Anne, Salisbury, Show Hill. NEW JERSEY: Allenhurst, Atlantic Highlands, Bay Head, Belvidere, Beverly, Bordentown, Brick Township, Cinnaminson, Delanco, East Brunswick, Burlington, Califon, Clayton, Cranbury, Deal, Delran, Deptford, East Greenwich, East Windsor, Eatontown, Edgewater Park, Fair Haven, Franklin, Freehold, U.S. Government-Fort Monmouth, Glassboro, Glen Gardner, Greenwich, Hackettstown, Hampton, Hazlet, Helmetta, High Bridge, Highlands, Highstown, Holmdel, Independence, Jamesburg, Lebanon, Liberty, Little Silver, Loch Arbor, Long Branch, Mansfield, Mantura, Mantoloking, Middletown, Monmouth Beach, Monroe, Mt. Olive, National Park, North Plainfield, Oceanport, Oxford, Palmyra, Paulsboro, Plainfield, Plainsboro, Pt. Murray, Pt. Pleasant, Pt. Pleasant Beach, Red Bank, Riverside, Riverton, Roosevelt, Rumson, Sea Bright, Shrewsbury, Spotswood, South Brunswick, South Plainfield, Tinton Falls, Washington (Morris & Warren County), Wenonah, West Deptford, West Long Branch, Westhampton, Westville, White, Willingboro, Woodbury, Woodbury Heights. PENNSYLVANIA: New Hope. SOUTH CAROLINA: Beaufort, Berkley County, Charleston, Charleston Air Force Base, Colleton County, Goose Creek, Hanahan, Isle of Palms, Mt. Pleasant, North Charleston, Sullivan's Island, Summerville, Walterboro, U.S. Marine Corps Air Station-Laurel Bay, U.S. Naval Station-Hunley Park, unincorporated Charleston County. TEXAS: Addison, Alvin, Bayou Vista, Bedford, Brookside Village, Carrollton, Cedar Hill, Clear Lake Shore, Cockrell Hill, Colleyville, DeSoto, Dickinson, El Lago, Euless, Friendswood, Garland, Glenn Heights, Grand Prairie, Hebron, Hillcrest Village, Hitchcock, Hutchins, Kemah, LaMarque, Lancaster, League City, Magnolia, Nassau Bay, North East Houston, Oak Ridge, Pearland, Red Oak, Rowlett, Santa Fe, Seabrook, South East Houston, Sunnyvale, Taylor Lake Village, Texas City, Tomball, Webster. VIRGINIA: Chesterfield.
Scripps Howard	1100 Central Trust Tower Cincinnati, Ohio 45202 (513) 977-3000	**SYSTEMS:** CALIFORNIA: Sacramento. COLORADO: Fort Lupton, Lafayette, Longmont, Louisville, Parachute. FLORIDA: De Bary, Madison. GEORGIA: Battlefield/Lookout, Blue Ridge, Calhoun, Claxton, Dallas, Elberton, Glenville, Granger Co., Homersville, Metter, Millen, Montezuma, Monticello, North DeKalb, Rome, Rossville, Tallapoosa, Union City, Walker County, Warrenton, Waynesboro. INDIANA: Tell City. KENTUCKY: Barbourville, Campbellsville, Elizabethtown, Glasgow, Greeneville, Knoxville, Lake City/LaFollette, Livingston. SOUTH CAROLINA: Newberry. TENNESSEE: Chattanooga, Knoxville, Gray, Greeneville. VIRGINIA: Glade Springs/Abingdon. WEST VIRGINIA: Bluefield.
TeleCable Corp.	740 Duke Street Norfolk, Va. 23510 (804) 624-5000	**SYSTEMS:** ALABAMA: Auburn, Decatur, Selma. FLORIDA: Margate. GEORGIA: Columbus. ILLINOIS: Bloomington. INDIANA: Kokomo. KANSAS: Overland Park. KENTUCKY: Lexington, Radcliff. MISSOURI: Springfield. NORTH CAROLINA: Roanoke Rapids. SOUTH CAROLINA: Greenville, Spartanburg. TENNESSEE: Cleveland. TEXAS: Arlington, Plano, Richardson. VIRGINIA: Wytheville. WEST VIRGINIA: Beckley, Princeton. WISCONSIN: Racine.
TCI	54 Denver Technological Center Call Box 22595, Wellshire Station Denver, Colo. 80222 (303) 721-5500	**SYSTEMS:** TCI systems, 3.4 million subscribers; United Artists Communications/United Cable Television/Daniels (60% interest), 2.3 million subscribers; Heritage Communications, 1 million subscribers; Western Telecommunications/Marcus Communications (57% interest), 292,000 subscribers; Communication Services (80% interest), 217,000 subscribers.
Time Inc.	Rockefeller Center New York, N.Y. 10020 (212) 586-1212	**SYSTEMS:** American Television & Communications Corp. (82% ownership), Manhattan Cable Television. **CHANNELS:** Cinemax, Home Box Office.
Times Mirror Co.	Times Mirror Square Los Angeles, Calif. 90053 (213) 237-3700	**SYSTEMS:** ARIZONA: Bullhead City, Casa Grande, Lake Havasu, Nogales, Phoenix. CALIFORNIA: Orange County, Palos Verdes, North San Diego County. CONNECTICUT: Meriden. ILLINOIS: Springfield. INDIANA: Lafayette. KENTUCKY: Ashland. MASSACHUSETTS: Amherst, Greenfield, Palmer, Haverhill, Weymouth. NEW YORK: Long Island. OHIO: Caldwell, Cambridge, Coshocton, Defiance, Greenfield, Ironton, Logan, Marion, Napoleon,Newark, Newcomerston, New Philadelphia/Urichsville, Toronto, Waverly, Wauseon. PENNSYLVANIA: Beaver Falls, Washington. RHODE ISLAND: Providence, Warwick. TEXAS: Del Rio, Kerrville, Midland, Texarkana, Uvalde. WEST VIRGINIA: Weirton.
Turner Broadcasting System	One CNN Center P.O. Box 105366 Atlanta, Ga. 30348-5366 (404) 827-1500	**CHANNELS:** CNN-Cable News Network, CNN Headline News, WTBS superstation services, TNT-Turner Network Television.
United Cable Television	Denver Technological Center 4700 S. Syracuse Parkway Denver, Colo. 80237 (303) 779-5999	**SYSTEMS:** ARIZONA: Scottsdale. CALIFORNIA: Alameda, Cupertino, East San Fernando Valley, Foster City, Hacienda Heights/S. Whittier/La Puente, Hayward, San Leandro, San Lorenzo. COLORADO: Denver, Grand Junction. CONNECTICUT: Hartford/Plainville, Vernon. IDAHO: Boise. ILLINOIS: Carpentersville, Effingham, Galesburg, Mendota, Monmouth, Peru. INDIANA: Hammond. LOUISIANA: Bossier City. MARYLAND: Annapolis, Baltimore, Eastern Shore, Lexington Park. MICHIGAN: East Lansing/Meridian, Lincoln Park/Woodhaven, Oakland County/Orion. MINNESOTA: Chaska, Shakopee. NEBRASKA: Bellevue/Tri-Cities/Lavista. NEW MEXICO: Gallup, Santa Fe. OKLAHOMA: Tulsa. TEXAS: Abilene, Anson, Hamlin, Perryton, Rotan, Sweetwater, Tyler/Jacksonville. UTAH: Moab. WYOMING: Casper. **CHANNELS:** Fashion Channel.
Viacom International	1211 Avenue of the Americas New York, N.Y. 10036 (212) 575-5175	**SYSTEMS:** CALIFORNIA: San Francisco region; North Bay Region-Marin County, Sonoma County, Napa/Pinole; Diablo Region; East Bay, Delta, Finer Living, Oroville/Paradise. NEW YORK: Long Island. OHIO: Cleveland region, Dayton region. TENNESSEE: Nashville region. WASHINGTON: Northwest region-Puget Sound, Tacoma (Pierce County), Salem. WISCONSIN: Milwaukee region. **CHANNELS:** Showtime/The Movie Channel, MTV Networks.

CABLE TV PROPERTIES (continued)

Company	Headquarters	Media holdings
Warner Communications	75 Rockefeller Plaza New York, N.Y. 10019 (212) 484-8000	**SYSTEMS:** Warner Cable Communications: ARIZONA: Flagstaff, Kingman, Parker, Sedona. ARKANSAS: Booneville, Clarksville, Fayetteville, Paris, Russellville. CALIFORNIA: Avenal, Bakersfield, Barstow, Blythe, Palm Springs, Taft. FLORIDA: Crestview, Fort Walton Beach, Lake City, Niceville. ILLINOIS: Altamont, Danville, DeKalb, Rochelle, St. Almo, Sycamore. INDIANA: Union City, Warsaw. MASSACHUSETTS: Athol, Chelsea, Dalton, Everett, Lynn, Pittsfield, Salem, Somerville, Swampscott, Wakefield, Winthrop. MICHIGAN: Menominee. MISSISSIPPI: Batesville, Cleveland, Lambert, Marks, Yazoo City. NEW HAMPSHIRE: Berglin, Claremont, Nashua. NEW JERSEY: Avalon. NEW YORK: New York (under construction), Olean. OHIO: Akron, Alliance, Canton, Cincinnati, Columbus, Cridersville, Delphos, Fort Shawnee, Kenton, Plain Township, Sandy, St. Mary's, Sidney, Wapakoneta, Youngstown. OREGON: Coos Bay, Myrtle Point. PENNSYLVANIA: Altoona, Bradford, Chambersburg, Clearfield, Marietta, Morrison Cove, Newport, Pottsville, Reedsville, Roaring Springs, Shippensburg, Warren. TENNESSEE: Kingsport. TEXAS: Houston (suburbs), Houston (NW & suburbs), Houston (SW & suburbs), Houston (Meyerland area). VERMONT: Bellows Falls, Brattleboro. VIRGINIA: Hampton, Harrisonburg, Reston, Williamsburg. Poquoson, Reston, Williamsburg. WEST VIRGINIA: Martinsburg. WISCONSIN: Marinette, Marshfield, Menasha, Merrill, Milwaukee (under construction), Neenah, Oshkosh.
Washington Post Co.	1150 15th Street N.W. Washington, D.C. 20071 (202) 334-6000	**SYSTEMS:** ARIZONA: Clifton, Cottonwood, Globe, Holbrook, Page, Safford, Showlow, Winslow. CALIFORNIA: Burlingame, Modesto/Oakdale, Santa Rosa, Union City. ILLINOIS: Highland Park. INDIANA: Greenwood. IOWA: Sioux City. KANSAS: Abilene, Beloit, Clay Center, Concordia. MISSISSIPPI: Clarksdale, Gulfport. MISSOURI: Brookfield, Joplin, Kirksville, Trenton. NEBRASKA: Norfolk. NEW MEXICO: Rio Rancho, Roswell. NORTH DAKOTA: Fargo. OHIO: Akron. OKLAHOMA: Altus, Ardmore, Frederick, Hobart, Idabel, Mangum, Miami, Ponca City, Vinita/Nowata. TENNESSEE: Dyersburg. TEXAS: Aransas Pass, Bonham, Childress, Lampasas, Lufkin, Memphis, Odessa, Port Lavaca, Sherman/Denison, Wellington.

OUTDOOR AND OTHER MEDIA PROPERTIES



Company	Headquarters	Media holdings
Advo-System	One Univac Lane Windsor, Conn. 06095-2668 (203) 285-6100	ADVO-System (direct mail/free-standing inserts).
Associated Press	50 Rockefeller Plaza New York, N.Y. 10020 (212) 621-1500	Associated Press news wire service.
CVN Cos.	1405 Xenium Lane North Plymouth, Minn. 55447 (615) 559-8000	CVN direct mail.
Donrey Media Group	920 Rogers Ave. Fort Smith, Ark. 72901 (501) 785-7810	Donrey Outdoor Advertising.
Dow Jones & Co.	World Financial Center 200 Liberty St. New York, N.Y. 10281 (212) 416-2000	Dow Jones News Service, DowAlert, Dow Jones News/Retrieval, Dow Jones Cable News (videotex), Telerate Inc. (56% interest), *Far Eastern Economic Review*, AP-Dow Jones (50% interest).
Dun & Bradstreet Corp.	299 Park Ave. New York, N.Y. 10171 (212) 593-6800	Dataquest, Donnelley Directory, Donnelley Information Publishing, Donnelley Marketing, Donnelley Marketing Data Processing Operations, Donnelley Information Technology, D&B Business Marketing Services, D&B Information Resources, D&B Information Systems, DunsNet, DunsGate, *Financial Services Industry Group*, Moody's Investors Services, Nielson Clearing House, Nielsen Marketing Research, Nielsen Media Research, Neodata Services, Official Airline Guides.
Gannett Co.	1100 Wilson Blvd. Arlington, Va. 22209 (703) 284-6000	Gannett Outdoor, GTG Entertainment (partnership).
Harte-Hanks Communications	Harte-Hanks Tower 7710 Jones Maltsberger San Antonio, Texas 78216 (512) 829-9000	Harte-Hanks Direct Marketing.
Hearst Corporation	959 Eighth Ave. New York, N.Y. 10019 (212) 262-5700	North America Syndicate.
International Thomson Organisation	International Thomson Holdings 245 Park Ave. New York, N.Y. 10167 (212) 309-8700	Clark Boardman Co. Ltd.—*Securities and Federal Corporate Law, Lindey on Entertainment, Publishing and the Arts, Law of Enviornmental Protection.* Warren, Gorham & Lamont—*Federal Income Taxation of Corporations & Shareholders, Journal of Taxation, Practical Accountant, Real Estate Review, Bankers Magazine Corporate Accounting Journal.* International Thomson Industrial Press—*Tooling & Production, PurchasingWorld.* Ward's Communications—*Ward's Auto World, Ward's Automotive International.* International Thomson Communications—*CableVision, Communications Engineering & Design.* International Thomson Retail Press—*Consumer Electronics, Video Business, Toy & Hobby World, Convenience Store Merchandiser.* International Thomson Transport Press—*American Sailings, Traffic World, The Official Railway Guide, Motor Carrier Directory.* Medical Economics Co.—*Medical Economics, Physician's Desk Reference, AIDS Alert, Contemporary OB/GYN, Veterinary Economics, Drug Topics, RN.* Med Publishing—*Practical Cardiology, Oncology & Biotechnology News, IM-Internal Medicine for Specialists, Geriatric Medicine Today.* Mitchell International—*Mitchell Manuals, Mitchellmatix.* InFiNet—*AutEx Trading Information System, Munifacts, First Call, The Financial Software Series, InvesText, Mortgage-Backed Securities Information Services, American Banker, Bond Buyer, Spectrum, Cadence, Video Munifacts, Alert, Multiport,* CDA Investment Technologies, Securities Data Co. Callaghan & Co.—*Mertens Law of Federal Income Taxation, Nichols Cyclopedia of Legal Forms,* Uniform Commercial Code Reporting Service, *Lanes Goldstein Trial Technique, McQuillin Law of Municipal Corporations.* Thomson & Thomson—Trademarkscan, Trademark Search Reports, Trademark Watching Services. Delmar Publishers—*Technology In Your World, Technical Drawing & Design*
Knight-Ridder Newspapers	One Herald Plaza Miami, Fla. 33132-1693 (305) 376-3800	*Journal of Commerce*, PIERS (Port Import/Export Reporting Service, VuText, Commodity News Service.
McClatchy Newspapers	2100 Q Street Sacramento, Calif. 95813 (916) 321-1000	LegiTech (90% interest).
McGraw-Hill	1221 Ave. of the Americas New York, N.Y. 10020 (212) 512-2000	Construction Information Group, Computers & Communications Information Group, Standard & Poor's Corp.
Morris Communications	P.O. Box 936 Augusta, Ga. 30913 (404) 724-0851	Naegele Outdoor Advertising Co.
News Corp. Ltd.	News America Publishing 10 E. 53rd Street New York, N.Y. 10022 (212) 527-2300	Hotel & Travel Index, World Travel Directory, Official Hotel & Resort Guide, Fastfacts.
Patrick Media Group	2101 Myrtle Street Scranton, Pa. 18510 (717) 347-7100	OUTDOOR: 35,000 sheet displays , 7,200 [illegible] bulletins and 3,600 8-sheet displays in 35 metropolitan markets.
Product Movers	621 Ave. of the Americas New York, N.Y. 10011 (212) 337-1000	Product Movers free standing advertising inserts for weekend newspapers.
Quad/Graphics	DuPlainville Rd. Pewaukee, Wis. 53072 (414) 246-9200	Quad/Marketing, New York, N.Y., (free-standing inserts).
Reuters Holding Co.	85 Fleet St. London, England EC4P 4AJ 250-1122	Reuters news wire service.
3M	3M Center St. Paul, Minn. 55144-1000 (612) 733-1110	OUTDOOR: 28,500 painted bulletins of standard, highway and expressway sizes in 80 markets. Exclusive contracts with 750 U.S. shopping malls for in-mall display.
Valassis Inserts	36111 Schoolcraft Rd. Livonia, Mich. 48150 (313) 591-3000	Valassis Inserts (free-standing inserts for weekend newspapers).

Leading media companies by estimated broadcast revenues

Company	Broadcast revenues 1987	Broadcast revenues 1986	1987 media revenues	Broad. rev. % media revenues	Top TV station by avg. h'holds reached: Station, affil., location	Avg. h'holds	Feb. '88 rtng.	Top radio station by revenues: Station, location	1987 revs.
Capital Cities/ABC	$3,213	$2,969	$4,256	75.5	WABC, ABC, New York	653,420	9.5	KABC-AM, Los Angeles	$24.0
General Electric Co.	3,165	2,985	3,165	100.0	WNBC, NBC, New York	481,467	7.0	KNBR-AM, San Francisco	11.5
CBS Inc.	2,762	2,806	2,762	100.0	WCBS, CBS, New York	440,196	8.4	KMOX-AM, St. Louis	18.4
Westinghouse Electric Corp.	601	559	601	100.0	KYW, NBC, Philadelphia	185,712	7.2	WINS-AM, New York	23.0
News Corp. Ltd.	577	473	1,250	46.1	WNYW, FOX, New York	330,149	4.8		
Tribune Co.	410	399	1,886	21.7	WPIX, IND, New York	226,977	3.3	WGN-AM, Chicago	31.0
Gannett Co.	357	351	2,991	11.9	WUSA, CBS, Washington	141,823	8.8	KIIS-AM/FM, Los Angeles	29.0
Gillett Holdings	340	334	340	100.0	WJBK, CBS, Detroit	134,395	8.0	NA	
Cox Enterprises	328	310	1,464	22.4	WSB, ABC, Atlanta	132,628	10.5	KOST-FM, Los Angeles	18.0
Opubco	285	305	466	61.2	WTVT, CBS, Tampa	102,054	8.3	WKY-AM, Oklahoma City	0.9
Hearst Corp.	252	250	1,925	13.8	WCVB, ABC, Boston	183,797	8.9	WBAL-AM, Baltimore	7.5
Turner Broadcasting System	224	208	436	51.2	WTBS, TBS, Atlanta	66,945	5.3		
Chris-Craft Industries	217	200	217	100.0	KCOP, IND, Los Angeles	181,455	3.9		
Scripps Howard	198	191	1,129	17.6	WXYZ, ABC, Detroit	211,672	12.6	WBSB-FM, Baltimore	9.0
RKO General	195	239	195	100.0	KHJ, IND, Los Angeles	111,685	2.4	KRTH-AM/FM, Los Angeles	18.0
SCI Holdings	192	232	612	31.4	NA	NA	NA	NA	NA
Multimedia Inc.	192	174	411	46.7	KSDK, NBC, St. Louis	112,399	10.6	WFBC-AM/FM, Greenville	5.5
Great American Communications	190	188	190	100.0	WTSP, ABC, Tampa	100,825	8.2	WKLS-AM/FM, Atlanta	10.0
Washington Post Co.	171	167	1,240	13.8	WDIV, NBC, Detroit	171,354	10.2		
A.H. Belo Corp.	166	176	382	43.4	WFAA, ABC, Dallas	156,368	9.5		
H&C Communications	140	113	140	100.0	KPRC, NBC, Houston	100,023	8.9	KPRC, Houston	2.5
Bonneville International Corp.	138	131	138	100.0	KIRO, CBS, Seattle-Tacoma	77,176	6.3	KIRO-AM, Seattle	18.0
LIN Broadcasting	137	137	156	87.8	KXAS, NBC, Dallas	125,094	7.6		
Hubbard Broadcasting	135	135	135	100.0	KSTP, ABC, Minneapolis	106,756	8.8	KSTP-AM/FM, Minneapolis	9.6
TVX Broadcasting Group	133	23	133	100.0	WTAF, IND, Philadelphia	100,594	3.9		
Viacom International	132	111	939	14.1	KMOV, CBS, St. Louis	86,950	8.2	WLTW-FM, New York	17.7
Meredith Corp.	120	123	449	26.7	KCTV, CBS, Kansas City	56,419	7.8		
Times Mirror Co.	110	127	2,549	4.3	KDFW, CBS, Dallas	125,094	7.6		
Knight-Ridder Newspapers	105	103	2,049	5.1	KTVY, NBC, Oklahoma City	50,371	8.3		
Pulitzer Publishing Co.	97	97	367	26.5	WYFF, NBC, Greenville	61,584	9.7	KTAR-AM, Phoenix	8.7
Chronicle Publishing Co.	90	85	357	25.2	KRON, NBC, San Francisco	130,763	6.1		
McGraw-Hill	90	93	1,187	7.6	WRTV, ABC, Indianapolis	76,067	8.7		
Freedom Newspapers	67	62	392	17.1	WTVC, ABC, Chattanooga	28,141	9.5		
Lee Enterprises	63	63	217	29.0	WSAZ, NBC, Charleston	55,518	11.2		
Providence Journal Co.	62	29	265	23.4	WPHL, IND, Philadelphia	64,484	2.5		
Park Communications	62	59	139	44.6	WTVR, CBS, Richmond, Va.	42,171	9.2	WTVR-AM/FM, Richmond, Va.	1.8
Media General	61	60	423	14.4	WXFL, NBC, Tampa	100,825	8.2		
New York Times Co.	61	57	1,690	3.6	WREG, CBS, Memphis	57,708	9.9	WQXR-AM/FM, New York	5.8
Harte-Hanks Communications	60	79	544	11.0	KENS, CBS, San Antonio	42,295	7.7		
Journal Communications	48	45	249	19.4	WTMJ, NBC, Milwaukee	53,388	7.6	WTMJ-AM, Milwaukee	6.3
Dispatch Printing Co.	40	39	174	23.1	WBNS, CBS, Columbus, Ohio	57,922	9.4	WBNS-AM/FM, Columbus	2.8
Landmark Communications	27	32	332	8.1	KLAS, CBS, Las Vegas	19,566	8.2	WLTY-FM, Norfolk, Va.	2.6
Macromedia Inc.	25	25	169	15.0	WOWK, CBS, Charleston	33,212	6.7		
Howard Publications	22	20	192	11.5	WIVB, CBS, Buffalo	47,682	8.0		
Blade Communications	15	14	210	7.2	WDRB, FOX, Louisville	13,110	2.6		
Donrey Media Group	11	11	303	3.6	NA	NA	NA	NA	NA

NOTES: Dollars are in millions.
Sources: Broadcast revenues are Advertising Age estimates. Average households reached are based on A.C. Nielsen, Feb. 1988 ratings and number of households in the top 110 markets only. Radio revenues based on billings estimates by Jim Duncan Jr. in Duncan's Radio Market Guide, 1988 edition.

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LETTERS & SIGNS

Hottest TV stations of the 100 leading media cos.

Station, market	Parent	2/88 rating	'86-'87 % chg.	Avg. h'holds
KSTW, IND, Seattle-Tacoma	Opubco	4.5	55.2%	55,125
WDTN, ABC, Dayton, Ohio	Hearst Corp.	9.2	41.5%	46,006
KGTV, ABC, San Diego	McGraw-Hill	8.5	39.3%	68,520
WISN, ABC, Milwaukee	Hearst Corp.	8.5	37.1%	59,711
KTVX, ABC, Salt Lake City	Chris Craft	9.5	33.8%	54,990
WPRI, ABC, Providence	Knight-Ridder	8.8	31.3%	47,829
WTBS, TBS, Atlanta	Turner Broadcasting	5.3	29.3%	66,945

NOTES: Based on percentage increase in ratings from Feb. 1987 to Feb. 1988. Households represent the average number of households reached in the market for Feb. 1988 only. Sources: Ranking based on AA estimates. Ratings supplied by A.C. Nielsen Co.

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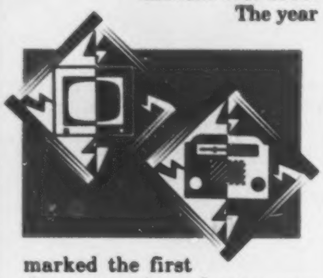
Rank	Station, market	Parent	[illegible]
1	WGN-AM, Chicago	Tribune Co.	$31.0
2	KIIS-AM/FM, Los Angeles	Gannett	29.0
3	KABC-FM, Los Angeles	Capital Cities/ABC	24.0
4	WINS-AM, New York	Westinghouse	23.0
5	KGO, San Francisco	Capital Cities/ABC	20.0
6	WJR-FM, Detroit	Capital Cities/ABC	18.6
7	KMOX-AM, St. Louis	CBS Inc.	18.4
8	KOST-FM, Los Angeles	Cox Enterprises	18.0
8	KIRO-FM, Seattle	Bonneville Int'l	18.0
8	KRTH-AM/FM, Los Angeles	RKO General	18.0
8	WOR-AM, New York	RKO General	18.0
9	WWPR-FM, New York	Capital Cities/ABC	17.7
9	WLTW-FM, New York	Viacom	17.7
10	WCBS-AM/FM, New York	CBS Inc.	16.3
11	KNX-AM/FM, Los Angeles	CBS Inc.	15.4
12	WMAL-FM, Washington	Capital Cities/ABC	14
12	WGCI-AM/FM, Chicago	Gannett	14

NOTES: Dollars are in millions. Station listed solely those owned by the 100 leading media cos.
Source: Jim Duncan Jr., Duncan's Radio Market Guide, 1988 edition.

Broadcast delivers narrow revenue gains

Broadcasting is not the cash cow it was once. This issue's 46 media companies involved in broadcasting had a composite growth of only 4.6% in broadcast revenues in 1987 over the prior year—the lowest growth of any medium monitored among the 100.

The performance of broadcast properties, in this issue defined as TV and radio stations and their networks, is related directly to the economic swings of the national networks. Of the $16.1 billion in total broadcast revenue, $9.1 billion came from the networks—also a 4.6% increase over 1986. The year marked the first time prime-time ad rates were reduced by the networks. TV audience continued to decline and the networks retrenched by cutting budgets and paring staff.



Network ad growth also slowed to $8.8 billion for only a 3% gain over 1986, according to a report prepared for Ad Age by Robert J. Coen, senior VP-director of forecasting at McCann-Erickson Worldwide.

Siphoning some of the network dollars were the cable networks and News Corp. Ltd.'s Fox Broadcasting Co., which now includes seven owned-and-operated stations and 120 independent affiliates reaching more than 86% of the country.

Of the 46 companies among the 100 involved in broadcast, 25 had broadcast revenue growth of 2% or less.

Amid this frozen landscape, sizable broadcast blocks were exchanged. Gencorp, parent of RKO General, announced its intent to sell its beleaguered subsidiary that has faced license-renewal opposition among its various properties over the past few years. Pending is the sale of its KHJ-TV station in Los Angeles to Walt

(Continued on Page S-34)

Biggest broadcast deals by leading media cos.

Property	Buyer	Seller	Price
Taft Broadcasting [1]	Great American Communications	Taft Broadcasting	$1,450.0
SCI TV stations [2]	Gillett Holdings	SCI Holdings	1,360.0
WTVT-TV Tampa	Gillett Holdings	Opubco (Gaylord Broadcasting)	365.0
KHJ-TV Los Angeles (pending)	Walt Disney Co.	RKO General	320.0
WTVJ-TV Miami	General Electric	Kohlberg Kravis Roberts & Co.	270.0
Taft TV indies [3]	TVX Corp.	Taft Broadcasting	240.0
WFMY-TV, WLTV-TV [4]	Gannett Co.	Harte-Hanks Communications	155.0
NBC o&o radio stations [5]	Emmis Broadcasting	General Electric	121.5

NOTES: Dollars are in millions.

[1] Taft units bought were WTSP-TV Tampa, KTSP Phoenix, WDAF-TV Kansas City, WKRC-TV Cincinnati, WBRC-TV Birmingham, Ala., WKLS (AM/FM) Atlanta, WLZR (AM/FM) Milwaukee, KEX/KKRZ-FM Portland, Ore., WDAF/KYYS-FM Kansas City, WKRC/WKRQ-FM Cincinnati, WTVN/WLVQ-FM Columbus, WNDE/WFBQ-FM Indianapolis, WDVE-FM Pittsburgh.

[2] SCI stations bought were WAGA-TV Atlanta, WSBK-TV Boston, WJW-TV Cleveland, WJBK-TV Detroit, WITI-TV Milwaukee, KCST-TV San Diego.

[3] Taft indies were WTAF-TV Philadelphia, WDCA-TV Washington, WCIX-TV Miami, KTXA-TV Dallas, KTXH-TV Houston.

[4] WFMY-TV located in Greensboro, N.C., WLTV-TV in Jacksonville, Fla.

[5] Emmis bought WNBC/WYNY-FM New York, KYUU-FM San Francisco, WKQX-FM Chicago, WJIB-FM Boston.

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Cable growth outpaces other media

Consolidation of cable holdings, a newly deregulated market, new cable services and sizable dollar increases in advertising were were influential in pushing cable revenues to $9.2 billion among the 100 Leading Media Companies, up 24.3% from the prior year.

The industry cracked the $1 billion ad revenue barrier for the first time in 1987. Total cable advertising grew 10.6% in 1987 to $1.08 billion, about $215 million on a local basis and $865 million in national buys, according to Robert J. Coen, senior VP-director of forecasting at McCann-Erickson Worldwide.

Acquisition fever continued to grip the industry. Tele-Communications Inc. not only led the pack in buyouts but drew the most criticism for the intensity of its effort.

TCI, one of the many Denver-based cable operators, early in the year paid $892 million for Des Moines-based Heritage Communications. Following an aborted attempt to purchase with other investors the SCI Holdings cable units from Kohlberg Kravis Roberts & Co. in early 1988, it finally bought out SCI with partner Comcast Corp. for $2.8 billion.

TCI in late 1987 also agreed to purchase for $46 million Tulsa, Okla.-based Tempo Enterprises, owner of Tempo Television cable network, which has up to 7 million subscribers in 650 cable systems. Detractors latched onto this deal in

Media companies by estimated cable TV revenues

Company	Cable TV revenues 1987	Cable TV revenues 1986	1987 media revenues	Cable rev. % media revenues	MSO property	Basic subs.	Date
Time Inc.	$1,618	$1,523	$3,239	50.0	ATC Corp.	3,700,000	1/88
TCI	1,225	646	1,225	100.0	Tele-Communications	6,244,686	1/88
Viacom International	806	743	939	85.9	Viacom Cablevision	1,058,808	1/88
Home Shopping Network [1]	582	160	582	100.0			
Continental Cablevision	442	392	442	100.0	Continental Cablevision	2,112,000	1/88
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SCI Holdings	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Warner Communications	367	325	[illegible]	[illegible]	Warner Cable	[illegible]	[illegible]
Cablevision Systems Corp.	300	151	300	[illegible]	Cablevision Systems Corp.	[illegible]	[illegible]
Comcast Corp.	[illegible]	[illegible]	[illegible]	[illegible]	Comcast Cable	[illegible]	[illegible]
Times Mirror Co.	240	243	2,549	9.4	Times Mirror Cable Television	933,980	3/88
United Cable Television Corp.	223	196	223	100.0	United Cable Television	1,167,355	2/88
Capital Cities/ABC [2]	221	185	4,256	5.2			
Turner Broadcasting System	213	172	436	48.8			
Advance Publications	203	186	2,397	8.5	Newhouse Broadcasting	1,085,478	1/88
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TeleCable Corp.	157	157	157	[illegible]	TeleCable Corp.	[illegible]	[illegible]
Rogers Communications	141	[illegible]	141	[illegible]	Rogers Cablesystems	[illegible]	2/87
Cooke Media Group [3]	129	105	[illegible]	[illegible]	Cooke Cablevision	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scripps Howard	112	53	1,129	9.9	Scripps Howard	380,000	6/87
Washington Post Co.	99	85	1,240	7.9	Post Newsweek	372,344	4/87
Maclean Hunter Ltd.	95	82	164	58.0	Maclean Hunter Cable TV Ltd	276,186	7/87
Multimedia Inc.	91	81	411	22.1	Multimedia Cablevision	285,830	9/87
Providence Journal Co.	79	68	265	29.8	Colony Communications	259,229	4/87
Media General	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Opubco [4]	[illegible]	45	[illegible]	12.0			
Hearst Corp.	50	9	[illegible]	2.6	Hearst Communications	[illegible]	9/87
Chronicle Publishing Co.	[illegible]	40	357	12.9	Western Communications	243,006	9/87
New York Times Co.	[illegible]	[illegible]	[illegible]	[illegible]	NYT Cable	[illegible]	12/87
Harte-Hanks Communications [5]	35	39	544	6.4	Harte-Hanks Communications	108,484	8/87
Blade Communications	27	26	210	12.9	Blade Communications	127,315	8/87
Landmark Communications	26	14	332	7.8			
Donrey Media Group	25	23	303	8.1	Donrey Cablevision	44,571	9/87
Playboy Enterprises	22	20	144	15.6			
Howard Publications	15	13	[illegible]	[illegible]	Falcon Cable TV	[illegible]	[illegible]
Copley Newspapers	3	4	[illegible]	[illegible]	Copley/Colony Cablevision	[illegible]	[illegible]

NOTES: Dollars are in millions.

[1] Cable revenues include some broadcast properties.

[2] Cable revenue estimate from Paul Kagan Associates.

[3] Cable revenue estimate does not include First Carolina; pro forma estimates by Paul Kagan Associates.

[4] Cable revenue estimate by Paul Kagan Associates; '86 figures restated by AA.

[5] Harte-Hanks cable operations were sold in 1988

Sources: Cable TV revenues are Advertising Age estimates. Total basic and pay service subscribers from AA survey and Cabletelevision TV Facts, Cabletelevision Advertising Bureau.

Cable cos. with movie and special service channels

Parent company	Channel	Subscribers
Time	HBO, Cinemax	15.9, 5.1
Viacom*	Showtime/The Movie Channel, MTV Networks	8.4, 33.0
Home Shopping Network	Home Shopping Network	29.6
Capital Cities/ABC	ESPN	45.2
CVN Cos.	Cable Value Network	18.5
Turner Broadcasting	CNN, Headline News, SuperStation WTBS	42.9, 29.2, 42.5
Opubco	Nashville Network	37.0
Landmark Communications	Weather Channel	32.0
Playboy Enterprises	Playboy Channel	0.5

NOTES: Subscribers are in millions for listed services respectively. *MTV Networks owns VH-1 and Nickelodeon. Viacom also owns Viewer's Choice.

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calling a halt to TCI's growing concentration of power in both subscriber volume and content. The deal would give TCI control of the satellite that beams Turner Broadcasting System's WTBS superstation (TCI is a 12% owner of TBS).

Theoretically, TCI could fill channel capacity on the satellite with the various TBS networks, according to competitors.

TCI then leased Tempo TV channel to General Electric's NBC, which will provide a business news service from 6 a.m. to 8 p.m. on the network beginning in early 1989. Night-time sports programming also is planned.

Indicative of the growth in cable revenues is the movement in monthly revenues per subscriber—from an average $22.46 in 1986 to $24.56 in 1987 to $25.70 in 1988, according to Larry Gerbrandt, senior analyst for Paul Kagan Associates, who credits the rise partly to the deregulation of basic services.

Cablevision Systems Corp., whose revenues soared to $300 million, up 98.7% from the previous year, recorded one of the highest subscriber revenue counts—$34.98—among the 45 cable companies. Cablevision has grown through acquisition to such an extent that its revenues in 1987 would be $413.8 million on a pro forma basis (as if it held its current properties since January, 1986), compared with $351.6 million in 1986. Cablevision Systems made one of the largest buys within the last 12 months in purchasing Adams-Russell Co., Waltham, Mass., for $474.4 million this January.

Cable has proved a highly innovative medium—in the right hands. Whereas the videotex experiments launched with great fanfare by newspapers failed, video shopping at home is thriving. Two of these media companies vaulted high into the top 100 in 1987.

Home Shopping Network, which cracked the list last year, jumped from 80th to 26th, by virtue of a revenue swing from $160.2 million to $582.1 million in 1987. The St. Petersburg, Fla.-based company also bought 11 stations in 1987 to expand its network. Plymouth, Minn.-based CVN Cos., formerly called C.O.M.B. Co., came out of nowhere to record revenues of $196.2 million for only eight months of activity in 1987. Revenues were from its Cable Value Network. CVN during the year purchased the 50% it did not own in the network from cable operators.

Cable is becoming even more important to advertisers who not only want segmented audiences but mass numbers. Upfront time buying of cable networks has been heavy this year, partly as a response to TV audience decline and a 20% fourth-quarter price increase by the broadcast networks. Such buying will help push up cable ad revenues to $1.45 billion in 1988, according to Paul Kagan Associates.

Cable officials say the demand for time on networks like CNN, ESPN, WTBS and USA Network is at a premium. Deals are being cut for time blocks up to six months before airing because advertisers see the time blocks evaporating and want the preferred price that goes with upfront buying.

Of the big networks, Capital Cities/ABC's ESPN in particular has flourished in this seller's market. ESPN in 1987 drew $123.9 million in total advertising, up 28.7% over the prior year, according to Broadcast Advertisers Reports. ■

Biggest cable deals by leading media cos.

Property	Buyer	Seller	Price
SCI Holdings (pending)	Comcast, TCI	Kohlberg Kravis Roberts & Co.	$2,800.0
Heritage Communications	TCI	Heritage Communications	892.0
McCaw cable div	Cooke Media Group	McCaw Communications	755.0
Turner Broadcasting (36%)	31 investors	Turner Broadcasting	562.5
American Cablesystems	Continental Cablevision	American Cablesystems	481.7
Adams-Russell	Cablevision Systems	Adams-Russell	474.4
First Carolina Communications	Cooke Media Group	5 owners	200.0
Systems, services [1]	Cablevision Systems	multiple owners	129.7
Philadelphia-area systems [2]	Adelphia Communications	Harte-Hanks Communications	120.0-150.0

NOTES: Dollars are in millions.

[1] Systems in Cleveland and Toledo, O., Islip, East Hampton and Dutchess County, N.Y., and Kalamazoo, Mich., area. Third-party interest was bought in 3 SportsChannel services.

[2] Philadelphia systems were in Delaware and Montgomery perimeter counties. Purchase price also included the sale of East and West Houston, Tex., systems to Prime Cable of Austin (Texas) and Asbury Park and Ocean, N.J., systems to Monmouth Cablevision Associates.

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What is media?

> *"Medium . . . any means, agency or instrumentality; specifically, a means of communication that reaches the general public and carries advertising . . ."*
>
> Webster's New World Dictionary, Second College Edition

Webster's definition leaves more questions than answers.

Traditional media—newspaper, magazine, TV, radio, outdoor and direct mail—made up the lion's share of ad budgets less than 15 years ago. These days, package-goods companies and other advertisers often spend as less than one-third of their total ad expenditures here, industry sources say.

Growing promotion, couponing and retail trade budgets are contributing enormous revenues to other marketing industries—bringing new companies into consideration in AD AGE's ranking of 100 media leaders.

Is packaging a medium? Are the number of retail shelf facings of a given product for which a marketer may or may not have paid? What about a promotional concert?

Not yet. At least not for the purposes of this ranking.

AA's definition of media comes down to this: The dissemination of information, editorial or advertising, through subscription or otherwise.

This broader definition leaves the door open to total market coverage units within newspaper companies, free-standing insert companies and home shopping networks.

Also merged into the list are subscription-based information services, specialty advertising calendars and ticker machines.

In some cases, specialty computer transmission and receiving equipment revenues are also included, because—as with Reuters—revenues from this hardware are inseparable from the media service it handles.

Although the availability of revenue figures never has been a criteria for inclusion in this ranking—46 companies on this year's list are private and AA estimates their media revenues—Yellow Pages companies are excluded from the ranking because comparable directory revenue figures are nearly impossible to obtain. A separate ranking of these companies appears on Page S-4.

Still on the doorstep, but not included in AA's interpretation of media, are program production where it can be extracted from broadcasting, motion pictures, syndication activities, book publishing, and advertising rep sales made to non-owned broadcast stations.

The definition of media is continually being rewritten—by skywriting over crowded beaches, movie previews in videocassette rentals and TV-equipped grocery carts.

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New Car Buyers	701,100	**51%**	35%	**53%**	38%
Principal Food Buyer	946,900	**45%**	30%	**50%**	35%
Color TV Buyers	244,800	**42%**	35%	**46%**	40%
Men's Clothing Buyers	1,003,900	**45%**	35%	**50%**	40%
Women's Clothing Buyers	1,034,200	**45%**	33%	**51%**	38%
Vacation Travelers	925,400	**49%**	33%	**52%**	41%
Business Travelers	218,900	**42%**	35%	**52%**	41%
Quality Restaurants Diners	1,206,100	**46%**	33%	**50%**	37%

Source: Scarborough Research Corporation, The 1987 Scarborough Report.

St. Petersburg Times
Tampa Bay's Largest Newspaper

Broadcast

(Continued from Page S-31)

Disney Co., and the sale of WGMS/WGMS-FM in Bethesda, Md./Washington.

Taft Broadcasting, No. 48 a year ago, liquidated and in the process spawned two new media companies. No. 100 TVX Broadcast Group, Virginia Beach, Va., bought five Taft independent major markets stations for $233.8 million, pushing its revenue from $23 million in 1986 to $133.4 million this year.

The Taft split also left many of the properties in the hands of No. 77 Great American Communications Co. in Cincinnati, including 15 radio properties and five TV affiliates.

Kohlberg Kravis Roberts & Co., a New York investment company, found buyers for the seven Miami-based Storer Communications properties it bought in 1985. Gillett Holdings, No. 49, bought its way onto the chart by taking six of them for $1.33 billion—the biggest TV buy of the year.

The acquisition at the time upped the Gillett TV property count to 17, five more than the recently liberalized 12 permitted by the FCC. Gillett moved five TV units into Busse Broadcasting, Green Bay, Wis., a trust for the children of George N. Gillett Jr., chairman of Gillett Holdings. In July 1987, Mr. Gillett purchased 79% of WTVT, CBS affiliate in Tampa for $365 million from Opubco's Gaylord Broadcasting. His partner in the deal, Clarence V. McKee, a Washington communications attorney, was given 52% voting control.

General Electric knew when it bought NBC that it would be forced to sell radio stations in the same markets as NBC's owned-and-operated TV stations, because the grandfather clause allowing NBC to have multiple ownership in the same market was non-transferable. GE this February sold five NBC units for $121.5 million to Emmis Broadcasting, Indianapolis. Stations included WNBC/WYNY-FM in New York, KYUU-FM in San Francisco, WKQX-FM in Chicago and WJIB-FM in Boston.

To comply with FCC cross-ownership rules Gannett sold WCZY AM/FM in Detroit. It owns the *Detroit News*.

McClatchy Newspapers bowed out of broadcast with the sale of two AM/FM combo stations. It also divested its cable properties on the road to returning to its founding as a newspaper company.

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MAXWELL'S MARKET SHARES

Coolers have chilling effect on wine sales

By JOHN C. MAXWELL JR.

Wine consumption dropped by a modest 0.5% last year, mostly because of a significant slowdown in wine cooler sales.

Growth in the wine market during the past few years has been essentially due to the introduction of wine coolers. If wine cooler sales were excluded, the basic wine business was down about 4% in 1985, 5.6% in 1986 and 0.3% in 1987.

Wine coolers, which made up about 18.3% of total shipments in 1987, declined by 1% in 1987, to 105.7 million gallons (21.9% of the total domestic wine market) from 106.8 million (22% of the total domestic wine market) in 1986. They likely will be down in the order of 10% in 1988.

With this downturn, it's expected that the wine cooler market will again be shaken up by major players competing for share.

In 1986, four brands (E&J Gallo Winery's Bartles & James, Brown-Forman Co.'s California Cooler, Canandaigua Wine Co.'s Sun Country and Jos. E. Seagram & Sons' Seagram coolers) together took 70% of the market.

During 1987, it appears that out of these four leaders, only Seagram showed any growth (gaining nearly 16 market share points). However, these four brands still managed to maintain 70% of total market share.

Thus, 1987 was another year of stiff, relentless competition in the cooler industry, supported by huge ad budgets and innovative marketing tactics.

As a result, profit margins are being questioned because the cooler industry in 1987 spent more per case on advertising than any other alcoholic beverage.

The huge spending of the past few years is expected to gradually slow down. However, there will be continued introduction of new flavors and reformulated blends, packaging and market positioning.

Already, witness the new array of flavors, California Cooler's new formulation that eliminates pulpy residue and the entrance by Miller Brewing Co. with its Matilda Bay cooler, a clear, non-carbonated cooler made from Australian wine and fruit flavors.

Varietels have day in sun

The second factor to affect the wine industry was the excellent sales growth in premium varietal wines. The growth in this segment was a major contributor to the 2.1% increase in the overall domestic wine market.

Domestic ultrapremium (more than $14 per bottle), superpremium ($7 to $14) and premium ($3 to $7) table wine segments are estimated to be 20% of the table wine volume and 45% of its dollar sales.

This growth in the premium varietal wines would appear to indicate that though the industry isn't dramatically expanding the overall base of wine drinkers, the wine drinkers are maturing and moving upscale on their purchases.

The growth on the premium end of the sparkling wine segment must also be noted, as this growth seems to indicate consumers' fondness for cold, carbonated and sweet beverages.

Elsewhere in the domestic wine segment, it appears per capita wine consumption reached its peak in 1985 and has since been declining. This decline is expected to be accelerated by the decline in wine coolers.

The breakdown of domestic wine by type seems to have remained relatively stable, with white wine maintaining a 71.3% market share; red, 13.7%; and rose, 15.0%.

European decline continues

The third factor that affected the wine industry in 1987 was the continuing volume decline of European wines as their prices continued to increase.

In 1987, the industry witnessed greater than an 11% decline in imports, with a 25.2% decline in volume of German wines and a 22.5% decline in volume of French wines.

Although this 11% decline is an improvement from 1986's 20% drop, this area continues to feel the pressure of the declining dollar, which puts imports at a price disadvantage.

In 1987, all of the five major importing countries posted declines. With the improved quality and value of domestic wines, this situation is likely to continue.

But the magnitude of this situation depends on what currencies do. In 1987, imports were down in nearly every category except other fermented alcoholic beverages (including fruit-flavor wines and wines with less than 7% alcohol).

In company rankings, Gallo increased market share to about 30%, again maintaining the No. 1 position in the domestic wine market.

In the rest of the wine industry, witness the continuing trend of buyouts in 1987.

An example is Canandaigua's acquisitions of Widmer's Wine Cellars and Monarch Wine Co., including its Manischewitz brand.

The diversion of marketing dollars to coolers; the decreased shelf space available for wine, also due to coolers; and the increase in packaging and wine costs have forced California wineries into a fight for market share.

The principal question concerning the wine business in 1988 centers on the fate of the wine cooler segment.

Companies likely will continue to establish their positions as the market starts to settle down.

It's estimated that the domestic wine market will have moderate growth, again fueled by the premium varietal wines and premium sparkling wines.

The import market is expected to have continuing but slightly moderate decline, and the wine cooler segment will have a possible 10% decline.

Overall, the wine market likely will remain relatively flat or post a modest 1% to 2% decline.#

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

Sales and shares of U.S. wines and coolers

Rank 1987	Rank 1986	Company	1985 Amount*	1985 Share	1986 Amount*	1986 Share	1987 Amount*	1987 Share	Change 1986-87
1	1	E&J Gallo	152.5	26.2%	166.8	28.7%	173.7	30.0%	4.1%
2	2	Vintners Int'l	57.0	9.8	62.0	10.7	63.0	10.9	1.6
3	3	Canandaigua[1]	30.0	5.2	37.4	6.4	37.5	6.5	0.3
4	6	Heublein	20.8	3.6	20.3	3.5	28.4	4.9	39.9
5	4	Brown-Forman	—	—	29.7	5.1	27.0	4.7	(9.1)
6	5	Almaden	23.8	4.1	24.3	4.2	22.4	3.9	(7.8)
7	9	Guild	10.8	1.9	11.9	2.0	17.1	3.0	43.7
8	7	Franzia	16.2	2.8	18.6	3.2	16.3	2.8	(12.4)
9	8	Monarch[2]	13.2	2.3	13.5	2.3	13.0	2.2	(3.7)
10	10	Sebastiani	6.6	1.2	5.2	0.9	8.8	1.5	69.2
11	15	Bronco	3.9	0.7	3.3	0.6	8.7	1.5	163.6
12	20	Golden State Vintners[3]	1.5	0.3	2.0	0.3	8.4	1.5	320.0
13	12	Beringer	3.9	0.7	4.8	0.8	6.0	1.0	25.0
14	11	Lamont	3.7	0.7	5.1	0.9	5.5	1.0	7.8
15	13	Robert Mondavi	4.0	0.7	4.1	0.7	5.3	0.9	29.3
16	23	Guimarra[4]	1.4	0.2	1.2	0.2	4.9	0.8	308.3
17	14	Mogen David	3.9	0.7	3.5	0.6	3.5	0.6	—
18	19	Delicato	1.8	0.3	2.2	0.4	3.0	0.5	36.4
19	16	Christian Bros.	3.2	0.6	2.8	0.5	2.8	0.5	—
20	21	ISC	1.2	0.2	1.8	0.3	2.8	0.5	55.6
21	18	C. Mondavi	2.7	0.5	2.5	0.4	2.6	0.4	4.0
22	17	Gibson	3.6	0.6	2.7	0.5	2.4	0.4	(11.1)
23	22	Weibel	1.5	0.3	1.5	0.3	1.2	0.2	(20.0)
24	24	San Martin	0.9	0.2	1.2	0.2	1.0	0.2	(16.7)
25	29	M&H	0.7	0.1	0.6	0.1	1.0	0.2	66.7
26	26	Mirassou	0.7	0.1	0.9	0.2	1.0	0.2	11.1
27	25	Wente	1.2	0.2	1.0	0.2	0.8	0.1	(20.0)
28	28	Sonoma	1.2	0.2	0.8	0.1	0.8	0.1	—
29	27	Sierra Wines	0.9	0.1	0.9	0.2	0.7	0.1	(22.2)
30	31	East-Side	0.2	—	0.4	0.1	0.7	0.1	75.0
31	30	Louis Martini	0.6	0.1	0.6	0.1	0.6	0.1	—
32	32	Brookside	0.2	—	—	—	—	—	—
		Subtotal	373.8	64.3	433.6	74.6	470.9	81.4	8.6
		Other domestic	70.7	12.2	40.0	6.9	11.4	2.0	(71.5)
		Total domestic	444.5	76.5	473.6	81.5	482.3	83.4	1.8
		Imports	136.7	23.5	108.7	18.7	96.3	16.6	(11.4)
		Total	581.2	100.0%	582.3	100.2%	578.6	100.0%	(0.6)%

*Estimated in millions of gallons.

[1] In fiscal 1987 Canandaigua completed the acquisitions of Widmer's Wine Cellars and Monarch Wine Co., including its Manischewitz brand.

[2] In 1986 Canandaguia acquired Monarch.

[3] Golden State Vintners name changed from California Growers. The dramatic increase in sales due in part to Golden State Vintners bottling of Beverage Source, Italian Swiss Colony (Early California).

[4] Guimarra's dramatic sales increase due in part to its bottling for Seagram's.

Source: John C. Maxwell Jr.

Ad Age to produce adclub's roster

Los Angeles—The Advertising Club of Los Angeles and Advertising Age have entered into a publishing partnership that will produce the club's official membership roster.

Randy McDowell, AA Western sales manager, said the agreement calls for AA to sell advertising, create the editorial package and produce each of the next three annual rosters.

Advertising deadline for the 1988 roster, to be published in the fall, is July 14. A b&w page is $910, and a color page is $1,485.#

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Hill Holliday wins big

Drives away with Infiniti

By CLEVELAND HORTON
and GARY LEVIN

Nissan Motor Corp. USA last week served up its $60 million Infiniti car account to Hill, Holliday, Connors, Cosmopulos, and it was the depth of that shop's strategic planning that did it.

Nissan's new luxury-car division selected Hill Holliday, one of the hottest creative agencies on the East Coast, within hours after the Bloom Agency, Dallas, delivered its losing presentation June 30.

"It was a lot closer than Nissan," said David Hubbard, Infiniti's national advertising manager, referring to last year's review of Nissan's main $150 million account, which went to Chiat/Day, one of the West Coast's top creative agencies.

Mr. Hubbard called agency President-CEO John "Jack" M. Connors Jr. early Friday morning to tell him—in a sportsmanlike fashion by the Laker fan—that "The Celtics lost, but you won."

The Boston-based agency's first order of business will be setting up a Los Angeles office. And agency executives say they plan to staff the new office locally.

"Realistically, we're committed to supervising the launch of this car from the Boston office," Mr. Connors said, adding that launch advertising will be developed there, too.

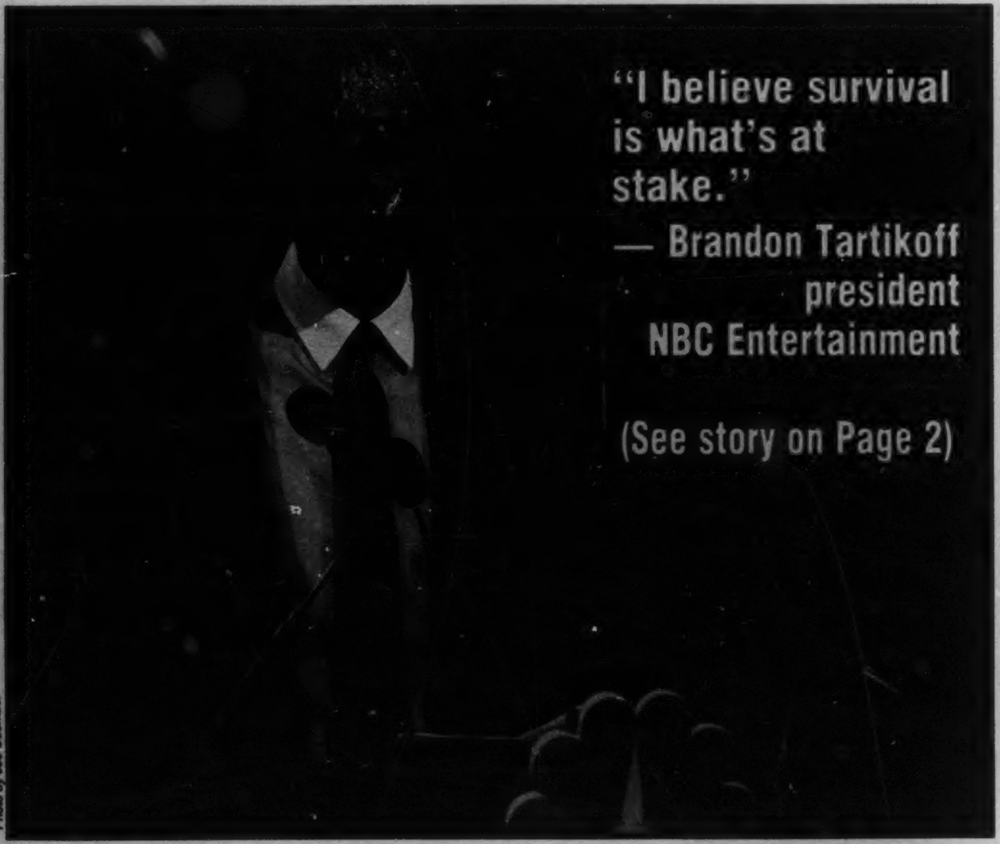
But "by Jan. 1, we'll have 40 or 50 people in Los Angeles," and "once the launch advertising is produced, the L.A. creative team will kick in."

Mr. Hubbard said he's satisfied that Hill Holliday will "transplant the culture" of the agency's headquarters to the West Coast before the late 1989 introduction of the division's first two cars, a luxury sedan and a performance coupe.

Initially, the new office will be run by a transition team led by Dennis Farrington, senior VP (account service), and Chuck Kushell, senior VP (direct marketing). Several senior-level agency executives will visit Nissan's Carson, Calif., headquarters July 7 to discuss staffing needs.

Mr. Hubbard consistently downplayed the importance of creative in the

(Continued on Page 37)



"I believe survival is what's at stake."
— Brandon Tartikoff
president
NBC Entertainment

(See story on Page 2)

Photo by Joe Coomber

Saatchi builds its third major national shop

By JON LAFAYETTE
and RAYMOND SERAFIN

The merger of Campbell-Mithun and William Esty Co. gives Saatchi & Saatchi Co. a major national agency with roots in America's heartland.

The move, announced last week, is part of a trend of midsize or regionally based agencies embarking on new corporate strategies to boost growth.

The new agency, Campbell-Mithun-Esty, will have billings of $800 million, placing it among the nation's top 20 agencies. Based in Minneapolis, Campbell-Mithun's home, it has full-service offices there and in Detroit, Chicago and New York, Esty's base. It also has 24 field offices.

"Look at the map—it's a good-looking resource," said Joseph O'Donnell, 48, the ceo of Esty who becomes chairman of the new agency. "To be a player in today's world, broad resources are the entry point."

London-based Saatchi often talked about seeking other acquisitions in the Midwest but had little success establishing a bigger presence.

Individually, the two agencies were too small to compete effectively for major new-business opportunities, executives said.

Bill Dunlap, the Campbell-Mithun chairman-ceo who becomes ceo of the new agency, said the merged shop will have a national presence and "give us a chance to attract other types of clients."

Saatchi & Saatchi briefly had a second outpost in Chicago, through

(Continued on Page 37)

FTC centers its sights on slotting allowances

By LAURIE FREEMAN and JUDANN DAGNOLI

WASHINGTON—The Federal Trade Commission is investigating retail slotting allowances, the controversial fees that supermarkets charge package-goods marketers to place new products on their stores' shelves.

An FTC spokeswoman said the regulatory agency is pulling together a research paper on the issue, which is standard procedure when the FTC is unfamiliar with a marketing technique or practice.

The research paper, a possible first step before a full-scale investigation, will be completed next month.

So-called slotting allowances only recently have become a major issue for marketers. The practice, once limited to Northeastern grocery chains, has spread nationwide in recent years, industry executives say.

Retailers say they were forced to resort to the fees by the unrelenting pace of new-product introductions.

The FTC declined further comment on its activity in this area, but this is one form of government regulation that many marketers would welcome.

"The situation is like the Hatfields and the McCoys," said Richard Furash, a partner in the Bos-

(Continued on Page 35)

Last Minute News

Riney quits Anheuser-Busch; Stroh deal could be brewing

SAN FRANCISCO—Hal Riney & Partners has resigned its Anheuser-Busch business and sources say the agency may be poised to take on assignments from Stroh Brewery Co. Riney's resignation of A-B, confirmed by the brewer on Friday, came after sharp cutbacks in the agency's work and repeated turndowns on pleas for new business. A-B said Riney resigned the business "to pursue other competitive accounts."

Sources said Stroh, the nation's No. 3 beer marketer, will shift a

(Continued on Page 8)

Riney to change its name—P. 4

Finding a niche

Tracy-Locke pumps regional

By JENNIFER LAWRENCE

DALLAS—Tracy-Locke, poised to become Omnicom Group's third major agency, is positioning itself as a unique regional marketing network.

In the first indication of a corporate strategy, Phil Slott, the agency's chairman-chief creative officer—and part owner—said Tracy-Locke's 22 field offices are the agency's "major point of difference." T-L has full-service offices in Atlanta, Dallas and Los Angeles.

While marketers such as Campbell Soup Co., General Foods Corp. and Frito-Lay (a Tracy-Locke client) have undertaken regionalized marketing, agencies have been slower to establish regional networks to accommodate the approach, Mr. Slott said.

"Clients are light years down the road," he added.

Tracy-Locke has been in the forefront of regional marketing because of clients such as Taco Bell and Pepsi-Cola Bottling Group.

For example, the agency recently developed an image-oriented print campaign for Pepsi bottlers in Wichita, Kan., themed "Wichita's choice."

The effort features Wichita residents in settings throughout the city. The campaign is unusual because it isn't tied to a price promotion.

"Regional marketing is happening all over the world," Mr. Slott said. "We have a horizontal and vertical delivery system that takes the advertising message from the TV screen to the street. . . . The consumer sees a commercial, hears it on radio, reads it in a magazine but also may see it on the back of a bus or on a table card."

Tracy-Locke has bred a corporate culture tuned to regional marketing, said Howard Davis, president-ceo and also a part owner. "It's not just opening up offices. It's local marketing at the shirt-sleeve level."

Howard Davis (r.) and Phil Slott tune into regional marketing.

Tracy-Locke will target new-business prospects in the package goods, durables and corporate categories, Mr. Slott said.

Omnicom, the holding company for BBDO Worldwide and DDB Needham Worldwide, last week confirmed it had sold a minority share of Tracy-Locke to a small group of the agency's executives—including Messrs. Davis and Mr. Slott (AA, June 20).

Unlike WPP Group Chief Executive Martin Sorrell, who refused to sell Lord, Geller, Federico, Einstein, New York, to its principals, Omnicom CEO Allen Rosenshine was able to keep Tracy-Locke in the Omnicom fold.

The "Rosenshine solution," based on flexible ownership, is aimed at setting Tracy-Locke on an expansion course that includes acquisitions, the opening of a New York office and a worldwide presence.

Initially, Omnicom will keep an 80% share of Tracy-Locke. Specific terms weren't disclosed, but Tracy-Locke executives will be limited to no more than 20% ownership. If they sell that 20% or any portion, it must be to Omnicom.

Frito expands regional marketing (P. 21), while Campbell adds local agencies (P. 38).

This sets the stage for growth through acquisition because Omnicom is willing to further reduce its equity position to put equity into the hands of another partner, Mr. Rosenshine said.

A timetable for such a move hasn't been set, but a major acquisition may occur this year, he added.

"We would use our equity to help fund a merger," said Mr. Rosenshine, adding that discussions have been held with several New York agencies.

Tracy-Locke now becomes a

(Continued on Page 38)

New TV fare puts upfront in confusion

By VERNE GAY and RUTH STROUD

NEW YORK—The network TV upfront market is in its most confused state since last year's introduction of people meters wreaked havoc on this critical sales period.

The confusion has been caused by a network scramble for substitute programming—such as revisions of old, canceled series—for fall, in response to the 18-week-old Writers Guild of America strike.

Following NBC's bold, and what some agency executives called "brilliant," move to insert original prime-time programming to justify higher asking prices, ABC and CBS are mustering forces to line up their own new shows to stay in the market pricewise.

As early as this week, both networks could announce that they, too, will have fresh programs this fall. Peter Tortorici, CBS VP-planning and scheduling, said, "We want to [announce a strike schedule] as soon as possible . . . to be responsive to the marketplace."

Ted Harbert, VP-prime time at ABC, said in a statement, "We are working on plans now and will announce them shortly."

NBC's dramatic 11th-hour move came just as an already delayed sales season was beginning. In one bold stroke, the No. 1 network essentially is telling agency buyers that since its programming will be new, prices should reflect that.

The so-called upfront buys—when advertisers make their network buys for the fourth quarter and first three quarters of the following year—typically are made just before the Fourth of July. But the high drama in Hollywood has upset everything.

Because advertisers base their buys—and networks, their prices—on viewing estimates, it's critical that both parties reach some agreement on what those will be.

That's been virtually impossible. Because the networks' program plans have changed almost daily—and will change even more radically this week—no one knows what viewing levels will be. For example,

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Highlights

NEWS

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Too much, says Hal Riney. To lighten the burden of being the only name on the door, Mr. Riney plans to change the name of his agency.

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After testing the waters last year, Frito-Lay is advancing its regional marketing strategy for several of its brands.

26 **Saatchi bets on Europe**
Saatchi & Saatchi Co. predicts Europe will have the fastest growth in ad spending this year, while North America will have the slowest.

34 **New spokesman at Nathan's**
Nathan's Famous is capitalizing on its history, with a new spokesman it hopes makes its hot dogs even more famous.

36 **Guinness goes gold**
Guinness, the giant brewing company known for its dark stout, is introducing a golden lager brew for the first time in the brand's 229-year history.

40 **What's wrong with Cannes?**
The International Advertising Film Festival is the Boston Marathon of film festivals—for a commercial or an official judge.

Gallo hopefuls find it's a long road to Modesto, Calif. P. 4.

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PM's smoker ads fire up opponents

By JUDANN DAGNOLI

Anti-smoking groups, Washington legislators and even public relations experts are up in arms over Philip Morris Cos.' new campaign to convince lawmakers and the public not to mess with smokers.

The reaction has caused many to believe that the $5 million public relations effort is backfiring.

The print ads, headlined "The American smoker—an economic force," broke last week. They portray smokers as a force with formidable financial clout.

Created by PM's public affairs department and Reuben M. Smith Associates, Nashville, Tenn., the campaign is based on Roper Organization data and targets the automobile, travel, electronics, restaurant and sports industries. The headlines make such assertions as "More than 24 million of this country's smokers will travel this summer. Make room, America!" *(See related story on Page 8.)*

In the automotive ad, Philip Morris claims the number of U.S. smokers, who own enough cars to "stretch bumper to bumper around the world four times, is too much horsepower to ignore."

The ads are scheduled to run for the next six months in 19 major newspapers as well as *Fortune, Forbes, Business Week* and trade magazines including ADVERTISING AGE. Philip Morris is believed to have included trade magazines in an effort to drum up advertisers for its *Philip Morris Magazine.*

But initial reaction to the ads is negative.

"Ridiculous—it has no credibility," Philip Dorf, exec VP of Robert Marston Associates, a New York PR agency, said of the campaign. "Trying to position smokers as a market is a futile exercise. To even suggest that smokers constitute a market, except for tobacco products, is really stretching the definition of a market."

$1 trillion is too much financial power to ignore.
PHILIP MORRIS

Philip Morris print ads touting smokers' clout broke last week.

John Cox, senior VP-communications at Avon Products, sees the campaign as a "sound rear-guard action, but rear guards don't win wars."

The tide of public opinion has swung so far against smoking that it's not going to move back, said Mr. Cox, a smoker. But, he added, the Philip Morris action could be an effective delaying tactic.

The Tobacco Institute, the industry trade group, said it will use the Philip Morris ads—and possibly the

(Continued on Page 37)

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Pediatricians wail at Carnation

By MARCY MAGIERA

LOS ANGELES—The American Academy of Pediatrics has jumped on Carnation Co.'s new baby formula before it even gets to market.

Carnation, which last week announced the fall introduction of its Good Start H.A. and Good Nature entries into the $1.6 billion category, is feeling the heat for its plans to promote directly to mothers, a break from standard infant-formula marketing practices.

Carnation says it plans strictly an "information campaign," using print ads to alert new mothers to the potential problems of formula intolerance in their babies.

The ads won't promote Good Start, a whey-based hypoallergenic formula for newborns through 6-month-old babies (AA, June 13).

"It's a sham," academy President Richard Narkewicz said of Carnation's pitch to mothers of newborns. "There will be only one formula from Carnation on the market. . . . Our fear is that many people won't consult their physicians, and will just take what they read summarily."

Charged with creating the "information campaign" for Good Start is Ogilvy & Mather, Los Angeles, which also will develop a TV, print and direct-mail campaign for Good Nature, a follow-up formula for babies about 6 months or older who eat solid foods.

The ad budget isn't known, though industry analysts earlier suggested it would take $50 million to $100 million to enter the market against established competitors.

The bulk of the advertising will be for Good Nature.

Dr. Narkewicz said the academy will consider mounting a counter-campaign advising mothers that breast-feeding is recommended for infants. "We're not an organization that would advocate a boycott," he said. "We give advice."

He expressed the organization's concern in a recent letter to Carnation President Timm Crull, warning that "any attempt to dissuade mothers from breast-feeding by direct public advertising of formulas would be strongly condemned by the academy."

Action for Corporate Accountability, a successor to the original Infant Formula Action Coalition that fought Nestle's overseas marketing practices a number of years ago, said it will monitor Carnation's U.S. marketing efforts for Good Start. Carnation is a subsidiary of Nestle.

The advocacy group plans to reimpose a boycott on Nestle products on Oct. 4 unless Nestle promises to adhere to the World Health Organization's marketing rules. ACA National Chairman Douglas Johnson charged Nestle has reneged on its 1984 agreement to comply with the WHO marketing guidelines for infant formula.

Nestle waged a long battle in the late 1970s with WHO over its proposed marketing rules but finally agreed to comply. Consumer groups, led by IFAC, boycotted the company during that period, charging it with

(Continued on Page 39)

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*Source: Advertising Age, *March 1988 Annual Billings Issue*

CORRECTIONS & CLARIFICATIONS

- *Glamour*, with 1987 gross advertising revenues of $87.6 million, is Advance Publications' top magazine by gross ad revenues (AA, June 27, P. S-12). This was incorrectly listed in a table in the "100 Leading Media Companies" report.
- In "Research People" (AA, June 20, P. 36), the names of Nile M. Rowan and Jennifer S. Clarke were misspelled.
- A list of advertisers on NBC-TV's upcoming Summer Olympics broadcast furnished by the network should have listed Prudential Insurance Co. of America, instead of Prudential-Bache Securities. Also, North American Philips Corp. should have been listed instead of Phillips Petroleum Co. (AA, May 23, P. 1).#

Europe opens wallet: Saatchi

By LAUREL WENTZ

LONDON—Saatchi & Saatchi Co. predicts Europe will have the fastest growth in ad spending this year, while North America will have the slowest.

Worldwide, Saatchi is forecasting a 9.2% increase in ad expenditures in major media in 1988 to $163.7 billion (AA, June 27). Excluding inflation, real growth would be 6%.

Saatchi predicts major media spending in North America will increase by 8.5% to $80.8 billion in 1988 but will increase by only 6.8% in 1989 and 6.9% in 1990.

From a January prediction of 11% growth, Saatchi has lowered its projections for North American 1988 network TV expenditures to 10%, reflecting the uncertainty caused by the Writers Guild of America strike.

The 1989 network TV forecast also has been downgraded from 8% to 6% because of current softness in parts of the scatter market.

Internationally, the decline of the U.S. dollar caused the value in 1987 of the European market to increase by 15%, about $5.6 billion, and the value of the Asia/Pacific market by 12%, about $3 billion.

Major media ad spending in Europe, the fastest-growing region, is predicted to increase by 10.8% to $47 billion this year, by 9.8% in 1989 and by 9.3% in 1990, due partly to the deregulation of TV throughout Europe.

In the U.K., Saatchi predicts a 1988 ad spending increase of 10.3% —amounting to 6.1% after inflation —to $10.4 billion. The anticipated addition of a fifth U.K. TV channel in 1993 and the launch of three channels by direct broadcast satellite in late 1989 should keep the TV market growing.

In France, TV commercials filled seven hours a week in 1986. However, spots aired 20 hours a week last year, when two new channels started and TF-1, France's largest channel, was deregulated and sold off by the government. Saatchi is looking this year for a 13.6% increase (9.9% after inflation) in ad spending to $6.7 billion.

In West Germany, deregulation is moving more slowly, with two state-owned networks each airing 20 minutes a day of advertising and 82% of ad spending still going to print. Saatchi expects ad spending growth of 4.5% (3% after inflation) to $9 billion in 1988.

Ad spending in Italy, Europe's most deregulated TV market, is expected to jump 17.4% (or 11.3% after inflation) to $5.2 billion this year.

Three European markets—Spain, Portugal and Greece—are expected to increase ad spending by more than 25% this year.

In Spain, growth of 28.4% (18.9% after inflation) to $4 billion this year is predicted despite the impact of a ban on TV advertising for cigarettes that takes effect in September.

In Portugal, Saatchi sees a 36.9% increase (26.8% after inflation) to $278 million this year.

In Greece, ad spending shot up by 70% in the first quarter of 1988, prompting Saatchi to boost its 1988 forecast from 24.5% to a 34.9% (14.4% after inflation) increase to $304 million.

Asia/Pacific is slated for an 8.6% increase in ad spending to $31.4 billion in 1988, followed by an 8.7% increase next year and 9.4% in 1990.

Saatchi cited three reasons for strong growth in the region: fast growth in private-sector consumption in key markets like Japan; more media opportunities in markets including China, where TV set ownership is expanding quickly; and lifting of restrictions on advertising and media in several markets.

For Japan, the second-largest ad market in the world, Saatchi predicts spending will increase by 6.9% (5.4% after inflation) to $23.5 billion this year.

In Australia, spending is expected to increase by 9.9% (2.3% after inflation) in 1988. New Zealand is predicted to grow by 13.8% (5.5% after inflation).

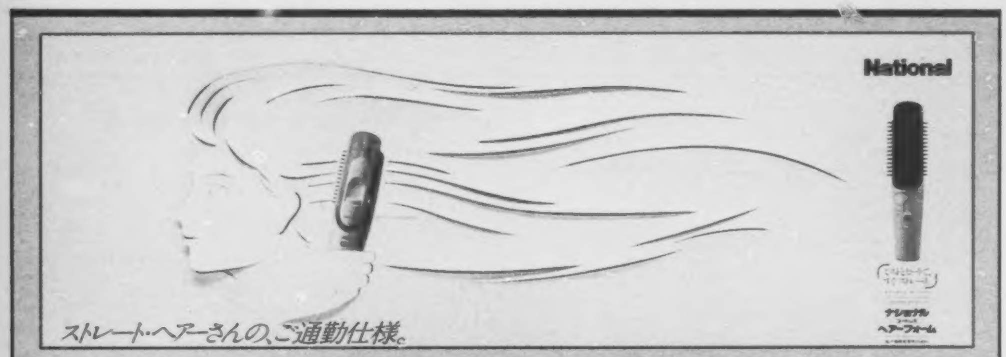
Saatchi didn't make individual forecasts for Latin American countries but predicts the whole region's spending will grow by 9.2% this year to $3.2 billion and by 8% in 1989 and 8.1% in 1990.#

Worldwide ad spending to 1990

(Current prices)

	1987 $m	1988 $m	% change	1989 $m	% change	1990 $m	% change
TV, print, radio and outdoor							
North America	$74,484	$80,785	+8.5	$86,248	+6.8	$92,159	+6.9
Europe	42,326	46,914	+10.8	51,521	+9.8	56,334	+9.3
Asia/Pacific	28,957	31,443	+8.6	34,176	+8.7	37,392	+9.4
Latin America	2,980	3,254	+9.2	3,514	+8.0	3,799	+8.1
Africa/Middle East	1,162	1,269	+9.2	1,371	+8.0	1,482	+8.1
Sub-total	$149,909	$163,665	+9.2	$176,830	+8.0	$191,166	+8.1
Below-the-line activities							
Direct mail							
North America	20,826	24,074	+15.6	27,608	+14.7	31,665	+14.7
Europe	6,843	8,143	+19.0	9,772	+20.0	11,726	+20.0
Sales promotion, point of sale and others							
U.S.	21,530	24,329	+13.0	27,005	+11.0	29,976	+11.0
Grand total	$199,108	$220,211	+10.6	$241,215	+9.5	$264,533	+9.7

Source: Saatchi & Saatchi Co.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ヘアーフォーム

Straight lines

Matsushita Electric Industrial Co. touts its National Cordless Hairform as "The quickest way to keep your hair straight," with this outdoor board created by Dentsu, Osaka. This ad won the poster category in the 41st Dentsu Advertising Awards, open to all agencies in Japan.

World News Roundup

(Continued from Page 3)

nels Mr. Murdoch plans to launch on the Astra direct broadcast satellite in late 1988.

SINGAPORE—**New Paper**, an English-language newspaper patterned after *USA Today*, will be published here later this month by Singapore Press Holdings.

MADRID—**Cortefiel**, the Spanish clothing chain, moved its $1.3 million account to Solucion/BDDP here. The account previously was in-house.

MONTREAL—**Royal Trust**, a banking company here, moved its $1.2 million Quebec account to Prism Communications from Ogilvy & Mather. However, O&M, Toronto, continues to handle the account outside Quebec.

KUALA LUMPUR—**Kentucky Fried Chicken** moved its $1 million account to HDM/DYR Malaysia from McCann-Erickson Malaysia.

PARIS—**Groupe Louis Vuitton** acquired Givenchy Couture for $25.4 million. Vuitton, which last year merged with Groupe Moet Hennessy, owns Parfums Givenchy.

P&G fabric softener makes fresh start

By MARINA SPECHT

MADRID—Procter & Gamble Co. is relaunching Lenor fabric softener in major European markets, an effort to regain market share lost to Unilever and other rivals.

The reformulated product, using new technology the company says improves softness, begins its rollout in Spain, where Lenor wasn't previously sold. P&G launched it there last month, backed by an estimated $3.5 million ad campaign via Grey Advertising, the Lenor agency throughout Europe.

The new technology surfaced in the U.S. in mid-1987, in the company's Downy brand.

Unilever executives said the relaunch was spurred by P&G's declining share in fabric softeners.

Lenor is a liquid fabric softener throughout Europe, except in West Germany where a Lenor dryer sheet was added to the Lenor liquid, liquid concentrate and liquid refill pouch product line last year.

P&G's share of the U.S. liquid softener market fell from 42% in 1981 to 38% in 1986, while Lever Bros.' share climbed from 7% to 36%, a Unilever spokesman said.

In 1981, P&G and Unilever were tied in Europe with 21% of the softener market each. Unilever now claims a 25% share, followed by P&G with 17%, a Unilever spokesman said.

Colgate-Palmolive Co. and Henkel each hold 13% to 14% of the $900 million European fabric softener market, which is growing 7% yearly.

"P&G is reacting to every Lever move in Europe because they don't want us to be even further ahead of them," said Gonzalo Sordo, marketing manager at Lever Iberica.

Unilever is relaunching in Europe its fabric softener, known as Snuggle in the U.S.

The brand is sold in Europe under various names that indicate something cuddly in local languages. The brand is called Mimosin in Spain; Cajoline in France; Cocolino in Italy; Robijn in Belgium and the Netherlands; and Kuschelweich in West Germany and Austria.

Unilever has centralized production of European spots at Lintas:Worldwide. Previously, each country created its own spots featuring the same teddy bear used in the U.S. Snuggle campaign.

Now, a pool of European commercials is produced in New York from European creative work.

In Spain, P&G introduced Lenor softener a week after the relaunch of Mimosin, the market leader. Mr. Sordo said Mimosin has a 25% share, while a P&G spokesman put the Lever share at 22%.

Ten-second TV spots by Grey urge consumers to "Discover Lenor, a new world of softness." Longer spots, also by Grey, broke last month.

"P&G sped up the Lenor launch in Spain in order to make it coincide with Lever's relaunch of Mimosin," Mr. Sordo said.

A Spanish P&G spokesman denied any link between the launches. Lintas handles Mimosin.

Lever boosted Mimosin's ad budget by 80% to $2.8 million this year and expects P&G to spend $3.5 million on Lenor in its first year. P&G refused to disclose ad spending.

P&G may have trouble carving a place in the $110 million Spanish fabric softener market from well-established brands like Mimosin, Henkel's Vernel and Flor, owned by local marketer Camp.

The latter two have about 20% of the market each.

In other European markets, P&G introduced New Lenor in the U.K. in June in two fragrances. An ad campaign by Grey breaks this summer to challenge U.K. market leader Comfort, another Unilever brand.

Lenor is brand leader with a 43% share in Germany, P&G's biggest European market and the country with the world's highest per household consumption of fabric softener. Last month, P&G added a Summer Fresh Lenor line, including a concentrate and refill pack, also backed by a Grey-created campaign.

In France, where Lenor's 10%-to-15% market share trails Colgate's Supline (33%), Unilever's Cajoline (25%) and Henkel's Mini Doux line (25%), the superconcentrate market is heating up.

Henkel has won about 20% of the French softener market with its Super Mini Doux line extension, now accounting for the lion's share of the Mini Doux line.

P&G and Colgate followed last year with Lenorette and Ultra Doux Supline superconcentrates but haven't stolen share from Henkel.#

Dagmar Mussey, Duesseldorf; Anika Michalowski, Paris; and Laurel Wentz, London, contributed to this story.

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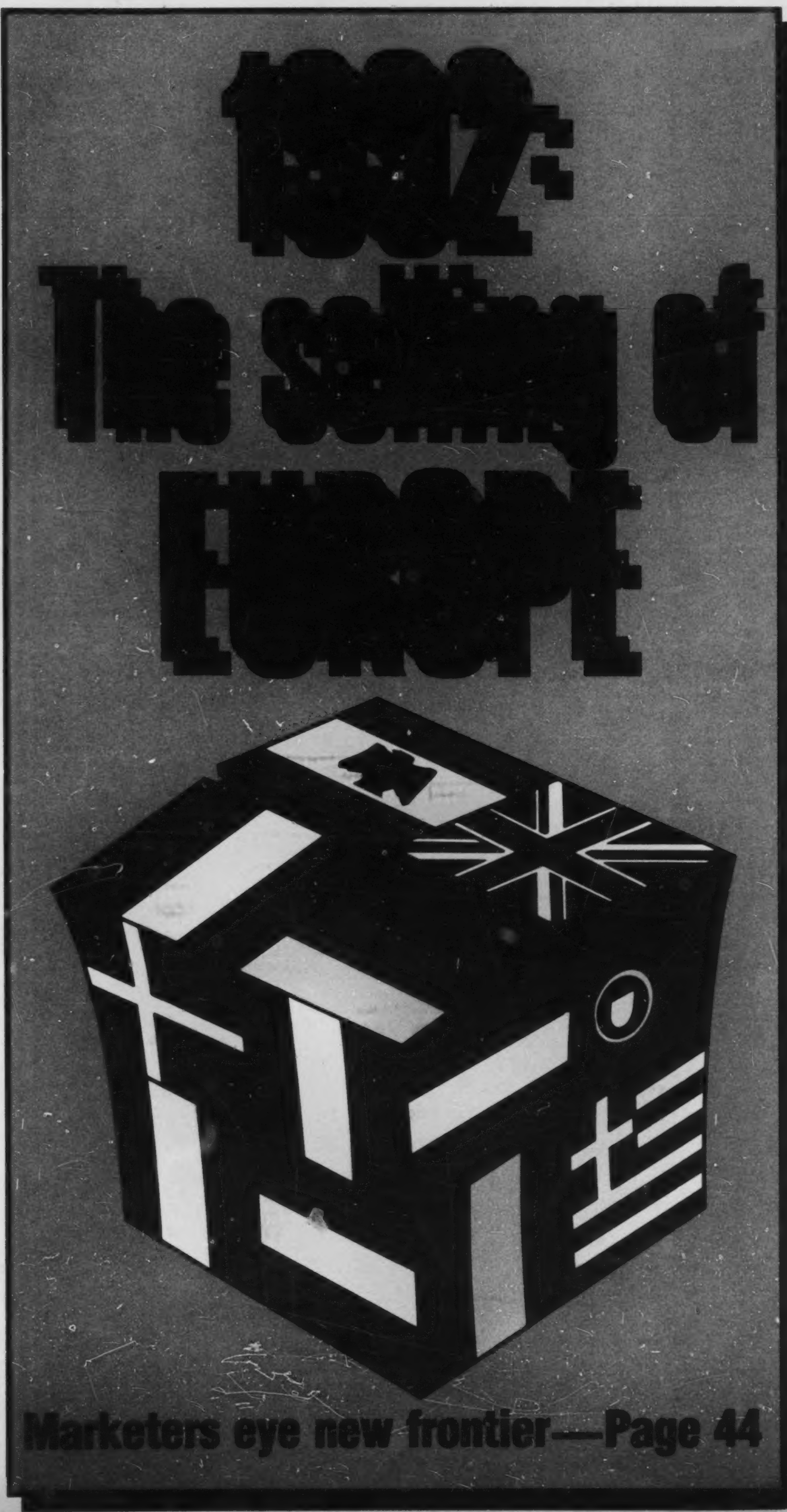

Big Bang II: Shops seek media ties

By LAUREL WENTZ

From New York to Singapore to Sydney, the next wave of "Big Bang" agency combinations is arriving, only this time among media-buying departments looking to increase their clout.

Even giant Saatchi & Saatchi Co. said it would consider linking up with non-Saatchi agencies outside the U.S. and the U.K. to jointly buy time and space in media.

In the U.S., Saatchi will decide soon whether to implement a feasibility study focused on joining the media-buying operations of its three key units: Backer Spielvogel Bates, Saatchi & Saatchi DFS and Campbell-Mithun-Esty.

The total domestic billings of those three agencies are about $3.6 billion annually.

The fear that Saatchi will aggressively pool that media weight and position itself for huge media discounts is what's spurring concern—and action—among other major agencies and agency groups.

As many advertisers consolidate buying at one agency or take it in-house in the U.S., agencies without enough clout to demand the best prices and ad schedules are fearful they'll be left out in the cold.

Agencies that would never think of joining operations with competing shops—because of client conflict problems—are putting together deals outside the U.S.

In the Netherlands, six competing agencies—including Young & Rubicam, Ogilvy & Mather and J. Walter Thompson Co.—will launch a media-buying group in September, called the Media Buying Center.

In Argentina, Spain, Belgium and France, competing agencies already have formed huge media-buying units.

Industry executives now see this happening in the U.S. Sources say every major agency—and particularly those that aren't part of a large holding company—are talking to one another about teaming up for media buys *(see story on Page 1)*.

Omnicom Group and O&M parent Ogilvy Group last week confirmed they were talking about a worldwide joint media-buying venture that would have massive client conflict implications in the U.S.

BBDO Worldwide and DDB Needham Worldwide are the two largest units of Omnicom.

"If they can join their media-buying departments, it's

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•Surprised clients mull next moves—P. 74
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More executive shake-ups
coming at McGraw-Hill. Page 3
How J. Walter Thompson
rakes in new business. Page 20

July 11, 1988

Advertising Age®

Crain's International Newspaper of Marketing.

Wanted: Media muscle

Ad agencies race to form buying linkups

By GARY LEVIN

NEW YORK—Major ad agencies, worried that they need to increase their media-buying clout quickly, are considering the unthinkable: linking up with competitors.

An even bigger shock is that several advertisers appear to be going along with the potential client conflicts such combinations might cause *(see story on Page 74)*. One key source even termed the agency moves to consolidate "client-driven."

Executives at many large agencies and holding companies, including Omnicom Group; Ogilvy Group; Bozell, Jacobs, Kenyon & Eckhardt; Foote, Cone & Belding Communications; and J. Walter Thompson Co. all say they are exploring media-buying consolidations.

"Everybody's talking to everybody," said Joseph Ostrow, exec VP-worldwide media director at Chicago-based Foote, Cone & Belding.

"The exploration deals more with the efficiency of operations in many cases than it does truly with clout," said Charles Peebler Jr., ceo at BJK&E, New York. "If it's done right, it will probably increase agency profitability and efficiency, while offering clients the same or better service."

Last week, sources said Omnicom and Ogilvy executives were talking about worldwide linkups of the two, including setting up a separate company to handle all global buying. Each company confirmed that talks were being conducted but declined to name who they were talking with.

Saatchi & Saatchi Co., London, has completed an internal study of media centralization and said it may link up with rival agencies in addition to combining the buying operations of its already massive agency units.

One source said a major fear among agencies that work for Procter & Gamble Co. is that Saatchi will put together an efficient media-buying operation for its units and that P&G at some point will consolidate all its buying at Saatchi.

P&G refused to comment on that scenario. "We ask our ad agencies to work constructively with us to understanding our strategies and then to make the most efficient buys possible in the execution of those strategies," a P&G spokeswoman said. "How the agencies organize to achieve that [goal] for us is their business."

Some large agencies or agency groups—including Interpublic Group of Cos. and N W Ayer—said client conflicts and other competitive issues appear to outweigh the benefits of media combinations, particularly in the U.S.

"We're not convinced that being bigger is necessarily buying better," said Marcella Rosen, senior VP-managing director of media services at Ayer.

Philip Geier, Interpublic chairman-ceo, remains wary of creating any semblance of conflict among his holding company's units. For now, he said, worldwide media consolidation isn't in the cards, adding, "I'm not saying it won't happen three to five years from now."

Young & Rubicam, D'Arcy Masius Benton & Bowles and Grey Advertising are closely monitoring these media developments and may decide to join the fray.

"We're always looking for ways to better serve our clients," said Y&R Chairman Alex Kroll.

There's concern that once agencies link buying units and get clients with competing accounts used to the idea, they can then more easily move into other combination arrangements, including media planning, research and even creative.

"I would be very, very surprised to learn that our major competitors are not involved in similar discussions," said Omnicom Chairman-CEO Allen Rosenshine when confirming his group's interest. "We've clearly and obviously been talking to several potential partners. It's quite a prevalent concern at many agencies."

Kenneth Roman, chairman-ceo of Ogilvy Group, said in a statement that "partner-

(Continued on Page 75)

Photo by Patrick Harbron/Courtesy of Manhattan, Inc.

"We've clearly and obviously been talking to several potential partners. It's quite a prevalent concern at many agencies."
—Allen Rosenshine

"We have no agreements, but we are exploring what kinds of combinations might make sense to us."
—Kenneth Roman

Last Minute News

Sprint calls on Sedelmaier

KANSAS CITY, MO.—US Sprint on July 18 breaks two humorous, 30-second network TV commercials, directed by Joe Sedelmaier, that stress the clarity of its long-distance service. J. Walter Thompson USA, San Francisco, handles Sprint's $35 million account.

Wisconsin milk board dumps DMB&B

MADISON, WIS.—The Wisconsin Milk Marketing Board dropped incumbent D'Arcy Masius Benton & Bowles, Chicago, from the review of its estimated $8 million cheese account (AA, March 21). The four finalists for the assignment include Foote, Cone & Belding and Campbell-Mithun-Esty, both Chicago; and Frankenberry, Laughlin & Constable, Milwaukee. The identity of the fourth finalist isn't known. Also, the board recently moved its $1 million milk account to McCann-Erickson, San Francisco, from DMB&B.

GF's Smith may be leaving

RYE BROOK, N.Y.—Neither General Foods nor its parent, Philip Morris Cos., would comment last week on rumors that GF Chairman-CEO Philip Smith is leaving the company, other than to say that Mr. Smith "hasn't resigned." But analysts and other sources said they believe Mr. Smith's resignation is imminent, though it's unclear whether he'll join Pillsbury Corp. as ceo (AA, June 27). Pillsbury has said it wants to name a new ceo before its September annual meeting. According to published reports, Mr. Smith may be in line to succeed Campbell Soup Co. CEO R. Gordon McGovern. Campbell wouldn't comment on the re-

(Continued on Page 8)

Spielvogel, Connors joining Dukakis team

By STEVEN W. COLFORD

Democratic presidential contender Michael Dukakis is putting together a high-power team of ad advisers that includes agency chieftains Carl Spielvogel, Marvin Sloves, Jack Connors and Frank Mingo.

Messrs. Spielvogel, Sloves and Mingo said they committed to work, in a limited fashion, on campaign ads for the Massachusetts governor after they'd been approached by Dukakis aide Tom Kiley.

Sources said Mr. Connors, president-ceo of Boston-based Hill, Holliday, Connors, Cosmopulos, and Mr. Spielvogel, chairman of Backer Spielvogel Bates Worldwide, New York, are advising the campaign on advertising personnel matters, such as who to recruit and how to form an ad team.

Mr. Sloves is chairman of Scali, McCabe, Sloves and Mr. Mingo is chairman of Mingo Group.

★★★★ Campaign 88

Dukakis aide Mr. Kiley initially asked Mr. Spielvogel, who's active in New York Democratic politics, if his agency would be interested in handling the Democratic presidential ad effort. The assignment would have given Backer Spielvogel Bates a good chunk of the estimated $55 million in federal funds that will fuel the Dukakis campaign.

"But I told them there was no way the agency would handle their account," Mr. Spielvogel said. "We don't do political accounts in the U.S.

"I counseled him instead to try to put together a group of people patterned after Reagan's Tuesday Team, and he agreed . . . that cherry-picking the best people is a better idea."

Mr. Spielvogel said he advised the governor's aides to find a "first-class general manager" to oversee an ad team comprising at least two full creative units, in addition to the political ad executives who handled the Dukakis campaign's primary election ad-

(Continued on Page 76)

NBC rakes in upfront deals

By VERNE GAY

NEW YORK—The network TV upfront market blasted off last week, with NBC pulling in an easy $600 million in 1988-89 prime-time sales.

The top-ranked network should close in on a record $1.3 billion any time soon, in what has been a surprisingly energetic advance-sales market.

A surge of automotive money from Detroit reportedly is leading to higher prices than expected, although some agency executives disputed that.

Sources said NBC was getting high single-digit increases on costs per thousand last week while CBS was cutting deals at increases of about 6% and ABC was holding out for even higher prices.

Leading the charge was Leo Burnett Co., Chicago, which bought more than $200 million worth of NBC inventory, much of it for McDonald's Corp. and General Motors Corp.

Procter & Gamble Co., the nation's leading TV advertiser, also weighed in with a multi-million-dollar commitment on NBC.

Burnett's buy was believed to be twice what it spent on NBC for the 1987-88 TV season. Young & Rubicam and D'Arcy Masius Benton & Bowles also are close to completing buys on CBS and NBC.

If last week's buying binge seems like a one-network party, it was. By early Friday, ABC and CBS together had closed less than half the amount of NBC, though American Home Products Corp. reportedly made an unusual multiyear, multidaypart deal with CBS. Neither company would confirm that.

The outlook appears uncertain for second-ranked ABC. Sources said that network's pricing was extremely bullish.

ABC reportedly refused to close anything below 11% price increases, which apparently is why it did so little business last week. Burnett reportedly spurned ABC because of high prices.

"ABC has not been receptive [to lower prices] because they feel they . . . hold a lot of cards, and they do," said one agency executive. "They're saying, 'You can't walk away from us,' and there's some validity to what they're saying."

ABC appears to be waiting for NBC to become heavily sold; at that time, NBC's prices could surge and advertisers would be forced to buy ABC, which thinks the market is larger than its rivals believe.

Observers speculated that NBC opened the market with lower prices to establish a solid base for higher pricing as inventory was depleted.

Despite last week's [illegible] this year's sales aren't expected to m[illegible]st year's $3.1 billion in upfront spend[illegible]

The upfront market has been thrown into confusion by the Writers Guild of America strike, now in its 20th week.

Late last week, the guild approved an interim agreement allowing writers to work for independent production companies that signed the union's pact. But the Big 3 networks insist they won't buy shows coming out of that alliance, and that may prolong the strike that has crippled TV production.

NBC earlier had agreed to air certain ex-

(Continued on Page 76)

Highlights

NEWS

4 Jacko may be out of energy
Can Jacko sell batteries? Eveready says yes; the numbers say no.

10 Coty sniffs out a new strategy
When Coty introduces its new fragrance this fall, it may take a while to figure out what the product is called.

28 Wintour in 'Vogue'
Anna Wintour, the woman who made *HG*, is now in *Vogue*.

31 Who's the greatest of them all?
Coca-Cola, Campbell's and Pepsi are among the most powerful brands in the U.S., according to the new Landor ImagePower Survey.

32 Hanover overhaul
In a major shift of direction, Hanover House Industries is overhauling its catalog business.

34 New claim on 'Fame'
For some people, *Fame* is fleeting. For first-time Publisher Steven Greenberg, it's a magazine.

58 Little Apple hits it big
Minneapolis, renowned as a hot creative ad community, traces the roots of its reputation.

70 'Time' gets burned in Canada
A new Canadian law banning all cigarette advertising is a setback for *Time* but may give rival *Newsweek* a slight advantage.

71 AIDS effort in the spotlight
A plan for a combined paid/public service campaign on AIDS could prompt serious questions in Congress.

72 'Sound-alike' slowdown
"Sound-alike" advertising faces a slowdown in the wake of a ruling that reinstates Bette Midler's suit against Ford Motor Co. and Young & Rubicam.

75 ABC takes Pepsi's challenge
ABC-TV last week asked Pepsi-Cola Co. to stop describing Diet Pepsi as the "undisputed" taste-test champion because Coca-Cola Co. claims Diet Coke is the winner.

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FOCUS ON RETAIL: Department store ads ailing. P. 12.

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IBM eyes big shops as list shrinks to 6

By JON LAFAYETTE
and GARY LEVIN

Big Blue wants a big shop—and one that knows computers.

That's the message behind IBM Corp.'s decision to meet this week with D'Arcy Masius Benton & Bowles; Grey Advertising; Lintas:Worldwide; and Wells, Rich, Greene in addition to incumbents Lord, Geller, Federico, Einstein and Lord Einstein O'Neill & Partners about its $138 million ad account.

In limiting itself to these New York agencies, the giant computer marketer appears to have eliminated all the smaller shops it initially had contacted, as well as DDB Needham Worldwide; Jordan, McGrath, Case & Taylor; and Scali, McCabe, Sloves.

The agencies in the final review will be given identical briefings and assigned identical projects to complete. IBM didn't provide details about the nature of the project.

The company expects to decide how to split up its account by the end of August.

Industry observers expect Lord Geller and Lord Einstein to keep some IBM work, but also think that at least one of the bigger agencies will get the bulk of the business.

IBM has said little about why it selected these finalists. "We feel that each has potential to meet our current and future advertising needs," a spokeswoman said.

The anointed agencies were told only that they had advanced to the next round of the review, and the time and place of the briefings.

But size and current or past connections to the computer marketer apparently counted.

Grey Advertising's direct-re-

(Continued on Page 76)

Camel rides Old Joe

RJR aims new ads at young smokers

By JUDANN DAGNOLI

R.J. Reynolds Tobacco Co. is updating its Camel and Salem advertising to lure younger smokers away from Marlboro country.

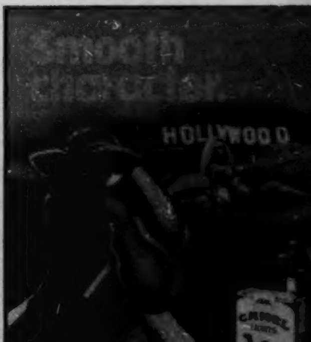
Slick gimmickry in new efforts for both RJR brands is designed to bring back the segment now dominated by Philip Morris Cos., whose share of the youth market (smokers ages 18 to 24) is 65%, compared to RJR's 17%, according to Salomon Bros. analyst Diana Temple.

Much of that younger segment smokes PM's flagship Marlboro, which long has used cowboy imagery in its advertising.

Old Joe, the camel that has symbolized Camel cigarettes for three-quarters of a century, has discovered the fountain of youth in a new campaign breaking later this month.

Ads themed "Smooth character"

(Continued on Page 76)



Old Joe is up to some new tricks, trying to appeal to younger smokers, in new ads from R.J. Reynolds and McCann-Erickson.

International agencies report on key clients

Who has what accounts where

For this fourth annual Advertising Age *report, agencies listed their major multinational clients using the following criteria:*

- *Accounts must be served in at least three countries as of Dec. 31, 1987.*
- *The combined client business must total at least $3 million.*

Charts don't break down all offices; information about some countries was not included. Additional business is listed in the footnotes following the summaries. An asterisk denotes an agency that included affiliated agencies in its report.

N W AYER	The Americas							Europe																Pacific					
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay*	Austria*	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden*	Switzerland*	UK	Finland*	Greece*	Portugal*	Turkey	Australia	Japan*	Hong Kong	New Zealand	Singapore*	Thailand*
Avon	✓																											✓	✓
Burger King	✓															✓										✓			
Continental Airlines	✓										✓													✓			✓		
Copper Dev. Assn.											✓		✓						✓										
DuPont	✓								✓		✓	✓	✓	✓		✓		✓	✓										
General Motors	✓										✓			✓					✓										
Gillette	✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓							
Iberia	✓						✓	✓				✓		✓	✓	✓	✓						✓		✓				
Nordica	✓							✓			✓	✓	✓					✓	✓						✓				
Ricoh								✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓									
Rothmans																			✓					✓	✓				

Source: N W Ayer *Non-equity affiliation

N W Ayer, New York, had non-U.S. gross income of $49.9 million in 1987, up 49% from 1986. Non-U.S billings were up 48% to $339.8 million.

Worldwide gross income was $166.1 million. Worldwide billings totaled $1.2 billion.

Ayer holds majority or maximum-allowable stock in 10 agencies, minority ownership in three agencies and non-equity affiliations with 23 others.

Major international business won included Ricoh copiers (France, Italy, U.K., West Germany); Continental Airlines (Australia, France); and Wilkinson Sword (Spain). The agency lost the Bahamas account in the U.K. and West Germany.#

BACKER SPIELVOGEL BATES WORLDWIDE	The Americas										Europe																Pacific							
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru	Mexico	Colombia	Ecuador	Venezuela	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Greece	Finland	Portugal	Turkey	Australia	Japan	Hong Kong	New Zealand	Singapore	Taiwan	Malaysia	Indonesia
Air New Zealand																											✓	✓	✓	✓	✓			
American Cyanamid			✓																✓	✓	✓	✓												
Austin Rover												✓		✓	✓	✓			✓			✓												
Avis	✓																	✓															✓	
BAT				✓								✓		✓					✓			✓	✓				✓					✓	✓	
Benckiser												✓	✓		✓	✓	✓		✓			✓	✓		✓	✓		✓						
BMW									✓						✓																			
Braun				✓									✓						✓															
Brio-Scanditoy																		✓		✓				✓										
Carlton & United Breweries				✓									✓						✓								✓		✓	✓				✓
Campari												✓					✓																	
Castle & Cooke	✓																							✓						✓				
Ciba-Geigy																																	✓	✓
De Beers																													✓		✓	✓	✓	✓
DHL			✓		✓	✓	✓			✓	✓	✓	✓		✓	✓	✓	✓			✓			✓	✓				✓	✓		✓	✓	✓
Diners Club															✓								✓				✓			✓				
Duracell																			✓	✓	✓	✓				✓								
Electrolux												✓								✓													✓	
Estee Lauder	✓											✓		✓														✓	✓					✓
Eveready Batteries		✓	✓	✓	✓	✓	✓	✓	✓	✓																	✓		✓	✓	✓	✓	✓	
Fisher-Price	✓			✓													✓																	
Hattori/Seiko	✓				✓		✓		✓	✓						✓	✓		✓			✓	✓							✓				
Hong Kong Bank																													✓		✓		✓	
Honig												✓					✓						✓											
Hyundai	✓			✓																														
IBM									✓									✓						✓										
Jaffa Fruits																	✓			✓	✓													
Lego													✓						✓														✓	
Lesieur												✓		✓	✓																			
3M	✓					✓	✓																											
Mars																																		
Confectionery	✓			✓							✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
Pet Food	✓			✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓	✓	✓	✓	✓		
Other	✓			✓							✓		✓									✓			✓	✓	✓			✓				
Martell Cognac												✓		✓	✓	✓	✓				✓				✓									
Match Box											✓				✓	✓			✓		✓	✓												
Nicholas												✓		✓	✓		✓		✓	✓	✓													
Nissan					✓															✓							✓							
Olivetti											✓	✓	✓				✓			✓	✓		✓											
Panasonic													✓					✓	✓								✓					✓		
Pru-Bache	✓			✓																							✓		✓					
Richardson-Vicks						✓																	✓				✓							
SAS											✓	✓	✓					✓		✓														
Schering-Plough				✓													✓			✓														✓
Selley's Chemical																											✓		✓		✓		✓	
Shell													✓								✓								✓	✓				
Singer									✓														✓	✓										
Sony												✓																				✓		
S.C. Johnson	✓						✓																✓											
Tambrands																											✓			✓	✓		✓	✓
Thomas Cook																												✓	✓				✓	

BACKER SPIELVOGEL BATES WORLDWIDE	The Americas										Europe																Pacific							
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru	Mexico	Colombia	Ecuador	Venezuela	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Greece	Finland	Portugal	Turkey	Australia	Japan	Hong Kong	New Zealand	Singapore	Taiwan	Malaysia	Indonesia
Tuborg												✓	✓						✓															
Uniroyal												✓		✓		✓		✓					✓											
Volvo																			✓	✓			✓	✓									✓	
Warner-Lambert				✓			✓			✓		✓																		✓		✓		

Source: Backer Spielvogel Bates Worldwide

Backer Spielvogel Bates Worldwide, New York, had non-U.S. gross income of $339.1 million in 1987, up 33% from 1986. Non-U.S. billings rose 35% to $2.3 billion.

Worldwide gross income was $600.7 million in 1987. Worldwide billings were $4.1 billion.

Backer has 102 overseas offices in 46 countries.

It was formed when parent Saatchi & Saatchi merged Backer & Spielvogel with Ted Bates Worldwide. In March, the London office of Dorland combined with BSBW there, forming BSB/Dorland.

New accounts in 1987 included Mandarin Hotels (southeast Asia); Eveready (Central and Latin America); IBM (Finland); Mercedes-Benz (Austria, Spain); Hyundai (Belgium); Foster's Lager (Hong Kong); Pepsi-Cola (Finland); Uniroyal (Scandinavia); Martell cognac (France); Visa (Austria); Avis (the Netherlands); Dr. Scholl's (the Netherlands); Dixon (U.K.); and Carlsberg beer (Denmark).

Accounts lost included Wella (Austria); Abbott Labs (Hong Kong); and Beiersdorf (France).#

BBDO WORLDWIDE	The Americas										Europe																Pacific							
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru*	Uruguay*	Mexico	Puerto Rico	Colombia*	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Finland	Greece	Africa	Middle East	Australia	Japan	Hong Kong	New Zealand	Singapore	Taiwan	India*	Korea*
Alfred Dunhill	✓													✓								✓				✓		✓	✓		✓	✓		✓
Apple Computer	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓		✓	✓	✓				✓	✓	✓	✓	✓	✓	
Bayer						✓		✓		✓		✓										✓		✓			✓			✓				
Campbell Soup	✓								✓			✓															✓			✓				
Claris	✓			✓										✓								✓					✓	✓						
Delta Airlines	✓			✓				✓	✓					✓	✓							✓						✓						
DuPont	✓											✓										✓					✓							
Frito Lay/PFI	✓		✓	✓				✓											✓					✓			✓					✓		✓
Gillette	✓		✓					✓		✓		✓	✓	✓	✓	✓			✓	✓	✓	✓		✓		✓	✓		✓					
Hasbro	✓							✓	✓							✓														✓				
Henkel											✓	✓		✓	✓	✓	✓		✓															
Holland Canned Milk										✓							✓									✓			✓					
Johnson & Johnson	✓									✓		✓					✓																	
Kuwait Petroleum												✓	✓			✓	✓			✓		✓												
Mexx	✓			✓							✓	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓										
Moelnlycke												✓					✓			✓			✓											
Mont Blanc	✓										✓	✓	✓	✓	✓	✓			✓			✓		✓			✓	✓	✓		✓			
Nestle	✓			✓			✓					✓		✓			✓		✓		✓					✓	✓	✓					✓	
Oral B	✓													✓	✓	✓	✓					✓												
PepsiCo	✓					✓				✓					✓		✓					✓		✓			✓	✓		✓			✓	
Philips	✓											✓	✓		✓					✓	✓	✓		✓			✓		✓	✓	✓			
Pizza Hut	✓																										✓			✓				
Polaroid	✓			✓																								✓	✓		✓			✓
Rothmans												✓			✓		✓											✓	✓					
Rowntree Mackintosh											✓	✓	✓	✓	✓	✓	✓			✓	✓		✓											
Scott Paper	✓							✓	✓			✓		✓													✓							
SmithKline	✓			✓											✓				✓		✓													
Timken	✓			✓																														
U-Car											✓	✓		✓	✓	✓			✓		✓													
Unilever	✓			✓					✓		✓	✓					✓				✓													
Visa	✓				✓					✓											✓					✓	✓	✓	✓	✓	✓	✓	✓	✓
Wella					✓																							✓			✓			
Wrigley	✓			✓									✓	✓	✓		✓																	
Worldwide Church of God	✓			✓																	✓	✓					✓	✓	✓	✓				
Xerox	✓			✓	✓	✓				✓																								

Source: BBDO Worldwide *Non-equity affiliations

BBDO Worldwide, New York, had non-U.S. gross income of $225.6 million in 1987, up 63% from 1986. Non-U.S. billings rose 17% to $1.4 billion.

Worldwide gross income reached $537 million in 1987. Worldwide billings were $3.7 billion.

BBDO has 120 offices in 50 countries outside the U.S. and holds equity in 112. BBDO is part of Omnicom Group, along with DDB Needham Worldwide.

BBDO gained business from Apple (Canada, Portugal); Gillette (Italy, Mexico, Netherlands); and Pepsi-Cola International (Canada, Costa Rica, Portugal, U.K., South Korea, West Germany).

Foreign accounts lost include Richardson-Vicks (Indonesia, Mexico); Chrysler (Canada); McDonald's (Guatemala); Gillette (Belgium); and Campbell Soup (Hong Kong).#

BOULET DRU DUPUY PETIT	The Americas				Europe															Pacific
Clients:	USA*	Argentina	Brazil	Canada*	Austria*	Belgium	Denmark*	France	Germany*	Italy	Netherlands*	Norway*	Spain	Sweden*	Switzerland*	UK*	Portugal*	Finland*	Africa*	
BSN Gervais-Danone						✓		✓		✓			✓			✓				
Marcelle Griffon						✓		✓								✓				
Michelin					✓	✓	✓	✓			✓	✓	✓	✓	✓		✓	✓	✓	
Rodier	✓			✓		✓		✓	✓	✓										

Source: Boulet Dru Dupuy Petit *Non-equity affiliation

Boulet Dru Dupuy Petit, Paris, reported non-U.S. gross income of $45 million in 1987, a 39% increase over 1986. Non-U.S. billings increased by 36% to $297.5 million.

BDDP has no U.S. operations.

It owns 100% of its French agency, a majority share of agencies in Belgium and Italy, and a minority stake in a Spanish agency. It acquired a majority share in a U.K. agency in June.

BDDP in 1987 won Pernod Ricard, Unilever's Astra Calve margarine and the BSN food group's Amora mustard brand. The agency lost Yves St. Laurent fashion and perfumes.

Account changes are all in France because of the newness of the French group's international network.#

BOZELL, JACOBS, KENYON & ECKHARDT	The Americas									Europe															Pacific							
Clients:	USA	Argentina*	Brazil*	Canada	Chile	Peru	Uruguay	Mexico	Puerto Rico	Austria*	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland*	UK	Portugal*	Greece	Africa	Australia*	Japan	Hong Kong	New Zealand*	Singapore	Thailand*	Malaysia	Taiwan*
American Airlines	✓			✓				✓																								
Chrysler	✓								✓	✓	✓		✓	✓	✓	✓		✓	✓	✓												
Merrill Lynch				✓					✓	✓				✓							✓				✓	✓	✓					
Nabisco	✓			✓																								✓				
Patek Philippe	✓												✓	✓	✓					✓	✓		✓		✓	✓	✓		✓			

1988 WORLD BRANDS

BOZELL, JACOBS, KENYON & ECKHARDT	The Americas										Europe																Pacific							
Clients:	USA	Argentina*	Brazil*	Canada	Chile	Peru	Uruguay	Mexico	Puerto Rico		Austria*	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland*	UK	Portugal*	Greece	Africa		Australia*	Japan	Hong Kong	New Zealand*	Singapore	Thailand*	Malaysia	Taiwan*
Revlon	✓	✓	✓	✓					✓		✓			✓		✓		✓		✓		✓					✓	✓	✓	✓				
Sunkist																													✓		✓		✓	✓
Texas Instruments	✓			✓								✓		✓	✓	✓			✓		✓	✓	✓											

Source: Bozell, Jacobs, Kenyon & Eckhardt *Non-equity affiliation

Bozell, Jacobs, Kenyon & Eckhardt, New York, had non-U.S. gross income of $26.3 million in 1987, up 42% from 1986. Non-U.S. billings rose 40% to $175 million.

Worldwide gross income was $185.2 million in 1987. Worldwide billings were $1.3 billion.

BJK&E gained its independence from Lorimar Telepictures this year in a management buyout. BJK&E has 59 overseas offices in 35 countries and owns majority or maximum-allowable stock in five, minority interest in 21 and has non-equity affiliations with 33.

New accounts included Nabisco (Canada); Department of National Savings (U.K.); Jet Tours (France); Firestone (Mexico); Inchcope (Hong Kong); Chrysler (Europe); and New World Group (Hong Kong).

Accounts lost included Revlon (Canada); Cote D'Or candies (France); Schick (France); and Volvo (Belgium).#

LEO BURNETT CO.	The Americas										Europe										Middle East						Pacific							
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru*	Puerto Rico	Panama	Mexico	Venezuela	Greece	Belgium	Denmark	France	Germany	Italy	Netherlands	Spain	Switzerland	UK	Bahrain	Egypt	Kuwait	Lebanon	Saudi Arabia	U.A.E.	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand*	Malaysia	Taiwan
Abbott														✓		✓		✓												✓				
BASF												✓	✓	✓	✓	✓	✓	✓	✓	✓							✓							
Cathay Pacific				✓								✓		✓	✓	✓	✓			✓							✓	✓	✓	✓	✓	✓	✓	✓
Heinz Star-Kist	✓			✓						✓				✓														✓						
Hewlett-Packard	✓																			✓							✓		✓	✓	✓		✓	✓
Kellogg	✓	✓	✓	✓			✓	✓	✓	✓			✓	✓	✓	✓		✓		✓							✓	✓	✓		✓	✓	✓	✓
Kraft	✓			✓						✓					✓	✓		✓		✓	✓		✓		✓	✓	✓			✓				
McDonald's	✓	✓					✓	✓					✓							✓								✓					✓	
PepsiCo/7-Up	✓	✓	✓	✓	✓			✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓			✓	✓		✓	✓	✓	✓
Phillip Morris	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓
Pillsbury/Green Giant	✓			✓			✓					✓		✓				✓		✓								✓						✓
Procter & Gamble/RVI	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓
United Airlines	✓								✓											✓							✓		✓	✓	✓	✓	✓	✓

Source: Leo Burnett Co. *Non-equity affiliation

Leo Burnett Co., Chicago, had non-U.S. gross income of $136.7 million in 1987, an increase of 31% from 1986. Non-U.S. billings rose 30.2% to $911.8 million in 1987.

Gross income worldwide was $369.2 million. Worldwide billings were $2.5 billion.

Burnett has 45 offices, owning the majority or maximum-allowable equity in 42, minority in five and has affiliations with three.

Internationally, 184 assignments in 38 countries from 11 clients were added, mostly from Kellogg Co. and Procter & Gamble Co. New accounts include BASF and Abbott Labs. Burnett lost Mars in Puerto Rico.#

D'ARCY MASIUS BENTON & BOWLES	The Americas										Europe																Pacific							
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Mexico			Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK/Ireland	Finland	Greece	Africa		Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Indonesia	
American Cyanamid	✓	✓													✓	✓																		
American Home Products	✓							✓								✓						✓						✓	✓					
Anheuser-Busch	✓			✓																		✓							✓		✓			
Bahamas Min. Tourism	✓													✓	✓	✓						✓												
Barclays Bank				✓									✓		✓												✓		✓					
BASF											✓		✓		✓									✓										
Bayer	✓			✓							✓	✓		✓	✓	✓	✓	✓	✓			✓		✓				✓		✓			✓	
Boehringer Ingelheim															✓				✓			✓							✓					
Boots												✓							✓			✓								✓				
Bristol-Myers	✓			✓													✓										✓	✓	✓	✓			✓	
Citicorp		✓														✓						✓						✓						
Coopers & Lybrand	✓												✓				✓													✓				
Combe	✓															✓						✓												
CPC Intl.	✓														✓	✓																		
Digital Equipment											✓			✓	✓	✓	✓	✓	✓			✓	✓											
Dow Chemical	✓			✓															✓			✓						✓	✓					
Erbamont																✓			✓										✓					
Europcar	✓											✓		✓	✓	✓			✓		✓	✓												
FTD/Interflora	✓			✓									✓					✓				✓					✓	✓						
Fiat												✓	✓		✓	✓			✓	✓	✓			✓										
Finnish Tourist Board													✓			✓						✓												
General Foods	✓															✓			✓			✓												
General Motors	✓							✓														✓					✓							
Glaxo															✓							✓						✓	✓					
Guinness/Distiller Co.												✓					✓										✓	✓						
H.J. Heinz	✓			✓										✓																				
Hoechst A.G.	✓													✓	✓	✓			✓									✓						
Hoffmann-LaRoche															✓	✓						✓						✓				✓		
Hoover Co.												✓		✓		✓						✓												
ICI	✓														✓				✓									✓						
Kimberly-Clark													✓							✓	✓	✓												
Eli Lilly															✓	✓						✓						✓						
Lotus Development														✓	✓	✓	✓					✓												
Mars	✓			✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			✓	✓						
Mars Petfoods	✓			✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				✓	✓						
McPherson's	✓			✓																		✓												
Merck															✓	✓			✓			✓												
Mitsubishi	✓												✓															✓						
Mobil	✓											✓															✓							
Monsanto-Searle								✓							✓				✓									✓						
Nobel Industries											✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓											
Olympia Werke												✓															✓		✓					
Pernod	✓											✓	✓	✓	✓		✓				✓	✓					✓	✓	✓					
Pfizer	✓														✓												✓	✓						
Philips	✓											✓	✓				✓					✓											✓	
Pillsbury	✓												✓					✓				✓									✓			
Procter & Gamble	✓			✓				✓				✓		✓	✓	✓	✓			✓		✓		✓			✓	✓	✓	✓	✓	✓	✓	
Quaker Oats	✓							✓									✓																	
Rhone-Poulenc		✓													✓				✓			✓												
Richardson-Vicks	✓			✓				✓						✓			✓		✓	✓		✓	✓				✓			✓	✓	✓	✓	
Roher															✓	✓						✓												
Royal Canadian Mint												✓			✓												✓				✓			
Schering-Plough	✓														✓	✓						✓						✓	✓					
Squibb	✓														✓													✓						
Thailand Tourist Board														✓		✓											✓							

Source: D'Arcy Masius Benton & Bowles

D'Arcy Masius Benton & Bowles, New York, had non-U.S. gross income of $174.5 million in 1987, a 21% increase from 1986. Non-U.S. billings hit $1.2 billion, up 25%.

Worldwide gross income reached $371.3 million last year. Worldwide billings were $2.5 billion.

DMB&B has equity relationships with 49 offices in 45 cities and 27 countries, including the U.S.

It has majority interest in 45 foreign agencies, minority interest in four and non-equity affiliations with 22.

Foreign accounts added included Richardson-Vicks (Australia, Finland, West Germany, Italy, the Netherlands, Singapore, Sweden); Bristol-Myers (Australia); Mars (Australia, Austria, Denmark, France, Italy, U.K.); Europcar (Belgium, France, West Germany, Italy, the Netherlands, Switzerland, U.K.); Burger King (Denmark, Norway, Singapore, U.K.); Bayer (France, Greece); Tourism Authority of Thailand (West Germany, Italy); Allied-Lyons (U.K.); IBM (Mexico); and Anheuser-Busch's Budweiser (U.K.).

Accounts lost last year included Budget Rent A Car (Australia); Richardson-Vicks (Australia, the Netherlands); Chesebrough-Pond's (Greece, West Germany); Buitoni (Italy); and Procter & Gamble (U.K.).#

DDB NEEDHAM WORLDWIDE	The Americas										Europe																Pacific							
Clients:	USA	Argentina*	Brazil	Canada	Chile	Peru*	Uruguay	Mexico	Venezuela*		Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Portugal	Greece	Finland*		Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Taiwan	Malaysia
American Airlines	✓								✓					✓	✓				✓		✓	✓						✓						
Anheuser-Busch	✓			✓															✓															
Audi	✓			✓								✓		✓		✓			✓				✓								✓			
Bayer												✓			✓	✓			✓					✓			✓							
Boots																											✓		✓			✓		✓
Bristol-Myers	✓														✓	✓			✓		✓	✓						✓						
Chanel	✓																										✓	✓						
China Airlines	✓																											✓	✓		✓	✓		✓
Citicorp																	✓											✓			✓			
Cote d'Or												✓		✓		✓			✓					✓										
Delsey Luggage												✓		✓	✓	✓	✓				✓	✓												
Duracell																											✓	✓						✓
Harlequin				✓															✓									✓						
Hasbro												✓		✓					✓															
Heinz	✓														✓												✓	✓						
Henkel														✓										✓								✓		
S.C. Johnson											✓	✓		✓	✓	✓	✓		✓		✓	✓	✓				✓	✓	✓					
Johnson & Johnson	✓														✓									✓								✓		
Kenner Parker																											✓	✓	✓	✓			✓	
Knorr												✓					✓		✓		✓		✓											
Lyons Group																						✓	✓	✓										
McDonald's	✓														✓												✓		✓	✓		✓	✓	
Michelin	✓			✓																							✓							
Mitsubishi																				✓							✓	✓	✓			✓		
Mobil	✓	✓				✓		✓	✓		✓			✓	✓	✓	✓		✓			✓		✓	✓				✓	✓				
National Federation of Coffee Growers of Colombia	✓			✓															✓															
NEC	✓																					✓					✓							
Nivea															✓									✓						✓				
Otard Cognac																												✓				✓		✓
PepsiCo	✓																										✓	✓						
Porsche				✓								✓			✓		✓																	
Sara Lee																											✓		✓		✓			
Seagram	✓											✓		✓	✓		✓				✓		✓					✓						
Spanish Tourist Office											✓			✓					✓		✓													
Thai Airways																				✓				✓				✓						
Volkswagen	✓			✓				✓				✓		✓	✓	✓	✓		✓			✓	✓						✓					

Source: DDB Needham Worldwide *Non-equity affiliation

DDB Needham Worldwide, New York, had non-U.S. gross income of $140.5 million in 1987, up 12.8% from 1986. Non-U.S. billings were $965.6 million, up 16.2%.

Worldwide gross income was $358.5 million in 1987. Worldwide billings were $2.6 billion.

The agency operates in 40 offices in 22 countries outside the U.S. It owns majority or maximum-allowable stock in 32 agencies, minority interest in 11 and has non-equity affiliations with four.

Major accounts gained included Johnson Wax (Spain, U.K., West Germany); Mobil (Greece, Italy, the Netherlands, Spain, U.K.); Bayer (Greece, Spain, West Germany); and American Airlines (Spain, Switzerland, U.K.).

Accounts lost last year included Singer (Australia); Citizen watches (Australia); Alitalia (Australia); Twinnings (Australia); Otto (West Germany); Grundig Rosierer (West Germany); Texaco (Greece); Idet (the Netherlands); Mercamadrid (Spain); Saab (Sweden); Myers's rum (Switzerland); Seagram (U.K.); Reckitt & Colman (U.K.); and Bass (U.K.).#

DENTSU refused to give information.

FOOTE, CONE & BELDING	The Americas										Europe															Pacific								
Clients:	USA	Argentina	Brazil	Canada	Costa Rica	Ecuador	Guatemala	Mexico	Puerto Rico	Venezuela	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Turkey	UK	Greece	Portugal	Africa	Australia	Japan	Hong Kong	New Zealand	Philippines	Thailand	Malaysia	S. Korea*	Taiwan*
American Cyanamid**	✓			✓												✓			✓			✓			✓					✓				
AT&T	✓																		✓			✓												
Beiersdorf		✓			✓		✓							✓	✓		✓		✓					✓										
Bermuda Tourism	✓			✓																		✓												
Braun								✓							✓	✓																		
Cadbury-Schweppes									✓		✓			✓	✓			✓	✓	✓		✓		✓	✓									
California Raisin	✓			✓								✓			✓			✓		✓		✓				✓			✓				✓	✓
Campbell Soup	✓													✓														✓						
Citicorp	✓					✓												✓				✓		✓				✓				✓		
Colgate-Palmolive	✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		
Data General	✓							✓		✓	✓	✓		✓	✓	✓	✓		✓	✓		✓				✓	✓	✓	✓					
Garuda Airlines																										✓	✓	✓						
General Biscuit											✓	✓			✓																			
Gillette								✓				✓	✓	✓	✓	✓	✓	✓	✓			✓		✓										
Grand Met (Pearle)	✓			✓					✓																									
Hiram Walker				✓						✓		✓			✓	✓	✓		✓			✓		✓	✓						✓			
Kimberly-Clark	✓		✓	✓	✓							✓		✓			✓									✓								
Kraft	✓															✓						✓												
Levi Strauss	✓			✓			✓																											
Matsushita	✓				✓		✓									✓																✓		
Mazda	✓			✓					✓			✓					✓														✓			
National Westminster Bank	✓																✓		✓			✓					✓							
NEC Corp.	✓												✓							✓														
Nestle	✓			✓		✓				✓				✓									✓	✓										
RJR/Nabisco	✓				✓		✓	✓											✓															
S.C. Johnson	✓			✓	✓							✓	✓	✓	✓	✓		✓	✓	✓				✓										
Sunkist Growers	✓			✓								✓																						
Texaco	✓			✓																✓														
Wilkinson Sword																						✓	✓			✓								
Wrigley				✓											✓	✓			✓															
Zenith	✓			✓								✓		✓	✓	✓	✓					✓				✓								

Source: Foote, Cone & Belding *Non-equity affiliation **Includes Shulton

Foote, Cone & Belding, Chicago, had non-U.S. gross income of $100.4 million in 1987, up 25% from 1986. Non-U.S. billings were $669.9 million, also up 25%.

Worldwide gross income was $344.6 million. Worldwide billings reached $2.3 billion.

FCB's worldwide network consists of 101 of-

(Continued on Page 52)

1988 WORLD BRANDS

(Continued from Page 50)

fices in 37 countries, including the U.S. offices.

In May 1988, FCB joined forces with French agency giant Publicis, forming a joint venture to boost FCB's European operations.

FCB owns a majority or maximum-allowable interest in 83 agencies, has a minority interest in 19 and has non-equity affiliations with nine.

International accounts gained in 1987 included Zenith (Italy, U.K.); Gillette (Norway, Spain); Diners Club (U.K., Norway); Mercedes-Benz (France); Pernod (France); Campbell Soup (Hong Kong); Panasonic (Italy); Philip Morris (Sweden); Firestone (Brazil); and Nestle (Venezuela).

The agency lost Grundig (Italy); Telefunken (Spain); Richardson-Vicks (Sweden); Heinz, Cadbury and Pizza Hut (U.K.); and Milton Bradley and ComputerLand (both in Australia).#

GGK	The Americas							Europe																	Pacific					
Clients:	USA	Argentina*	Brazil	Canada*	Chile*	Peru*	Uruguay*	Austria	Belgium*	Denmark*	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland	UK	Greece*	Ireland*	Portugal*	Turkey*	Israel*	Australia*	Japan*	Hong Kong*	New Zealand*	Singapore*	Thailand*
Austrian Tourist Board											✓		✓			✓		✓												
Beiersdorf			✓		✓											✓														
Chiquita Banana								✓	✓	✓		✓		✓	✓		✓	✓												
Henkel								✓	✓		✓	✓	✓	✓		✓														
IBM								✓		✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓						
IWC								✓			✓	✓		✓		✓		✓												
Jaegermeister								✓				✓	✓			✓														
Murjani/Coca-Cola Clothing	✓							✓	✓		✓	✓		✓	✓	✓		✓	✓											
Porsche Design	✓			✓				✓	✓		✓	✓	✓					✓	✓						✓	✓	✓		✓	
Swissair		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓
Volkswagen								✓				✓							✓											

Source: GGK *Non-equity affiliation

GGK, Basel, Switzerland, had non-U.S. gross income of $48.9 million in 1987, a 21% increase from 1986. Non-U.S. billings increased by 21% to $327 million.

Worldwide gross income was $59.3 million in 1987. Worldwide billings totaled $415 million.

GGK has 15 wholly owned agencies in nine countries outside the U.S. In another six countries, local agencies operate as GGK licensees, using the GGK name only when servicing IBM, Henkel and other major GGK international clients.

In 1987, GGK won Volkswagen (Switzerland); Henkel (Belgium, France, West Germany, the Netherlands and Spain); IBM (France, Spain); Murjani Coca-Cola clothes (Austria, Belgium, France, West Germany, the Netherlands, Norway, Spain, Switzerland, U.K.).

GGK lost Lois jeans (U.K., West Germany).#

GREY ADVERTISING	The Americas										Europe														Pacific								
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Venezuela	Mexico	Puerto Rico	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Finland	Africa	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Malaysia	Philippines	Taiwan
BankAmerica	✓				✓		✓							✓		✓			✓	✓	✓	✓	✓				✓			✓			✓
BAT								✓						✓	✓	✓			✓			✓		✓									
Bayer				✓							✓	✓		✓	✓		✓	✓	✓			✓											
Beecham	✓			✓	✓			✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓		
Block Drug Co.	✓			✓					✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓		✓	✓	✓	✓	✓				✓	
Boehringer Ingelheim	✓			✓			✓								✓															✓			
Bristol Myers	✓									✓					✓									✓		✓						✓	
Canon	✓			✓										✓				✓				✓		✓	✓				✓				
Clairol	✓									✓	✓													✓									
Corning	✓											✓		✓								✓											
Electrolux													✓							✓										✓			
General Foods	✓			✓	✓	✓								✓								✓		✓			✓		✓			✓	✓
Hallmark														✓					✓						✓								
Hella															✓		✓	✓															
Henkell (wine)				✓							✓				✓							✓											
Hertz											✓				✓							✓											
IBM	✓											✓												✓									
Johnson & Johnson	✓						✓																	✓		✓							
Kenner Products	✓											✓		✓	✓		✓		✓			✓											
Mars											✓	✓		✓	✓	✓	✓					✓			✓								
Melitta											✓	✓	✓	✓	✓		✓			✓	✓	✓											
Mitsubishi	✓																							✓							✓		
Nike		✓									✓	✓		✓	✓					✓		✓					✓						
Northwest Airlines													✓		✓		✓		✓	✓		✓											
Philips															✓							✓		✓					✓				
Pioneer											✓		✓		✓	✓		✓	✓		✓	✓	✓										
Playtex	✓			✓					✓					✓		✓			✓			✓		✓	✓								
Procter & Gamble	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓			✓							
Reckitt & Colman		✓																						✓	✓			✓					
Remington	✓			✓											✓						✓	✓			✓		✓	✓					
Rothmans																						✓			✓	✓	✓			✓	✓		
Samsonite												✓		✓	✓		✓					✓											
Seril Marketing												✓		✓	✓				✓														
3M	✓	✓												✓	✓	✓			✓			✓				✓							
U.S. Mint	✓			✓							✓	✓		✓	✓		✓				✓	✓				✓	✓		✓				✓
Uniroyal Goodrich	✓			✓																		✓			✓								
Warner Bros.	✓			✓				✓						✓		✓	✓			✓		✓				✓						✓	
Werner & Mertz												✓		✓	✓		✓					✓											
Wrigley													✓													✓	✓		✓		✓	✓	✓

Source: Grey Advertising

Grey Advertising, New York, had non-U.S. gross income of $151 million in 1987, up 43% from 1986. Non-U.S. billings were $1 billion, also an increase of 43%.

Worldwide gross income was $369.2 million in 1987. Worldwide billings were $2.5 billion.

Grey's non-U.S. network consists of 150 offices in 31 countries.

Accounts won in 1987 included Heublein (Austria, Belgium); Richardson-Vicks (Belgium, Colombia, France, West Germany, Italy, Mexico, Spain, Switzerland, U.K.); Samsonite (Belgium, France, West Germany, the Netherlands, U.K.); U.S. Mint (Belgium, the Netherlands, Singapore, Switzerland); Mars (Canada, Italy, the Netherlands); Hallmark (France, Japan, Australia, Spain); Dunkin' Donuts (Malaysia, Taiwan); 3M (Argentina); and Avis, Mister Donut, Sheraton Hotels, Squibb and Upjohn (Canada).

Accounts lost in 1987 included Chesebrough-Pond's (Switzerland); Ciba-Geigy (Chile, Thailand); GE (Singapore); Honda; Columbia Pictures (Canada); Olivetti (New Zealand) Sanyo (Philippines); Shell (South Africa); 3M (Venezuela); Toshiba (Australia); Uniroyal Goodrich (Argentina, Japan); and Wrangler (Peru).#

HAKUHODO	The Americas		Europe				Pacific						
Clients:	USA	Brazil*	France	Germany	Netherlands	UK*	Australia*	Japan	Hong Kong*	New Zealand	Singapore	Thailand	Malaysia
Ajinomoto	✓	✓						✓				✓	✓
Bridgestone	✓					✓		✓			✓	✓	
Canon					✓			✓	✓		✓		✓
Citizen	✓	✓		✓		✓		✓	✓				✓
Honda				✓			✓	✓					
JAL						✓		✓			✓		✓
Jusco								✓	✓			✓	✓
KAO								✓			✓	✓	✓
Konica	✓			✓				✓			✓		
National/Panasonic								✓			✓	✓	
NEC	✓		✓	✓		✓	✓	✓	✓				
Nissin								✓			✓		✓
Sharp				✓				✓			✓		
Toshiba	✓			✓			✓	✓					✓
Toyota		✓				✓		✓					

Source: Hakuhodo *Non-equity affiliation

Hakuhodo, Tokyo, had non-U.S. gross income of $379.9 million and non-U.S. billings of $2.8 billion in 1987.

Worldwide, gross income hit $383.4 million in '87, up 24% from the previous year, and billings totaled $2.9 billion, up 27%.

Hakuhodo owns 100% of offices in the U.S., the Netherlands, West Germany, Singapore and Hong Kong. It has joint ventures in Malaysia and Thailand and non-equity affiliations in South Korea and Taiwan.

Early last year, Hakuhodo formed a joint venture with then SSC&B:Lintas Worldwide, with offices in Japan and the U.S.

Separately, Hakuhodo has a non-equity affiliation with Lintas, using that agency in the U.K. and Australia.

Account gains included Canon (Malaysia) and Sharp (Singapore). Losses included Honda and Matsushita.#

HDM	The Americas	Europe														Pacific								
Clients:	USA	Austria	Belgium	Denmark*	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Portugal	Turkey*	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	China	Malaysia	Philippines
Bisquit			✓		✓	✓																		
BSN Gervais Danone	✓		✓		✓	✓	✓			✓	✓		✓											
Chanel					✓	✓	✓	✓		✓														
Colgate-Palmolive	✓																				✓	✓	✓	✓
Corn Products					✓					✓				✓				✓		✓		✓		
Credit Suisse	✓		✓			✓	✓	✓		✓		✓	✓											
Demert			✓		✓			✓		✓														
Dow Chemical	✓		✓		✓	✓	✓	✓		✓	✓	✓	✓											
DuPont			✓		✓	✓						✓	✓				✓							
Esso					✓															✓	✓			
Henkel			✓		✓	✓	✓			✓					✓									
Hewlett Packard	✓	✓			✓					✓		✓												
Israeli Tourism			✓		✓	✓	✓	✓		✓	✓	✓		✓										
IWS		✓				✓						✓												
Jacobs Suchard					✓					✓		✓												
Kentucky Fried Chicken	✓																					✓	✓	
Kleber Tires					✓	✓	✓																	
NEC						✓				✓								✓		✓				
Nissin	✓																	✓		✓				
Omega			✓		✓	✓	✓			✓		✓	✓	✓										
L'Oreal			✓		✓		✓	✓										✓						
Pernod Ricard	✓		✓				✓			✓	✓	✓	✓											
Peugeot	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓										
Rhone Poulenc					✓		✓			✓			✓											
3M			✓		✓					✓		✓		✓	✓									
Toshiba						✓							✓					✓						

Source: HDM *Non-equity affiliation

HDM had non-U.S. gross income of $176.6 million in 1987, a 56% increase over 1986. Non-U.S. billings rose 51% to $1.2 billion.

Worldwide gross income was $204 million. Worldwide billings grew to $1.4 billion.

HDM resulted from the union of DYR, owned equally by Young & Rubicam, New York, and Tokyo-based Dentsu, and HCM (Havas Conseil Marsteller), owned 51% by Paris-based Eurocom and 49% by Y&R.

HDM has 46 non-U.S. offices in 23 countries.

Accounts gained in 1987 included Philips (Japan); Bayer (Spain); F.W. Woolworth (U.K.); Sphinx (Netherlands); Toyota (Singapore); Toshiba (Philippines, West Germany, U.K.); Casio (Kuala Lumpur); Mr. Donut (Thailand); Yamaha (Belgium); and Kentucky Fried Chicken (Hong Kong).

Accounts lost included Mazda (Singapore); Minolta (Belgium); Johnson & Johnson (Austria); and Air France International (France).#

KETCHUM COMMUNICATIONS	The Americas	Europe												Pacific		
Clients:	USA	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Australia	Japan	Hong Kong
British Telecom & Dupont (joint venture)	✓				✓	✓							✓			
PPG Industries	✓				✓										✓	✓

Source: Ketchum Communications

Ketchum Advertising, Pittsburgh, had non-U.S. gross income of $3 million in 1987, down 50% from 1986. Non-U.S. billings were $50 million, up 25%.

Worldwide gross income was $88.1 million in 1987. Worldwide billings were $660 million.

The agency has five non-U.S. offices.

Key foreign accounts gained included British Telecom (France, West Germany); Du Pont (France, West Germany); Melitta (Hong Kong); Blue Nun (Japan); Gordon's gin (Japan); and Avon (Singapore).

Accounts lost included Star (France) and Alfred Dunhill (Hong Kong, Japan).#

LINTAS:WORLDWIDE	The Americas						Europe																	Pacific										
Clients:	USA	Argentina	Brazil	Canada	Chile	Mexico	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	UK	Africa	Australia	Japan	Hong Kong	India	Indonesia	Malaysia	New Zealand	Pakistan	Philippines	Singapore	Thailand
Alitalia																					✓			✓		✓							✓	✓
Arthur de Moss	✓		✓			✓																✓												
BAT						✓				✓								✓					✓						✓		✓			
Bata					✓																		✓				✓	✓		✓				✓
Bahlsen							✓				✓	✓																						
Bausch & Lomb			✓												✓			✓																
Bayer		✓	✓				✓	✓				✓			✓			✓			✓										✓			
Bridgestone	✓													✓								✓												
British Meat								✓			✓			✓	✓			✓																
C.C. Friesland																							✓						✓				✓	✓
Chelaro			✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓													
Citicorp													✓					✓								✓			✓				✓	✓
Citizen	✓																	✓				✓				✓	✓							

1988 WORLD BRANDS

LINTAS:WORLDWIDE	The Americas						Europe																	Pacific										
Clients:	USA	Argentina	Brazil	Canada	Chile	Mexico	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	UK	Africa	Australia	Japan	Hong Kong	India	Indonesia	Malaysia	New Zealand	Pakistan	Philippines	Singapore	Thailand
Computer Management Group												✓			✓							✓												
Coca-Cola	✓			✓								✓				✓				✓			✓	✓						✓	✓			✓
Corning											✓	✓		✓								✓					✓							
Curver								✓				✓			✓																			
Ford Motorcraft							✓	✓	✓		✓	✓		✓	✓	✓	✓			✓		✓												
Heineken								✓									✓						✓					✓						
Honda	✓											✓											✓	✓										
ICI																										✓		✓	✓	✓	✓		✓	✓
Japan Air Lines									✓		✓	✓		✓	✓			✓			✓	✓												
Johnson & Johnson	✓		✓									✓	✓				✓	✓		✓	✓	✓	✓	✓	✓		✓		✓					✓
KLM																							✓	✓						✓				
Lego	✓								✓																✓									
MasterCard	✓					✓		✓												✓			✓											
Michelin				✓													✓						✓											
Minolta							✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓		✓												
Mobil												✓					✓						✓											
Moelnlycke								✓	✓	✓					✓	✓			✓															
NEC				✓		✓			✓									✓				✓		✓		✓				✓				
Nestle	✓			✓	✓	✓		✓			✓	✓								✓		✓	✓											
Novo Enzymes	✓		✓						✓			✓		✓				✓		✓	✓	✓	✓	✓	✓									
Noxell	✓			✓							✓				✓							✓		✓									✓	
Philippine Airlines																								✓		✓						✓	✓	
Philips		✓	✓			✓	✓	✓	✓	✓	✓				✓	✓		✓	✓			✓	✓			✓				✓	✓		✓	
Quaker																										✓		✓	✓				✓	
RCA Columbia	✓							✓			✓	✓		✓	✓			✓				✓		✓	✓					✓				
Reckitt & Colman			✓	✓																			✓			✓	✓							
Remy Martin								✓	✓					✓								✓			✓								✓	
RJR Nabisco	✓																									✓	✓			✓				✓
Royal Caribbean Cruises																✓				✓				✓										
Rowntree Mackintosh							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓									✓	✓
SEB Tefal							✓	✓	✓		✓			✓	✓																			
Scan Tobacco									✓		✓		✓					✓																
Siemens																		✓									✓				✓			
Sony									✓																		✓	✓						
Sterling Drug	✓	✓	✓		✓	✓		✓	✓	✓	✓				✓		✓	✓	✓			✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓
Toshiba																					✓			✓										✓
Toyota									✓							✓							✓											
UDG												✓					✓					✓	✓		✓									
Unilever	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wander													✓							✓			✓			✓		✓	✓			✓	✓	✓

Source: Lintas: Worldwide

Lintas:Worldwide, formed in October when parent company Interpublic Group of Cos., New York, merged SSC&B:Lintas with Campbeil-Ewald Co., had non-U.S. gross income of $251.8 million in 1987, up 50% from 1986. Non-U.S. billings were $1.7 billion, up 33%.

Worldwide gross income was $417.9 million in 1987. Worldwide billings were $28 billion.

Lintas has 85 offices in 47 countries and owns majority or maximum-allowable stock in 55 shops, minority interest in nine and has non-equity affiliations with 26.

Foreign accounts added in 1987 included Minolta copiers (Austria, Belgium, Denmark, West Germany, Italy, U.K.); Nestle (France, Switzerland); Quaker (Italy); Royal Caribbean Cruise Lines (Norway, Switzerland); and Sterling Drug (Australia, France, Hong Kong, Taiwan, Thailand).

Accounts lost included Alfa Romeo (Austria, Belgium, France, West Germany, the Netherlands, Switzerland); Coca-Cola Classic (Canada); Fanta (Mexico); and Unilever (Spain, U.K.).#

LOWE INTERNATIONAL	The Americas				Europe												Pacific
Clients:	USA	Argentina	Brazil	Canada	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Australia
AC Delco					✓	✓				✓						✓	
Coca-Cola	✓					✓			✓		✓						
General Motors				✓	✓	✓		✓	✓	✓						✓	
Henkel				✓	✓	✓			✓		✓						
IDV/Gilbeys/Heublein				✓						✓	✓						✓
Parker Pens	✓					✓		✓	✓	✓	✓					✓	
Stella Artois				✓						✓						✓	

Source: Lowe International

Lowe International, London, owned by the Lowe Howard-Spink & Bell holding company, reported non-U.S. gross income of $66.08 million in 1987, a 23.8% increase over 1986. Non-U.S. billings increased by 25.6% to $459.3 million in 1987.

Worldwide gross income for the Lowe Group—which consists of Lowe International; U.K. agency Allen Brady & Marsh; U.K. marketing services group Lowe Bell Communications; and U.S. agency Laurence, Charles, Free & Lawson—was $137.3 million in 1987. Worldwide billings were $968.3 million.

Allen Brady & Marsh reported 1987 gross income of $17.4 million on billings of $115.8 million; Lowe Bell made gross income of $13.2 million on billings of $88.3 million.

Lowe International has 15 offices in eight European countries and Canada. Agencies in five countries are 100% owned; Lowe has majority ownership in two countries and minority ownership in two others.

In 1987, Lowe International won Rothmans and All Nippon Airways (Australia); Bonbel cheeses (Belgium); Bridgestone tires, Chanel cosmetics and Stella Artois beer (Canada); United Biscuits (France); Hoechst and Ferrero's Nutella chocolate spread (West Germany); Quaker cat food and Parker Pen (Italy); Burger King and Henkel's Poly Lady haircare (the Netherlands); and Imperial Tobacco cigars and KP Foods, (U.K).

Accounts lost included Stimoral gum (Australia); Uniroyal tires (Belgium); Zanussi/-Electrolux appliances and Poulain chocolates (France); and Monheim chocolates and Vereinigte Papierwerke's Moltex disposable diapers (West Germany).#

McCANN-ERICKSON WORLDWIDE	The Americas										Europe																Pacific							
Clients:	USA	Argentina	Brazil	Canada	Chile	Venezuela	Ecuador	Colombia	Costa Rica	Mexico	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Portugal	Greece	Africa*	Kenya	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	China	Philippines
American Express	✓			✓			✓	✓	✓			✓		✓	✓	✓	✓		✓	✓	✓	✓						✓						
AHP	✓		✓			✓	✓	✓	✓	✓					✓																	✓		✓
Bayer/Miles	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓		✓			✓	✓			✓		✓				✓		✓
Beatrice Hunt Wesson			✓			✓		✓		✓																			✓					
Black & Decker	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓		✓	✓			
Buitoni		✓										✓		✓		✓			✓		✓	✓												
Casio			✓		✓	✓	✓	✓	✓																			✓	✓			✓		✓
Century 21	✓			✓										✓																				
Cheesbrough-Ponds	✓	✓		✓			✓		✓							✓			✓		✓	✓		✓		✓		✓				✓		
Ciba-Geigy																					✓	✓	✓											
Coca-Cola	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Columbia	✓			✓							✓	✓				✓						✓					✓	✓		✓				
CPC									✓			✓				✓	✓																	
Del Monte	✓		✓	✓		✓				✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓				✓		✓	✓		✓		✓	✓
Dow Chemical					✓		✓		✓																									
Exxon/Esso	✓				✓		✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓			✓			✓		✓		✓	
General Motors	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓			✓	✓	✓	✓
Gillette	✓		✓		✓	✓	✓	✓	✓	✓				✓	✓	✓			✓			✓	✓				✓	✓	✓	✓	✓	✓	✓	✓
Goodyear		✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓
Henkel	✓		✓	✓						✓	✓	✓		✓	✓	✓	✓		✓			✓		✓										
Heublein	✓																											✓						
Hilton	✓	✓															✓										✓	✓			✓			✓
Intergold			✓												✓	✓			✓			✓	✓	✓				✓	✓					
Johnson & Johnson	✓	✓		✓		✓	✓		✓	✓						✓							✓		✓	✓	✓	✓			✓			✓
Levi Strauss				✓								✓			✓	✓	✓		✓		✓						✓	✓	✓	✓	✓	✓	✓	✓
L'Oreal	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	
Lockheed	✓		✓							✓												✓	✓					✓					✓	
Lufthansa	✓	✓	✓	✓		✓	✓	✓	✓	✓					✓				✓							✓		✓						
Martini & Rossi	✓	✓	✓		✓			✓			✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓			✓	✓			✓		✓		✓
McDonald's	✓		✓				✓			✓						✓			✓															
Mennen	✓				✓	✓			✓													✓												
Nestle	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓
Olivetti							✓				✓			✓	✓	✓			✓	✓	✓	✓	✓	✓				✓						
Quaker			✓					✓	✓																		✓							✓
Reckitt & Colman						✓										✓									✓		✓							
Richardson-Vicks			✓			✓																						✓						✓
RJR Nabisco	✓			✓			✓						✓			✓			✓	✓		✓	✓				✓	✓	✓		✓		✓	✓
R.J. Reynolds	✓	✓	✓		✓		✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	
Sony	✓															✓							✓	✓				✓						
Tambrand/Tampax												✓	✓	✓		✓	✓	✓		✓				✓				✓					✓	
Texas Instruments	✓	✓	✓	✓		✓							✓	✓		✓					✓	✓						✓			✓			✓
Unilever	✓		✓	✓						✓	✓	✓	✓	✓	✓	✓			✓		✓	✓	✓			✓		✓						✓
Union Carbide									✓			✓														✓								✓

*Source: McCann-Erickson Worldwide *Non-equity affiliation*

McCann-Erickson Worldwide, New York, had non-U.S. gross income of $350.9 million in 1987, up 25%. Non-U.S. billings were $2.3 billion, up 21%.

Worldwide gross income totaled $512.5 in 1987. Worldwide billings were $3.4 billion.

McCann's network includes 144 offices in 67 countries including the U.S. It owns majority or maximum-allowable stock in 115 shops, minority interest in five and has non-equity affiliations with 25.

Clients gained in 1987 included Olivetti (Austria, France, West Germany, Greece, Italy, Spain, Switzerland, U.K.); Buitoni (Argentina, Belgium, Brazil, West Germany); Nestle (Denmark, Finland, Italy); Gillette (U.K., Thailand); Sony (Greece, Italy. Portugal); American Express (Jamaica, Spain, Sweden, Trinidad); *Time* (Brazil, Venezuela); and Columbia Pictures (Australia, New Zealand, Sweden).

Accounts lost included Certina watches (Austria, Switzerland); IBM computers (Finland); Levi Strauss (France); Henkel (France); Citibank/Citicorp (Ecuador); Reckitt & Colman (Malaysia, New Zealand).#

MOJO MDA	The Americas	Europe			Pacific									
Clients:	USA	UK	Africa	Zimbabwe*	Australia	Japan*	Hong Kong	New Zealand	Singapore	Thailand*	Taiwan*	Malaysia*	Fiji*	Papua New Guinea*
Beecham Beverages	✓				✓						✓			
Bond Brewing	✓	✓			✓			✓						
Gardenia Foods								✓	✓	✓		✓		
Goodman Fielder Wattie					✓		✓	✓	✓					
Kraft Foods		✓			✓								✓	✓
Pacific Dunlop	✓				✓									✓
Qantas Airways	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Reckitt & Colman		✓			✓			✓	✓				✓	✓
Rosemount Wines	✓	✓			✓									
Tourism Australia	✓	✓			✓		✓		✓					
Yeo Hiap Seng									✓	✓		✓		

*Source: Mojo MDA *Non-equity affiliation*

Mojo MDA Group, Cremorne, Australia, had worldwide gross income of $52.5 million and billings of $348 million for 1987.

Non-U.S. gross income hit $26.4 million, up 18%. Non-U.S. billings reached $165.9 million, up 9%.

These numbers reflect the publicly owned group's two agencies: Mojo MDA (Australia)/-Mojo (International) and Mattingly (Australasia). Mojo MDA operates 39 offices in 17 cities.

Mojo MDA owns 11 offices—four in Australia plus Auckland, Hong Kong, Singapore, New York, San Francisco, Houston and London.

It has non-equity affiliates in six Asia/Pacific countries.

Mattingly has three offices: two in Australia and one in Auckland. It has a non-equity affiliation agreement with Bozell, Jacobs, Kenyon & Eckhardt.

Accounts won include Qantas (New Zealand, Taiwan, Fiji, Papua New Guinea); Tourism Australia (U.K.); Bond Brewing (U.S., U.K.); Kraft (U.K., Papua New Guinea); and Pacific Dunlop (U.S.).

The agency claims it had no account losses during 1987.#

OGILVY & MATHER	The Americas								Europe																Pacific									
Clients:	USA	Argentina	Brazil	Canada	Chile	Ecuador*	Mexico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Ireland	Greece	Africa	Australia	Japan	Hong Kong	India	Indonesia*	New Zealand	Singapore	Thailand	Taiwan	Malaysia
AGA		✓										✓				✓	✓		✓	✓	✓													
Alfred Benzon										✓	✓	✓				✓	✓						✓											
American Express	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
AT&T	✓			✓						✓					✓						✓													
BAT Industries	✓	✓	✓		✓			✓		✓						✓	✓			✓				✓			✓		✓		✓		✓	
Bayer						✓									✓							✓		✓										✓
Beecham	✓		✓	✓		✓		✓	✓				✓			✓		✓		✓	✓	✓		✓	✓		✓	✓	✓	✓	✓		✓	✓
BMW																											✓				✓		✓	
Boehringer-Ingelheim	✓	✓											✓			✓																		
Boeing						✓	✓				✓			✓		✓		✓			✓				✓	✓	✓	✓					✓	✓
Bristol-Myers				✓									✓									✓	✓									✓		
British Tourist Auth.	✓	✓		✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓			✓	✓			✓
Bulgari													✓		✓					✓														
Burroughs Wellcome	✓																								✓		✓	✓						
Cadbury Schweppes																						✓		✓			✓	✓			✓			
Chubb																						✓								✓	✓			
Ciba-Geigy	✓		✓	✓										✓											✓									
Compaq	✓			✓							✓	✓	✓	✓	✓	✓		✓	✓		✓						✓							
CPC International	✓																	✓					✓					✓				✓		
Cotton Council Intl.													✓		✓						✓					✓								
Dow Chemical			✓			✓							✓	✓													✓							
Dunlop																✓												✓		✓		✓		
Duracell	✓			✓					✓					✓													✓			✓	✓			
Ferrero						✓			✓					✓																				
Ford	✓							✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓												
General Foods	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓				✓		✓	✓					✓	✓	✓		✓	✓	✓	✓

1988 WORLD BRANDS

OGILVY & MATHER	The Americas								Europe																Pacific									
Clients:	USA	Argentina	Brazil	Canada	Chile	Ecuador*	Mexico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Ireland	Greece	Africa	Australia	Japan	Hong Kong	India	Indonesia*	New Zealand	Singapore	Thailand	Taiwan	Malaysia
Guinness										✓			✓	✓	✓			✓			✓	✓			✓	✓	✓		✓	✓	✓		✓	✓
Hallmark	✓								✓						✓										✓									
Hong Kong Trade Dev														✓											✓	✓	✓							
Hyatt Intl.	✓																										✓			✓				
ICI																							✓										✓	
Johnson & Johnson				✓		✓			✓																✓			✓	✓	✓		✓	✓	
Kimberly-Clark	✓			✓			✓			✓			✓	✓		✓		✓			✓						✓				✓	✓	✓	✓
Korean Air	✓								✓				✓			✓				✓							✓		✓		✓	✓	✓	✓
Loctite				✓					✓				✓																					
Mattel	✓		✓	✓		✓	✓	✓	✓			✓	✓	✓	✓	✓		✓			✓		✓	✓	✓		✓	✓			✓	✓	✓	✓
Merck, Sharp & Dohme	✓		✓						✓					✓				✓																
Metal Box																					✓			✓								✓		
Nestle	✓				✓															✓		✓		✓	✓						✓			✓
North American Watch	✓													✓	✓					✓														
Northern Feather											✓		✓				✓			✓	✓				✓									
Nutrasweet	✓			✓			✓	✓			✓	✓	✓	✓		✓	✓		✓		✓	✓			✓					✓				
Olivetti								✓	✓		✓	✓	✓	✓	✓		✓	✓		✓	✓													
Parker Pen												✓			✓							✓	✓			✓	✓		✓		✓	✓		✓
PepsiCo						✓									✓		✓				✓						✓		✓		✓	✓	✓	✓
Philips		✓	✓			✓	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓		✓		✓		✓			✓	✓		✓	✓	✓	✓
Polaroid		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓		✓	✓	✓	✓	✓	✓
Price Waterhouse				✓																	✓	✓			✓									
Rank Xerox										✓	✓	✓		✓	✓	✓	✓	✓			✓				✓				✓					
Rolex																											✓		✓		✓	✓		✓
Rowntree Mackintosh				✓									✓								✓				✓									
S.C. Johnson						✓																							✓	✓				
Schering Intl.	✓						✓	✓																								✓		
Scott Paper																		✓															✓	✓
Seagram	✓		✓	✓		✓	✓	✓	✓	✓			✓	✓	✓			✓		✓	✓	✓		✓	✓		✓			✓				
Sears Roebuck	✓			✓																														
Shell	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓		✓		✓	✓	✓		✓	✓		✓	✓	✓					✓	✓	✓		✓
Squibb	✓																						✓									✓		
Time Inc.	✓												✓	✓													✓							
3M	✓								✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓							✓				
Unilever	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
United Technologies	✓		✓																												✓	✓		✓
Wagner Spray	✓								✓					✓										✓	✓					✓				
Warner-Lambert																													✓			✓	✓	✓
Washington State Apple Comm.												✓					✓				✓						✓				✓			✓
Westpac Banking Corp.																									✓	✓	✓							
World Wildlife Fund	✓	✓		✓					✓	✓	✓	✓	✓	✓	✓						✓				✓		✓			✓				✓
ZF Corp.	✓												✓	✓	✓		✓	✓	✓	✓														

Source: Ogilvy & Mather *Non-equity affiliation

Ogilvy & Mather Worldwide, part of the Ogilvy Group, New York, had non-U.S. gross income of $267 million in 1987, up about 27% from 1986. Non-U.S. billings hit $1.9 billion, up 5%.

Worldwide gross income was $528.6 million in 1987. Worldwide billings totaled $3.7 billion.

In 1987, 19 new offices were established, bringing the total number of offices outside the U.S. to 217 in 47 countries. O&M owns majority or maximum-allowable stock in 185 offices, a minority stake in 49 agencies and has non-equity affiliations with 12 agencies.

Key accounts gained included American Express (Colombia, Ecuador, South Africa, Uruguay); Beecham (Austria, the Netherlands, Portugal); Boeing (Ecuador, Mexico, Spain); British Tourist Authority (Ireland, Switzerland); Chesebrough-Pond's (Argentina, Canada, Chile, China, Colombia, Greece, Hong Kong, Malaysia, the Netherlands, New Zealand, Portugal, South Africa, Spain, Switzerland); Ford (Austria, Belgium, France, Ireland, Italy, the Netherlands, Norway, Spain, Switzerland, Venezuela); General Foods (Ecuador, Philippines, U.K.); Olivetti (Austria, Denmark, France, West Germany, Italy, Spain, Switzerland, Venezuela); PepsiCo (Pakistan, Taiwan); Polaroid (Ecuador, Paraguay, South Korea); Rolex (Hong Kong, Indonesia); Seagram (Mexico, Uruguay); Shell (Pakistan, Portugal, Paraguay); and Xerox (Belgium).

Accounts lost included BAT (West Germany, Mexico); California Prune Board (West Germany, Norway, Spain, Sweden, U.K.); Mercedes-Benz (Austria, France) Northern Feather (West Germany, Sweden); Parker Pen (Brazil, South Africa); Richardson-Vicks (Austria, France, West Germany, Hong Kong, India, Malaysia, Singapore, Switzerland); and TWA (Belgium, Denmark, France, West Germany, Greece, Hong Kong, Italy, Spain, Switzerland, U.K.).#

PUBLICIS	The Americas									Europe															
Clients:	USA	Argentina*	Brazil*	Canada	Chile	Peru	Uruguay	Colombia*	Venezuela*	Austria	Belgium	Denmark*	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden	Switzerland	UK	Portugal	Finland*	Greece*	Ireland*
Air France								✓	✓		✓	✓	✓	✓			✓		✓				✓		
Boursin											✓		✓	✓		✓				✓	✓				
Dim	✓										✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Faxe International												✓		✓	✓	✓			✓						
French Government Tourism	✓												✓	✓	✓						✓				
Lancome	✓									✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓			
Nestle			✓					✓		✓	✓		✓	✓		✓				✓		✓			✓
L'Oreal	✓									✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	
Philips									✓				✓			✓			✓	✓			✓		
Pirelli													✓							✓	✓				
Renault		✓						✓	✓	✓	✓		✓	✓		✓			✓	✓	✓	✓			
Vittel											✓			✓		✓									

Source: Publicis *Non-equity affiliation

Publicis, Paris, reported non-U.S. gross income of $161.3 million in 1987, a 20% increase over 1986. Non-U.S. billings increased by 20% to $1.07 billion in 1987.

Worldwide gross income was $164.3 million in 1987, and worldwide billings were $1.09 billion.

Publicis owns a majority stake in 24 agencies and has 14 affiliate agencies.

Network account gains in 1987 includes Air France international corporate image (worldwide); French Tourism Board (U.K., Italy); Lancome perfume (Europe); L'Oreal Plenitude cosmetics (U.S., Spain); Nestle's Maggi soups and Bonjour powdered drinks (Belgium).

In France, the agency lost Waterman writing instruments and Mobilier de France furniture.#

ROUX, SEGUELA, CAYZAC & GOUDARD	Europe													
Clients:	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Africa	Middle East
Bayer/Alka Seltzer				✓	✓	✓								
Cartier				✓	✓		✓					✓		
Citroen	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓		✓
Club Mediterranee	✓	✓		✓	✓	✓	✓			✓	✓	✓		
ICI		✓		✓	✓		✓					✓		
Jacobs Suchard	✓			✓	✓						✓			
Quick		✓		✓	✓							✓		
Pernod Ricard				✓		✓						✓		
Tempo Sanyo		✓		✓	✓	✓								
Wilson Sporting Goods		✓		✓	✓							✓		

Source: Roux, Seguela, Cayzac & Goudard

Roux, Seguela, Cayzac & Goudard, Paris, reported non-U.S. gross income of $114.8 million in 1987, a 43% increase from 1986. Non-U.S. billings increased by 45% to $824.1 million in 1987.

Worldwide gross income was $115.7 million in 1987, while worldwide billings were $830.1 million.

RSCG owns 100% or majority stakes in 10 European countries, a network of 40 regional French agencies and agencies in Martinique and Guadaloupe.

In 1987, the network won *The Wall Street Journal*/Europe newspaper; Quick fast-food (Belgium, France, U.K.); Cartier (Germany, Netherlands); ICI fibers (U.K., West Germany); Fuji tapes and Nestle Crunch chocolate (Belgium); Lois jeans, Miles Inc. (France); Fisher-Price, Club Mediterranee, Citroen (Sweden); Nike sportswear (Switzerland); and Cadbury (U.K.).

RSCG lost Elizabeth Arden beauty products and Calor electrical appliances in France and Cote D'Or chocolate in the Netherlands.#

SAATCHI & SAATCHI	The Americas								Europe																	Pacific								
Clients:	USA	Brazil*	Canada	Chile*	Peru*	Colombia*	Mexico*	Puerto Rico	Austria	Belgium	Denmark	France	Germany	Ireland	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland	UK	Portugal	Greece	Africa*	Middle East*	Australia	Japan	Hong Kong	India*	New Zealand	Singapore	Thailand	Taiwan	Philippines
Allied Lyons									✓			✓	✓	✓		✓					✓		✓						✓					
American Brands																					✓		✓							✓				
American Cyanamid													✓			✓					✓	✓	✓											
Avis												✓			✓			✓			✓										✓			
Beecham		✓													✓								✓		✓									
British Airways		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
BP																					✓	✓				✓	✓	✓						
BSN Gervais Danone							✓		✓			✓	✓		✓			✓			✓													
Campbell Soup	✓												✓					✓			✓													
Carlsberg											✓	✓			✓						✓													
Champion Sparkplugs	✓									✓			✓					✓					✓											
Citicorp										✓					✓					✓	✓													
CPC	✓					✓								✓	✓	✓											✓							
Helene Curtis	✓																												✓	✓				
DHL			✓			✓		✓				✓				✓			✓		✓		✓	✓		✓				✓	✓			
DuPont	✓												✓							✓										✓				
Eastman Kodak	✓													✓																			✓	
Gallaher										✓			✓					✓			✓		✓											
Gillette										✓		✓	✓		✓	✓	✓	✓		✓	✓				✓									
Guinness								✓						✓								✓		✓		✓							✓	
IBM	✓									✓					✓			✓			✓				✓								✓	
ICI											✓	✓	✓		✓			✓			✓						✓							
Johnson & Johnson	✓		✓			✓	✓	✓	✓			✓	✓					✓		✓	✓		✓				✓						✓	✓
Lego									✓			✓																						
Lesieur												✓						✓			✓				✓									
Massey Ferguson											✓		✓								✓	✓												
Matsushita						✓				✓				✓								✓							✓		✓			
Mobil	✓											✓									✓													
Nestle			✓		✓								✓						✓					✓										✓
PepsiCo					✓			✓										✓	✓					✓								✓		
Pfizer																														✓			✓	✓
Philips	✓								✓	✓		✓	✓		✓	✓					✓	✓												
Pirelli													✓						✓															
Procter & Gamble	✓		✓		✓			✓	✓			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓	✓	✓
Racal			✓																		✓									✓				
Reckitt & Colman				✓																	✓		✓	✓	✓									
RJR Nabisco			✓					✓		✓		✓	✓	✓	✓	✓		✓		✓	✓			✓				✓					✓	
Sandoz	✓								✓				✓			✓		✓	✓			✓			✓			✓						
Sara Lee	✓																	✓			✓		✓	✓										
Schering-Plough		✓					✓																										✓	
Schweppes														✓		✓					✓		✓	✓	✓									
Stanley Tools											✓	✓				✓					✓													
Sterling														✓														✓					✓	
Tonka															✓						✓					✓				✓				
Wendy's	✓							✓																		✓	✓							

Source: Saatchi & Saatchi *Non-equity affiliation

Saatchi & Saatchi Advertising Worldwide, London, posted non-U.S. gross income of $365.5 million in 1987, a 22% increase over 1986. Non-U.S. billings increased 10% to $2.4 billion in 1987.

Worldwide gross income was $693.6 million in 1987. Worldwide billings were $4.6 billion.

Saatchi has 120 offices, of which it owns 85. The rest are non-equity affiliates.

Winnings included: Volvo (Australia, Middle East); Gillette (South Korea, the Netherlands); and Procter & Gamble (Hong Kong, Canada, France). Account losses included Dunlop tires (Australia); Procter & Gamble (Greece); Nestle (Italy, France); and Rowntree Mackintosh (Canada, Italy, Ireland, Middle East).#

SCALI, McCABE, SLOVES	The Americas				Europe	Pacific
Clients:	USA	Argentina	Brazil	Canada	UK	Australia
Chase Manhattan	✓		✓	✓		
Hertz	✓			✓		✓
Volvo	✓			✓	✓	

Source: Scali, McCabe, Sloves

Scali, McCabe, Sloves, New York (part of Ogilvy Group), had non-U.S. gross income of $23.3 million in 1987, up 54% from 1986. Non-U.S. billings increased nearly 44% to $146.4 million.

The agency's worldwide gross income reached $93.1 million in 1987. Worldwide billings were $653.2 million.

Scali's non-U.S. network includes nine foreign offices in eight countries. It owns majority or maximum-allowable stock in 10 agencies and minority interest in one.

Accounts won included Carlsberg, BFF, Samurai Digibanco, Purina and Sabritas.

Losses included Apple, Lipton, Continental, Glasslite and Trevira.#

TBWA ADVERTISING	The Americas				Europe															Pacific		
Clients:	USA	Argentina	Brazil	Canada*	Austria*	Belgium	Denmark*	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland	UK	Greece*	Portugal*	Turkey*	Australia	Japan*	Hong Kong*
A.E.G.									✓		✓		✓									
Absolut Vodka	✓								✓	✓	✓											

1988 WORLD BRANDS

TBWA ADVERTISING	The Americas				Europe															Pacific		
Clients:	USA	Argentina	Brazil*	Canada*	Austria*	Belgium	Denmark*	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland	UK	Greece*	Portugal*	Turkey*	Australia	Japan*	Hong Kong*
Air Plus					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Barilla pasta						✓		✓	✓					✓	✓	✓	✓					
Beiersdorf								✓	✓		✓		✓									
Bosch					✓				✓						✓							
BSN Gervais Danone	✓					✓		✓								✓						
Bull Computers					✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓				✓
Evian	✓			✓											✓	✓						
Fromageries Bel	✓							✓	✓							✓						
Grand Met-IDV	✓										✓					✓						
Head Skis						✓		✓	✓	✓	✓		✓		✓	✓						
Henkel					✓	✓		✓	✓	✓	✓		✓		✓				✓			
Monsanto	✓							✓	✓													
Philip Morris					✓			✓			✓											
Moelnlycke						✓			✓		✓											
Sara Lee-Hanes Div.						✓		✓	✓	✓	✓		✓		✓	✓						
SEAT					✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓				
Terumo						✓		✓	✓	✓	✓		✓		✓	✓						

Source: TBWA Advertising

TBWA, New York, had non-U.S. gross income of $55.7 million in 1987, up 11% from 1986. Non-U.S. billings increased 20% to $419.1 million.

Worldwide gross income was $74.6 million in 1987. Worldwide billings rose to $545 million.

TBWA has 12 non-U.S. offices.

It owns majority or maximum-allowable stock in 15 and has non-equity affiliations with 10 including U.S. offices.

Major international accounts gained in 1987 included Air Plus; Bosch; Goldstar Electronics; Henkel-Super Croix Liquide; Knorr; Michelob; Molnlycke; Nivea; and Ocean Spray.

Accounts lost included Dortmunder Kronen; Samsonite; and Stock.#

J. WALTER THOMPSON CO.	The Americas										Europe																Pacific							
Clients:	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Mexico	Puerto Rico	Venezuela	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Greece	Portugal	South Africa	India	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Philippines	Malaysia
Allied Breweries	✓			✓																			✓				✓							
Bacardi			✓									✓	✓	✓	✓		✓		✓			✓	✓	✓				✓						
Beatrice Foods		✓							✓																		✓							
Benetton	✓	✓	✓	✓			✓	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓						
Chesebrough-Ponds			✓		✓	✓				✓																✓								
Commodore											✓		✓		✓		✓																	
DeBeers			✓					✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓						
Eli Lilly	✓				✓												✓																	
Emery	✓			✓								✓				✓	✓			✓	✓	✓					✓		✓					
Ford	✓	✓				✓		✓	✓														✓		✓		✓	✓	✓					
Garrett (Signal)	✓	✓												✓																				
Gerber	✓								✓																✓				✓					
IBM		✓		✓	✓	✓	✓																						✓	✓	✓	✓	✓	
Jacobs Suchard				✓							✓	✓		✓	✓	✓					✓													
S.C. Johnson	✓	✓	✓		✓		✓	✓	✓	✓	✓																				✓	✓	✓	✓
Kellogg	✓	✓	✓		✓			✓		✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓		✓		✓	✓		✓	✓	✓		✓
Kodak	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓		✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Kraft	✓			✓	✓			✓	✓	✓		✓	✓		✓	✓			✓	✓		✓		✓	✓		✓		✓			✓	✓	✓
Lufthansa																													✓		✓	✓	✓	✓
Malaysia Airlines														✓	✓		✓												✓				✓	
Mattel		✓		✓	✓			✓	✓			✓		✓	✓	✓	✓		✓		✓	✓	✓	✓	✓		✓							
McDonnell Douglas	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓
Monroe	✓										✓		✓		✓	✓						✓					✓							
Nabisco Brands	✓	✓	✓	✓		✓	✓	✓		✓																				✓		✓		
Northern Telecom	✓			✓											✓							✓									✓			
Nestle	✓	✓	✓		✓	✓		✓	✓			✓			✓		✓	✓	✓			✓		✓		✓			✓		✓			✓
Oscar Mayer	✓								✓	✓									✓															
PepsiCo.	✓	✓	✓	✓	✓		✓		✓	✓		✓			✓	✓			✓			✓	✓			✓		✓	✓					
Philips		✓	✓		✓	✓	✓			✓		✓				✓	✓					✓	✓	✓	✓	✓			✓					
Quaker Oats	✓							✓		✓														✓										
RHM														✓	✓							✓												
R.J. Reynolds			✓	✓				✓	✓					✓	✓		✓		✓		✓		✓					✓	✓					✓
Reckitt & Colman			✓						✓															✓	✓		✓							
Rolex	✓	✓	✓	✓			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓				✓	✓				✓	
Scott Paper Co.		✓		✓															✓			✓		✓							✓	✓		✓
Unilever	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Warner Lambert	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓

Source: J. Walter Thompson Co.

J. Walter Thompson Co., New York, had non-U.S. gross income of $240 million in 1987, a 13.7% increase over 1986. Non-U.S. billings rose 14.3% to $1.6 billion. Worldwide gross income was $483 million in 1987. Worldwide billings were $3.2 billion.

Worldwide, JWT has 184 offices in 38 countries. JWT owns the majority in 29 countries, minority in nine and has eight affiliations.

Major accounts gained in 1987 included Jacobs Suchard (Belgium, Switzerland); Philips (Italy, U.K.); Pizza Hut (West Germany, U.K.); R.J. Reynolds (West Germany, the Netherlands, Canada); Nestle (Brazil, Mexico, Peru); Unilever (Brazil, Japan); Warner-Lambert (Brazil, Chile, Colombia, Peru); and Ford dealers (Hong Kong, Japan).

Accounts lost: Ford (Europe, Brazil, Venezuela, Canada); Pepsi (U.K., West Germany); Richardson-Vicks (Austria, France, West Germany, Philippines); and Burger King (U.K., Australia).#

UNIVAS	The Americas	Europe															Pacific
Clients:		Austria*	Belgium*	Denmark	France	Germany*	Italy	Netherlands*	Norway	Spain*	Sweden	Switzerland*	UK*	Portugal*	Africa	Middle East*	
BNP			✓		✓					✓							
Bic therm			✓		✓		✓			✓				✓			
Ducros			✓		✓		✓			✓							
Hollywood			✓		✓					✓		✓				✓	
Lee Cooper			✓		✓	✓											
L'Oreal			✓		✓	✓	✓	✓		✓		✓	✓	✓		✓	
Renault		✓	✓		✓	✓	✓	✓		✓			✓	✓			
Stralor					✓	✓							✓				
Vanderbilt			✓		✓		✓	✓		✓			✓			✓	

Source: Univas *Non-equity affiliation

Univas, Paris, a fully owned subsidiary of French agency group Eurocom, reported worldwide gross income of $34.6 million in 1987, a 3% increase from 1986. Worldwide billings increased 2% to $230.8 million in 1987.

Univas, which has no U.S. presence, owns a majority stake in six agencies in France and Italy and has affiliations with agencies in nine countries.

In 1987, Univas won Pechiney (worldwide); Tiga, IP RTL, *Rolling Stone*, Pecher Mignon, Rowenta, Lou, Honey, AFB and Fromagerie des Chaumes (all France); Piatnik (Austria); Teisseire, Orangina and Ducros (all Belgium); Prestige & Collection (West Germany); Lee Cooper jeans, *Elle*, *Via del Mondo*, Majorettes, Hertz and Mantovani (all Italy); Vanderbilt fragrances, Unilease and Eru Cheese (the Netherlands); BNP, Cacharel perfume and Celso Garcia (Spain); Kraft foods (U.K.); Siemens computers (Turkey); and Evian/Badoit and Sofradipar (Switzerland).

Accounts lost: M6 TV, Teisseire, Coup de coeur, Weil fragrance, Euroconfor and Lesieur Cotelle (France); Lesieur and McCain (Germany); Maxpro (Spain); and Galay (Switzerland).#

WCRS/BELIER	The Americas	Europe																Pacific							
Clients:	USA	Austria	Belgium	Denmark*	France	Germany*	Italy	Netherlands	Norway*	Spain*	Sweden*	Switzerland	UK	Portugal*	Luxembourg*	Africa*	Middle East*	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Malaysia	Taiwan
BAT																				✓		✓		✓	
Bayer	✓				✓																✓				
BMW													✓					✓			✓				
Bristol-Myers	✓																					✓		✓	
BSN Gervais Danone			✓		✓		✓					✓												✓	
Canon							✓						✓												✓
Dim					✓		✓													✓					
Dow Chemical	✓						✓											✓							
Fiat					✓		✓											✓							
ICI													✓							✓			✓		
S.C. Johnson			✓		✓		✓					✓													
Laura Ashley	✓				✓	✓		✓					✓					✓							
Mastercard																				✓	✓	✓		✓	
Nestle	✓				✓		✓	✓																	
Olivetti					✓																	✓		✓	
Pfizer	✓				✓													✓							
Qantas					✓	✓	✓				✓		✓												
Remy Martin																				✓		✓	✓	✓	✓
Seagram																		✓				✓	✓	✓	
Sheraton	✓	✓	✓	✓			✓		✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		
Suzuki							✓	✓												✓					

Source: WCRS/Belier *Non-equity affiliations

WCRS/Belier Group, London, posted non-U.S. gross income of $137.3 million in 1987, a 416% increase from 1986. Non-U.S. billings increased by 532% to $959.6 million in 1987.

Worldwide gross income was $230.2 million in 1987, and worldwide billings were $1.63 billion.

Most of WCRS' growth was by acquisition in 1987, when French agency Belier and the Ball Partnership, an Asia Pacific agency network, were added to the group.

WCRS owns 100% of 17 agencies in 10 countries outside the U.S. and 29% of a New Zealand agency.

In 1987, WCRS won Qantas (Europe); Laura Ashley (Australia, U.K.); Sheraton Hotels (Australia, Hong Kong); United Biscuits (U.K.); Heinz Weight Watchers meals (U.K.); General Foods (Australia); BMW (Australia); Remy Martin (Thailand); Olivetti (Malaysia); Seagram's Mumm and Glenlivet (Singapore); Lada cars (France); and Wang (France).

WCRS' losses included Rowntree Mackintosh (France); BASF (U.K.); Continental Airlines (Australia); Black Douglas Scotch (Australia); and Honeywell (Australia).#

YOUNG & RUBICAM	The Americas										Europe															Pacific								
Clients:	USA	Argentina	Brazil	Canada	Chile	Colombia	Dom. Republic	Mexico	Venezuela	Puerto Rico	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Finland	Portugal	Africa	Australia	Japan	Hong Kong	India	New Zealand	Singapore	Thailand	Malaysia	Philippines
Adidas	✓	✓	✓	✓	✓			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Air Canada											✓			✓	✓						✓	✓				✓	✓		✓		✓			
American Home Products	✓		✓	✓				✓		✓					✓	✓	✓				✓	✓					✓							
AT&T	✓													✓	✓	✓						✓				✓	✓	✓			✓			
Bosch											✓	✓	✓	✓	✓	✓		✓		✓	✓													
BSN-Gervais Danone	✓		✓					✓				✓		✓	✓	✓			✓		✓	✓				✓	✓							
Canada Dry				✓								✓										✓					✓							
Colgate-Palmolive	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Du Pont	✓	✓	✓					✓		✓		✓		✓	✓	✓	✓		✓	✓	✓	✓			✓	✓	✓	✓			✓			✓
Eastman Kodak	✓			✓								✓	✓	✓	✓		✓	✓		✓	✓	✓	✓			✓	✓							
Ford	✓			✓							✓		✓	✓	✓		✓	✓		✓	✓	✓	✓											
General Foods	✓		✓	✓				✓		✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓					✓							
Grand Metropolitan	✓														✓				✓			✓												
H.J. Heinz												✓					✓					✓			✓									
Hong Kong Tourist Association				✓										✓	✓	✓						✓				✓	✓	✓			✓	✓	✓	✓
IVECO											✓		✓					✓	✓	✓	✓			✓										
Jacobs-Suchard	✓	✓									✓	✓	✓	✓	✓	✓			✓		✓	✓												
Jamaica Tourist Board	✓			✓																		✓												
Johnnie Walker																					✓	✓									✓			
Johnson & Johnson	✓	✓	✓	✓	✓		✓			✓					✓	✓	✓								✓		✓							
Kentucky Fried Chicken	✓			✓				✓		✓												✓				✓		✓					✓	
Mobil Oil											✓			✓	✓		✓																✓	
PepsiCo Foods International			✓	✓				✓		✓																								
Pernod-Ricard	✓		✓	✓								✓	✓	✓		✓					✓	✓									✓		✓	
Royal Canadian Mint	✓			✓											✓												✓	✓			✓			
Time Inc.	✓		✓	✓										✓	✓	✓				✓	✓	✓					✓	✓				✓		
TWA	✓										✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓		✓	✓		✓	
UIP											✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	
UNISYS	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓			✓
Warner-Lambert	✓				✓		✓																		✓					✓				
Xerox	✓										✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓												

Source: Young & Rubicam

Young & Rubicam, New York, had non-U.S. gross income of $349.7 million in 1987, a 29% increase from 1986. Non-U.S. billings increased 28% to $2.3 billion.

Worldwide gross income was $735.5 million. Worldwide billings hit $4.9 billion.

The network consists of 167 non-U.S offices. Y&R owns a majority of 125 offices, has 50% ownership in three and a minority in 10.

Major international accounts gained in 1987 included business from TWA (Europe); Ford (Canada); Lipton (Canada); Kodak (Australia); Heinz (U.K.); Quaker cereals (U.K.); Toys "R" Us (West Germany).

International accounts lost in 1987 include Fiat (Netherlands) and Burrus (Switzerland).#

Footnotes

Backer Spielvogel Bates Worldwide also handles: **Benckiser, BMW, Hattori/Seiko, Hong Kong Bank, Honig, Mars Pet Food, Mars Confectionery** and **Mars other, Sony, Thomas Cook** and **3M (Minnesota Mining & Manufacturing)** in Middle East; **Campari, Ciba-Geigy, DHL, Singer** and **S.C. Johnson** in Nigeria.

BBDO Worldwide also handles: **Apple Computer** in Venezuela, Portugal; **Bayer** in Venezuela, Indonesia; **Frito-Lay/PFI** in Portugal; **Gillette** in Costa Rica, Ecuador, Portugal, Indonesia; **Johnson & Johnson** in Venezuela; **Nestle** in Portugal, Malaysia; **PepsiCo** in Costa Rica, Ecuador, Honduras, Portugal; **Polaroid** in Thailand, Philippines, Malaysia; **Rowntree Mackintosh** in Portugal; **Unilever** in Portugal; **Visa** in Indonesia, Thailand, Philippines; **Wella** in Malaysia; **Wrigley**

(Continued on Page 56)

Footnotes

(Continued from Page 55)

in Philippines; **Worldwide Church of God** in Venezuela.

Leo Burnett Co. also handles: **Cathay Pacific** in Korea, Philippines; **Kellogg** in Colombia, Dominican Republic, Guatemala, Korea; **McDonald's** in Philippines; **PepsiCo/7UP** in Dominican Republic, Philippines; **Philip Morris** in Turkey, Colombia, Dominican Republic, Ecuador, Guatemala, Indonesia, Korea, Philippines; **Procter & Gamble/RVI** in Colombia, Guatemala, India, Indonesia, Philippines; **United Airlines** in Philippines.

Foote, Cone & Belding Communications also handles: **American Cyanamid** in Jamaica; **Beiersdorf** in Colombia, Trinidad; **Citicorp** in Colombia; **Colgate-Palmolive** in Colombia, Dominican Republic, Jamaica, Panama, Trinidad; **Garuda Airlines** in Indonesia; **Hiram Walker** in Jamaica; **Kimberly-Clark** in Panama; **Nestle** in Trinidad.

McCann-Erickson Worldwide also handles: **American Express** in Jamaica, Panama, Trinidad; **AHP** in Barbados, El Salvador, Guatemala, Honduras, Peru; **Bayer/-Miles** in Dominican Republic, El Salvador, Guatemala, Honduras, Panama, Malaysia; **Beatrice Hunt Wesson** in Honduras, Peru; **Black & Decker** in Puerto Rico, Finland, Panama; **Casio** in Turkey, Peru, Uruguay; **Chesebrough-Pond's** in Dominican Republic, Guatemala, Honduras, Panama; **Ciba-Geigy** in Indonesia, Dominican Republic; **Coca-Cola** in Puerto Rico, Finland, Turkey, Dominican Republic, El Salvador, Guatemala, Honduras, Panama, Peru, Uruguay, Barbados, Jamaica, Trinidad, Indonesia, Malaysia; **Del Monte** in Panama, Finland, Puerto Rico; **Exxon/Esso** in Finland, Malaysia, Dominican Republic, El Salvador, Guatemala, Honduras, Panama, Puerto Rico, Uruguay, Barbados, Jamaica; **General Motors** in Finland, Dominican Republic, Guatemala, Puerto Rico, Uruguay, Barbados, Trinidad, Indonesia; **Gillette** in Malaysia, El Salvador, Guatemala, Honduras, Panama, Peru, Puerto Rico, Uruguay, Barbados, Jamaica, Trinidad; **Goodyear** in Turkey, Guatemala, Panama, Peru, Barbados, Jamaica, Trinidad, Indonesia, Malaysia; **Henkel** in Barbados, Jamaica, Turkey; **Heublein** in Jamaica and Trinidad; **Hilton** in Barbados and Puerto Rico; **Johnson & Johnson** in Turkey, El Salvador, Guatemala, Honduras, Panama, Peru, Barbados, Jamaica, Trinidad; **Levi Strauss** in Malaysia and Turkey; **L'Oreal** in Puerto Rico, Finland, Turkey, El Salvador, Guatemala, Peru, Uruguay, Barbados, Jamaica, Trinidad, Indonesia, Malaysia; **Lockheed** in Trinidad; **Lufthansa** in Puerto Rico, El Salvador, Peru; **Martini & Rossi** in Uruguay, Barbados, Trinidad; **McDonald's** in Guatemala; **Mennen** in Dominican Republic, El Salvador, Guatemala, Trinidad; **Nestle** in Puerto Rico, Finland, Turkey, Dominican Republic, Guatemala, Honduras, Panama, Peru, Uruguay, Jamaica, Indonesia, Malaysia; **Quaker** in Trinidad; **Richardson-Vicks** in Barbados, Jamaica, Trinidad; **RJR Nabisco** in Finland, Panama, Trinidad; **R.J. Reynolds** in Panama, Peru, Uruguay, Finland, Turkey, Puerto Rico; **Tambrands/Tampax** in Barbados; **Texas Instruments** in Finland and Puerto Rico; **Unilever** in Finland, Barbados, Malaysia; **Union Carbide** in Guatemala, Honduras, Panama.

Ogilvy & Mather Worldwide also handles: **American Express** in Colombia, Uruguay* , Philippines, China, Pakistan*; **BAT Industries** in Costa Rica*, El Salvador*, Guatemala*, Paraguay*, Turkey, Kenya, China; **Bayer** in South Korea*. **Beecham** in Portugal and Philippines; **Boeing** in Kenya, Philippines, China; **Boehringer-Ingelheim** in Colombia and Philippines; **British Tourist Authority** in Portugal; **Burroughs Wellcome** in Kenya and Pakistan*; **Ciba-Geigy** in Uruguay*, El Salvador*, Hungary*; **Compaq** in China; **Cotton Council International** in South Korea*; **CPC International** in Turkey; **General Foods** in Costa Rica*, El Salvador*, Guatemala*, Honduras*, Philippines, China; **Guinness** in Kenya; **ICI Ltd.** in Hungary*; **Johnson & Johnson** in the Philippines; **Kimberly-Clark** in El Salvador*, Guatemala*, Honduras*, Philippines, South Korea*; **Korean Air** in the Philippines and South Korea*; **Mattel** in Portugal; **NutraSweet** in Colombia; **Parker Pen** in Uruguay*, Turkey, Philippines, China; **PepsiCo** in Hungary*, Kenya, Philippines, Pakistan*; **Philips** in Uruguay*, Paraguay*, Hungary*, Portugal, Turkey; **Polaroid** in Colombia, Uruguay*, El Salvador*, Paraguay*, Portugal, Turkey, Philippines, China, South Korea*; **Price Waterhouse** in Uruguay*; **Rank Xerox** in Ecuador* and El Salvador*; **Rolex** in Turkey; **S.C. Johnson** in Turkey; **Seagram** in Costa Rica*, Uruguay*, Portugal, China; **Sears Roebuck Co.** in Colombia; **Shell** in Paraguay*, Portugal, Kenya, Philippines, South Korea*, Pakistan*; **Squibb** in Pakistan*. **3M** in El Salvador* and Portugal; **Unilever** in Colombia, Uruguay*, Costa Rica*, El Salvador*, Guatemala*, Portugal, Turkey, Kenya, Philippines, China, South Korea*, Pakistan*; **Warner Lambert** in Uruguay*; **Westpac Banking Corp.** in Pakistan*; **ZF Corp.** in China.

Saatchi & Saatchi Advertising Worldwide also handles: **Schering-Plough, DHL, Cadbury Schweppes, PepsiCo** and **Pirelli** in Venezuela. **Beecham, Lego, Pfizer** and **Schering-Plough** in South Korea.

(Note: Asterisks indicate non-equity affiliation.)

AGENCY/CLIENT SUMMARY

Clients:	N W Ayer	BBDO	BDDP	Backer Spielvogel Bates Worldwide	Bozell, Jacobs, Kenyon & Eckhardt	Leo Burnett Co.	DDB Needham Worldwide	DMB&B	Foote, Cone & Belding	GGK	Grey Advertising	Hakuhodo Inc.	HDM	Ketchum Communications	Lintas:Worldwide	Lowe International	McCann-Erickson Worldwide	Mojo	Ogilvy & Mather Worldwide	Publicis International	Roux, Seguela, Cayzac & Goudard	Saatchi & Saatchi Advertising	Scali, McCabe, Sloves	TBWA Advertising	J. Walter Thompson Co.	Univas	WCRS/Belier	Young & Rubicam
American Airlines					✓		✓																					
American Cyanamid				✓				✓	✓													✓						
American Express																	✓		✓									
American Home Products								✓									✓											✓
Anheuser-Busch							✓	✓																				
BAT				✓							✓				✓				✓								✓	
Bayer		✓					✓	✓			✓				✓		✓		✓		✓						✓	
Beecham											✓							✓	✓			✓						
Beiersdorf									✓	✓														✓				
BMW				✓															✓								✓	
Bristol-Myers							✓	✓			✓								✓								✓	
BSN Gervais Danone			✓										✓									✓		✓			✓	✓
Cadbury-Schweppes									✓										✓			✓						
Campbell Soup		✓							✓													✓						
Chesebrough-Pond's																	✓								✓			
Ciba Geigy				✓													✓		✓									
Citicorp							✓	✓	✓						✓							✓						
Coca-Cola Co.															✓	✓	✓											
Colgate-Palmolive Co.									✓				✓															✓
CPC International								✓					✓				✓		✓			✓						
Dow Chemical Co.								✓					✓				✓		✓								✓	
Du Pont	✓	✓											✓									✓						✓
Duracell							✓												✓									
Eastman Kodak Co.																						✓			✓			✓
Electrolux				✓							✓																	
General Foods								✓			✓								✓									✓
General Motors	✓							✓								✓	✓											
Gillette Co.	✓	✓							✓								✓					✓						
Guinness								✓											✓			✓						
H.J. Heinz						✓	✓	✓																				✓
Henkel		✓					✓			✓			✓			✓	✓							✓				
Hewlett Packard						✓							✓															
Heublein																✓	✓											
IBM										✓	✓											✓			✓			
Jacobs Suchard													✓								✓				✓			✓
Johnson & Johnson		✓					✓				✓				✓		✓		✓			✓						✓
S.C. Johnson				✓			✓		✓										✓						✓		✓	
Kimberly-Clark								✓	✓										✓									
Kraft						✓			✓									✓							✓			
Mars				✓				✓			✓																	
Mars Petfood				✓				✓																				
Philip Morris						✓																		✓				
Nestle		✓							✓						✓		✓		✓	✓		✓			✓		✓	
L'Oreal													✓				✓			✓						✓		
Parker Pen																✓			✓									
PepsiCo		✓				✓	✓												✓			✓			✓			✓
N.V. Philips		✓						✓			✓				✓				✓	✓		✓			✓			
Polaroid		✓																	✓									
Procter & Gamble						✓		✓			✓											✓						
Qantas																		✓									✓	
Quaker Oats Co.								✓							✓		✓								✓			
Reckitt & Colman											✓				✓		✓	✓				✓			✓			
Remy Martin															✓												✓	
Richardson-Vicks				✓				✓									✓											
RJR Nabisco					✓				✓						✓		✓					✓			✓			
Rothmans	✓	✓									✓																	
Rowntree-Macintosh		✓													✓				✓									
Seagram							✓												✓								✓	
Shell				✓															✓									
3M				✓							✓		✓						✓									
Unilever		✓													✓		✓		✓						✓			
Volkswagen							✓			✓																		
Wm. Wrigley Jr. Co.		✓							✓		✓								✓									
Warner-Lambert Co.				✓																					✓			✓
Xerox		✓																	✓								✓	

Advertising Age compiled this chart, showing which agency networks represent major clients, based on the information agencies submitted for their individual charts in this section. Only clients using at least two networks are included.

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Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Dukakis '88
Bentsen '88

Photo by Ira Wyman/Sygma

Democratic National Committee Chairman Paul Kirk (c.) introduces the candidates.

Duke's strategy:

2 teams to handle ad needs

By STEVEN W. COLFORD

Delegates to the Democratic convention who are getting ready to nominate Michael Dukakis for president also will be sanctioning perhaps the most unusual image-making structures for a candidate in the party's history.

Four years after the severest thrashing in presidential political history, Democrats are dipping deep into Madison Avenue to fashion an ad team that will include 50 or more people, including some instantly recognizable names from major agencies.

This "Madison Avenue team" resembles the "Tuesday Team" that helped Republican Ronald Reagan in his landslide 1984 re-election drive.

But while the Madison Avenue group plots "big-picture" image advertising, the other half of the Dukakis structure, a "political" team, will be doing quick-response and—if needed—negative ads to address specific issues raised by polling or by the opposition. This political team is made up largely of consultants.

It's this two-team structure that sources say is unusual in the annals of presidential campaigns.

Although Dukakis campaign officials refused to confirm the names, the core of one team is believed to consist of Bill Tragos, chairman, TBWA, New York; Gary Susnjara, president-chief operating officer, Saatchi & Saatchi DFS, North America; Ken Bernhard, former vice chairman, Ogilvy & Mather; and Ted Voss, a Boston ad consultant and formerly Polaroid Corp.'s VP-advertising.

That team will be responsible for what one insider described as the "consumer," or long-term, strategic media that establishes and reinforces the campaign's theme.

Expected to contribute, in varying degrees, to that team's output are Frank Mingo, chairman, Mingo Group, New York; Carl Spielvogel, chairman, Backer Spielvogel Bates Worldwide; Marvin Sloves and Ed McCabe, chairman and former partner, respectively, of Scali, McCabe, Sloves; Mike Hughes, vice chairman-creative director, the Martin Agency, Richmond, Va.; Roy Spence, president, GSD&M, Austin, Texas; and Tom Amico and Jim Proimos, a copywriting team from Smith Burke & Azzam, Baltimore.

Because the ad team will be made up of people scattered across the country, only its top echelon will be at the Dukakis offices in Boston. The political team also will be headquartered in Boston.

Altogether, this ad team will consume the lion's share of about $50 million in federal funds that will be handed over after Gov. Dukakis officially

(Continued on Page 51)

Dukakis' Madison Avenue team

Gary Susnjara, president, S&S DFS, N. America
Bill Tragos, chairman, TBWA
Ken Bernhard, former vice chairman, Ogilvy & Mather
Ed McCabe, former principal, Scali, McCabe, Sloves
Frank Mingo, chairman, Mingo Group
Marvin Sloves, chairman, Scali, McCabe, Sloves
Carl Spielvogel, chairman, Backer Spielvogel Bates

Saatchi near U.K. media buying link

By GARY LEVIN
and LAUREL WENTZ

NEW YORK—In a major development for global agencies, Saatchi & Saatchi Co. last week began seeking clients' approval to consolidate all its agencies' U.K. media buying.

At the same time, Young & Rubicam and Foote, Cone & Belding Communications are negotiating their own worldwide media-buying combination, sources said.

These moves come in the face of new opposition to the idea of agency media-buying combinations by big clients such as Philip Morris Cos. and Thomas J. Lipton Inc. *(see story on Page 50)*.

Major agencies continue to pursue media-buying combinations, partly because of fears that Saatchi & Saatchi will do it first and bring the concept to the U.S. Saatchi officials have decided against setting up a similar operation in the U.S. for now.

Saatchi executives in London said they would decide in August, pending client approval, whether to combine U.K. media buying for its three main agencies—Saatchi & Saatchi Advertising, BSB Dorland and KHBB.

The three agencies began contacting clients last week to dis-

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'Conflict insurance'

HHCC's pact to ban merger

By CLEVELAND HORTON
and JON LAFAYETTE

Hill, Holliday, Connors, Cosmopulos is negotiating a "conflict insurance" pact with Nissan Motor Corp. USA to assure the client that the agency won't merge or sell out for five years.

Nissan recently awarded its estimated $60 million Infiniti account to Hill Holliday.

"We not only have no plans to sell," said Jack Connors, Hill Holliday president-ceo, "but we have given Nissan protection from that for the next five years."

"Nissan wants to be assured that they will not be dropped as the result of a sale or merger," said Jack Sansolo, president of the agency's U.S. division.

"They're not interfering in our business decisions, but are saying, 'If you make such a decision, we don't want to be put in jeopardy.' I think that's a balanced and fair arrangement," he said.

The fine points of the contract were still being worked out last week by the legal departments of both parties.

Conflict insurance clauses have

(Continued on Page 50)

Last Minute News

Guinness hires Burnett to plan strategy

LONDON—Guinness named Leo Burnett Ltd. here to monitor media buying and media planning for Guinness and Guinness-owned United Distillers Group's $215 million worldwide ad spending. That job was previously handled by Smith/-Greenland, New York, in the U.S. and Yershon Media Management here for the rest of the world. Burnett will keep track of global media planning and look for efficiencies. The move doesn't affect Guinness' existing creative assignments.

Lord Geller close to hiring former BJK&E execs

NEW YORK—Lord, Geller, Federico, Einstein hired Robert Elgort and Marvin Lefkowitz, former senior VP-creative directors at Bozell, Jacobs, Kenyon & Eckhardt, on a free-lance basis and expects them to assume

(Continued on Page 8)

CBS shakes up broadcast unit

Stringer gets turnaround task

By VERNE GAY

NEW YORK—Howard Stringer, CBS' new broadcast group president, says he's bringing a new theme to CBS—"creativity."

But Mr. Stringer, 46, will need the creativity of a da Vinci to fix what ails CBS.

Those problems include its worst prime-time ratings performance ever, a clouded sales picture and, perhaps Mr. Stringer's biggest challenge, morale problems.

In the pivotal move of a major shake-up last week, CBS President Laurence Tisch promoted Mr. Stringer, the former CBS News president, and hired David Burke, an exec VP at ABC News, to succeed Mr. Stringer.

Gene Jankowski, who held the broadcast group post for an unprecedented 11 years, was shifted to the newly created, non-operational post of broadcast group chairman.

No one will report to Mr. Jankowski, who in turn will report directly to Mr. Tisch, advising on matters such as company expansion and regulatory issues.

But the key move was promoting Mr. Stringer. The new CBS Broadcast president said he will visit the West Coast in August, where he will seek to improve CBS' relations with the production community.

He flew last Friday to Los Angeles to meet with CBS Entertainment President Kim LeMasters and his staff before heading to Atlanta for the Democratic convention.

"I am more interested in stimulating than meddling with the creative process," Mr. Stringer said.

H. Stringer

According to industry experts, Mr. Stringer is well-suited to his task. "He's a leader," said one executive familiar with Mr. Stringer's style. "He's a multifaceted guy with a lot of energy."

Observers said that Mr. Stringer's style will be critical. "The last time a network was turned around was NBC, and the person who turned it around was Grant Tinker. The way he did it was to let everyone calm down and get to work," said Paine-Webber analyst Alan Gottesman.#

Diane Mermigas and Marianne Paskowski of Electronic Media, *a sister publication of* ADVERTISING AGE, *contributed to this story.*

Upfront frenzy might put dent in scatter sales

By VERNE GAY

NEW YORK—The surprisingly strong prime-time upfront network TV market has left agency executives wondering what will happen in next year's scatter market.

As upfront sales wound down last week, top agency executives claimed the sale was the oddest in recent memory.

Partly because of the uncertainties surrounding the Writers Guild of America strike, many experts had predicted the market would never exceed $2.9 billion. But by the end of last week, upfront sales had already tied last year's $3.1 billion record. And some predicted it could reach $3.2 billion.

The big question now is whether advertisers placed the bulk of their network TV dollars in the upfront market instead of saving it for scatter (or short-term) sales next year. The networks suffered a weak scatter market this year and would like to avoid another one.

"I think there will be a scatter market next year," said Jake Keever, exec VP-sales at ABC, who argued that many advertisers are more optimistic about the economy than last year.

Jerry Dominus, VP-sales, CBS, agreed. "I think there will be a ton of money," he said. Mr. Dominus said the money advertisers spent last year on this year's Olympics—an estimated $800 million—will return to the scatter market next year.

But other sources said they were worried that this year's unexpectedly strong market was aided by low prices, which lured advertisers into committing more money upfront.

Agency sources cited automotive advertisers, which pumped about $550 million into upfront, a 10% increase over last year.

CBS and NBC closed deals at moderate to low price increases. CBS closed at 2% to 6% cost-per-thousand increases while NBC got 5% to 10%. ABC did slightly better with 6% to 10% increases, TV and agency executives said. Last year's increases were in the high double digits.

NBC sold about $1.3 billion worth of time, CBS sold about $900 million to $1 billion and ABC about $800 million to $850 million, sources said.

The total prime-time market was virtually completed by July 13.

Daytime, late-night and news sales also started to heat up last week. Sources said daytime sales would hit about $1 billion this year, down about $200 million from two years ago.#

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Big Blue mum on ideas

IBM test puts shops on line

By JON LAFAYETTE
and GARY LEVIN

IBM Corp. has handed six agencies competing for its account a daunting task: create in a month an IBM corporate campaign and ads for its troubled personal computer line.

IBM last week briefed New York agencies D'Arcy Masius Benton & Bowles, Grey Advertising, Lintas: Worldwide and Wells, Rich, Greene, plus incumbents Lord, Geller, Federico, Einstein and Lord Einstein O'Neill & Partners. The computer giant is deciding how to divide its $138 million account.

IBM gave the agencies "very little specific direction," one agency executive said. Said another: "They gave us the bare bones. They revealed no secrets."

The agencies believe they've been given wide latitude so that IBM can evaluate their strategic thinking.

At the briefings, IBM explained its image advertising should present the company as an innovator and good corporate citizen. The product assignment, primarily for the PS/2 personal computer, should focus on desktop publishing.

The agencies are free to decide on how to link the two campaigns. They're expected to provide "rough creative" plus "media approaches."

IBM has asked that the projects be completed by the week of Aug. 15.

Soon after it hands in its project, Lord Einstein will find out whether it will even be allowed to accept business from IBM. Lord Einstein is still under a temporary injunction that prohibits it from accepting any more IBM business.

Last week, acting New York state Supreme Court Judge Herman Cahn, after being asked by Lord Einstein for clarification of an interim ruling, said, "Lord Einstein may take part in the IBM competition, including making presentations of projects which will be assigned by IBM. The above does not change the underlying temporary restraining order. . . . A formal decision will be issued in due course."

That ruling is expected after Judge Cahn returns from vacation on Aug. 22.

The lawsuit was filed in March by Lord Geller parent WPP Group against Lord Einstein and Young & Rubicam, which backed the agency created by six former Lord Geller executives.

The suit asks that Lord Einstein be enjoined from accepting business from Lord Geller accounts, especially IBM, and be prevented from hiring any more Lord Geller staffers.

Both sides recently filed briefs on whether Lord Einstein should continue to be barred from accepting business from Lord Geller clients.

Sources familiar with the briefs, which haven't been made public, said WPP focused on claims that the six former Lord Geller executives violated their fiduciary obligations by resigning, planning beforehand to start a new agency and accepting Lord Geller employees and clients.

The sources said WPP toned down earlier allegations that clients were presolicited and that the executives tried to sabotage the agency to force WPP to sell it to them.

The brief by Lord Einstein and Y&R, sources said, claimed that the executives didn't violate the law through their actions. Because the executives had no contracts, they had no obligations under New York law to WPP once they resigned, the defendants argued.#

Sears' clothes woes

Retailer struggles to make fashion statement

Editor's note: Last week Crain's Chicago Business, *a sister publication of* ADVERTISING AGE, *analyzed the problems at Sears, Roebuck & Co., the world's biggest retailer.* CCB *contended that many Wall Street analysts and others think a breakup of Sears would be hugely profitable. One problem these analysts cite is Sears' sputtering efforts to carve a niche in apparel, and that portion of the* CCB *story follows.*

By DAVID SNYDER
and PETER D. WALDSTEIN
Crain News Service

At the brightly lit Sears, Roebuck & Co. store in Atlanta's Cumberland Mall, a clothing shopper becomes immersed in a sea of items bearing the names of Cheryl Tiegs, Stefanie Powers and Yvonne Goolagong—faded celebrities who have represented Sears' private-label women's fashion merchandise for nearly 10 years.

Don't look for the hottest designer labels. Liz Claiborne is a no-show. So are Calvin Klein, Adrienne Vittadini and virtually all the popular designers who are fashioning moderate-price apparel in easy-care fabrics.

That's because the big names in the fashion business—with rare exceptions, the most notable of which is Levi Strauss & Co.—refuse to sell to Sears. They're afraid of tarnishing their own fashion images.

"A few key national brands would really lend some acceptability and credibility to the whole mix," says Sears Merchandise Group CEO Michael Bozic, 47. "We think people maybe would give us a try. We pay our bills on time. We're going to continue to work on some of that where it's appropriate."

Sears fails to move

The problem shows how far Sears must go to establish any kind of authority in apparel. Once driven by price and value, the mass-market clothing business today rides on status and style. But Sears has failed to move with the industry.

By several measures, Sears' fashion apparel business is sick. In 1979, 14% of Chicago women surveyed in a fashion research project said they shopped most often at Sears for fashion apparel. By last year, that number had dropped to 4%.

"Right now, Sears is competing with downscale discounters among older, fashion-averse customers shopping for commodity items," says Douglas J. Tigert, a professor of retail marketing at Babson College in Massachusetts and leader of the research project. "Sears either has to get out of that end of the market or strengthen it."

Similarly, when asked to name the best place to buy men's dress shirts, only 13.3% of respondents surveyed by Leo J. Shapiro & Associates, a consumer research company, spontaneously mention Sears. That number falls to 10% for jeans and drops to 1.3% for dress blouses. Only 0.4% of respondents think Sears women's clothing is the best available anywhere.

That doesn't mean Sears isn't big in apparel. Last year, the company sold $4.3 billion of men's, women's and children's clothing, not including catalog sales, according to company documents.

Sears does, in fact, sell basics by the truckload—"tonnage items" as Mr. Bozic likes to call them. These include panties, pantyhose, robes and even jeans and activewear.

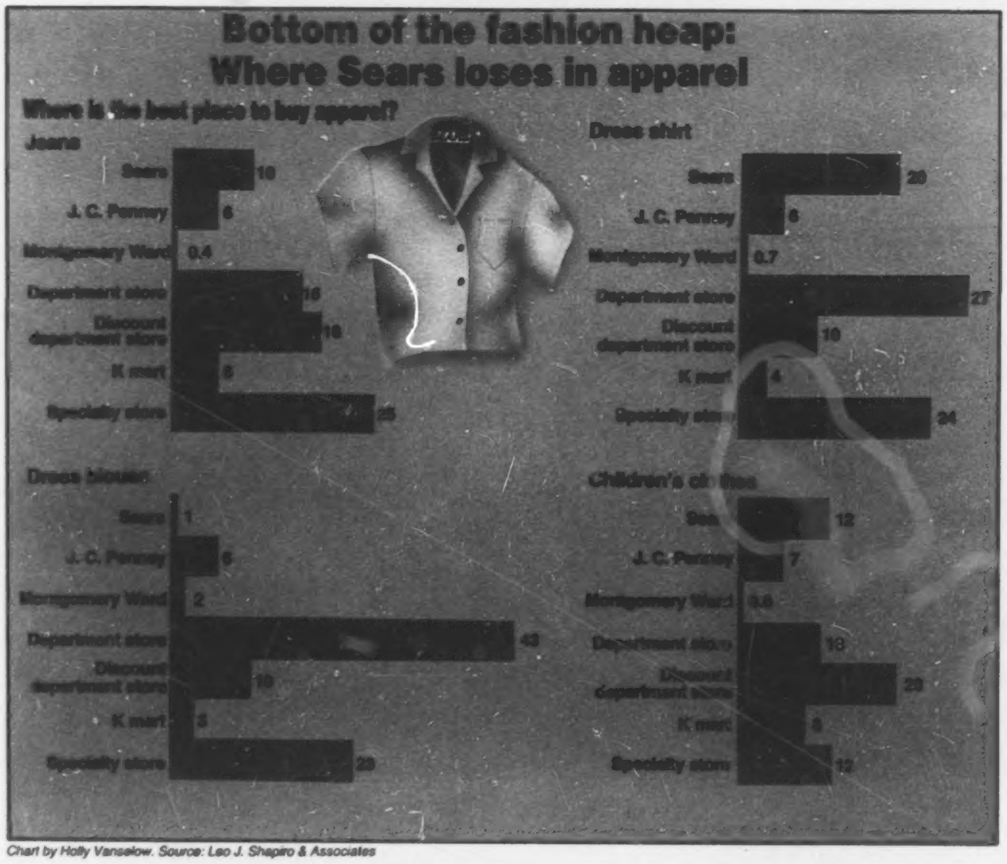

Chart by Holly Vanselow. Source: Leo J. Shapiro & Associates

But that emphasis on quantity belies Mr. Bozic's uneasiness with the quality of Sears' image in the marketplace. For fashion apparel—and today, that includes sports clothes as well as one-of-a-kind evening gowns—sends the clearest message to the market about whom a store wants to serve.

If customers don't see their lifestyles reflected in clothing and store displays, the store strikes out.

For Sears, the problem is compounded by the enormous amount of floor space devoted to apparel in its 819 stores.

A typical multiline Sears store ranges in size from 140,000 to 214,000 square feet, only half of which is selling space, usually divided between two floors. Apparel often takes two-thirds of one floor. Without exciting fashion merchandise to draw shoppers to that space, the productivity of the entire store lags, notwithstanding the strong performance of certain basic items.

But Sears can't readily use the space for other purposes. Apparel affords Sears—and all other general merchants—the highest profit margins of any products carried. Apparel turns over more quickly than big-ticket hard goods and costs relatively little to stock and display.

"The rock-bottom reason for staying in apparel is there's a helluva lot of floor space," says Jay Levine, an independent retail consultant and formerly Sears' chief economist. "You can only use so much space for hard goods. They won't give up soft goods unless they give up the stores or sublease the space to someone else."

Department stores in the past decade all have faced the same problem: too much floor space and not enough productivity. To survive, successful department stores learned from the specialists how to offer theater and value.

Publicly, Mr. Bozic fends off comparisons between Sears' dowdy apparel business and the glitz of department and specialty stores.

"We are what we are," he says. "When you get down to the kinds of goods that people believe require some status or theater, then that's not us. But in terms of the kinds of things that are more quality and value-oriented, then that is us."

But behind the scenes, Mr. Bozic has set in motion an effort to make Sears a hip fashion retailer in its own right.

On the fourth floor of the retailer's Visual Merchandising Laboratory, a prototype apparel department is taking shape.

In a part of the experimental retailing laboratory known as Mainframe, a shop for teens, ceiling-mounted TV screens pump out rock videos above black-and-chrome high-tech racks filled with leather and patchwork clothing.

A pilot, stand-alone Mainframe store already is being tested in the lobby of Sears Tower in Chicago.

In Apostrophe, Sears' department for fashionable sportswear, mannequins wear combinations of tasteful clothing and accessories to display several possible looks. The clothing racks themselves look sharp, devoid of the cardboard "Sale" signs found throughout Sears stores.

In Carriage Court, the department for Sears' traditional female customer, a creative display of cable-knit sweaters set against a backdrop of wooden crates and burlap wallpaper makes an appealing autumn fashion statement, the kind one would expect to find in any of a dozen leading clothing stores.

Throughout all the departments, the goods contain a higher percentage of natural fibers than customers have ever found in Sears stores.

If Sears could install its new apparel displays in all 819 stores three months from now, it could grab headlines as a rejuvenated source for fashionable, affordable casual clothing.

But the retailer isn't likely to get those looks into all its stores even three years from now.

Disincentives built into Sears' cost-accounting system compel local store managers to pay for store improvements out of their own profit-and-loss statements. Those expenses pose additional hurdles as the managers, burdened by local slow-growth retail conditions, strive to meet the earnings targets set by corporate headquarters.

In women's apparel, Sears wants its managers to improve gross profits this year by 9%, confidential internal documents show. And in men's and children's apparel, gross profit targets have been set at nearly 10%.

"There's an affordability question here that I can't broad-brush," says Vern L. Page, until recently VP-women's apparel and the man behind the Visual Merchandizing Laboratory. Last month, Mr. Page, 57, was named to the new position of VP-catalog merchandising.

Strides made in merchandise

"The [store's] physical environment is significant," he said. "But 10 times as significant are the strides we've made in the merchandise focus. And the goods are in the stores today."

Indeed, the goods being tested in the lab are stylish, though their tastefulness easily could pale in a run-of-the-mill setting.

In the past year, Sears has taken other significant strides to update the look of its clothing.

Most notable is the much-touted agreement with McDonald's Corp. to market a line of McKids children's clothes.

The apparel creates a strong presence in Sears' better stores, where bright kiosks composed of McDonaldland characters and videogames draw kids' attention to the merchandise. Sears hopes to sell $175 million of the goods this year, according to the internal documents.

"McKids is very successful," says a competing clothing retailer in Atlanta who asked not to be named. "McKids represents the kind of thing Sears can do that no one else can do."

Indeed, few retailers have sufficient distribution, finances and public acceptance to strike such a far-reaching marketing alliance with the world's most popular fast-food chain.

Yet even Sears may not have what it takes to harvest the potential of McKids.

McDonald's, hesitant to license its name to any outside company, is holding up approval of a national rollout of free standing McKids stores. Also, the two companies have yet to decide how to split profits from sales of the clothing in those stores.

Says Jack M. Greenberg, McDonald's exec VP-chief financial officer: "We have given permission for nothing beyond what Sears is doing right now."

Sears is gradually remaking its big catalog—Page 26

Another effort to crank up the apparel business rests on the major restructuring of Sears' buying organization, announced last March. Mr. Bozic wants to slash the bloated staff by as much as 50% to reduce the dozens of layers of bureaucrats through which purchase decisions now percolate.

"The fact is the buyers are underworked," says one recently departed senior merchant who requested anonymity.

Sears today has 25 buying departments—down from more than 40 a decade ago—each with a national merchandise manager who oversees senior buyers, buyers and assistant buyers assigned to one of 138 distinct product categories.

Sears once prided itself on the depth of its buying organization; it had merchants who specialized in nothing but men's cotton low-rise briefs. Cost and time constraints are relegating that system to the clearance rack.

"Specialization went too far," says the former buying executive. "These people can buy more than one line. Now, they'll be busy, but they're paid well."

The reorganization, like the redesign of women's apparel, ideally should be in place today. But it isn't likely to be completed any time soon.

Sears' specialty store strategy, launched last year, is testing the concept of buying existing apparel chains and letting them operate under their own names.

The first such test involves Pinstripe Petites, a 25-store chain of working women's boutiques based in Minnesota.

But Sears will need a much larger operation than Pinstripe Petites to significantly affect the bottom line. If one could be had, a chain selling moderate-price men's dress clothing would make an attractive acquisition, since Sears concedes it does poorly in that category.

"It's a possibility," Mr. Bozic says.#

Advertisers harbor island ad skepticism

Despite the leap made by National Car Rental, the center of attention in daily newspaper financial page mostly draws local ad buys

By Ira Teinowitz

The newly created island in the sea of ad placements is showing slow growth as a port of call for national advertisers.

Four months after the Newspaper Advertising Bureau proclaimed island advertising in financial pages as a major new weapon to stem the continuing decline in newspapers' national advertising share, local or regional advertisers appear to be doing the bulk of the island buying.

Aside from National Car Rental—the only national advertiser to make extensive use of the position, with $2 million worth of ads in 21 newspapers in 20 major markets—local or regional car dealers, banks, stockbrokers and even department stores are proving the mainstays of island ad spending. However, some of those advertisers are dealers' groups or offices of national companies, many of which are watching results.

Industry observers say it's too soon to tell whether the island position will remain primarily a local buy or will attract more national advertisers.

"How long did it take cable to get where it is today?" asks James Dunaway, VP-director of information for the bureau, whose Future of Advertising task force developed the recommendation calling for greater use of island advertising. "We are in this for the long range. Media changes aren't something that happen overnight."

In recent years, newspapers have had big problems attracting national advertising. While dollar revenues have increased, newspapers' share of national advertising shrank from 16% in 1950 to 11% ten years later, 8% in 1970 and by last year had plummeted to 6%, or $3.6 billion of the $60.6 billion advertising market, according to the newspaper bureau and McCann-Erickson Worldwide estimates.

Seeing the unusual financial pages positioning as a hot property for its upscale cars, Jaguar is using an island ad in selected U.S. markets.

To help bolster that figure, the bureau generated support for island advertising adoption among the nation's daily newspapers. In March, it announced that more than 215 newspapers had agreed to break longstanding tradition against selling island ads by offering the ad space surrounded on all sides by stock listings, with the one-quarter or one-third page ad guaranteed to be the only one on the page. At last count, 242 newspapers with a combined circulation of 22 million were offering the space.

More recently, the newspaper group worked out a 13-week national ad campaign for American Express Travelers Cheques.

In the $1 million campaign, 13 major newspapers, including the *Chicago Sun-Times*, *The New York Times* and *The Washington Post*, will run the same ad on either the bottom of Thursday's weather page or the adjacent page.

Jaguar Cars, BMW of North America and Prudential-Bache Securities have used financial page island ads in several markets for local or regional concerns. "We've been using it for some of our dealer group ads," says Barry Wood, senior account exec for Ammirati & Puris, Dallas, which placed ads for BMW's dealer groups in Denver, Houston and Fort Worth. "We like it because our ad is frequently the only advertisement in three or four pages."

Peter Seed, national co-op manager for Jaguar, wouldn't disclose which markets Jaguar

(Continued on Page S-6)

One Rate. No Debate.

No matter how big your ad budget, how small your account, how fat your franchise, or how regional your retail, New Jersey's one-two combination—The Record and The News Tribune—guarantees one low rate for all advertisers whether national, retail, or co-op. This means you're able to reach the only two markets in New Jersey with median household EBI's in the nation's top 10, for just the agency commission over local rates.

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Jonathan Theophilakos, Advertising Director
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AD SAT-ADDRESS
TBRN

Source: ©S&MM Survey of Buying Power, 1987 • National Representative: Sawyer-Ferguson-Walker Co.

Newspaper island ads

'How long did it take cable to get where it is today?' proponents say in defense of the ad position that has yet to entice big advertisers

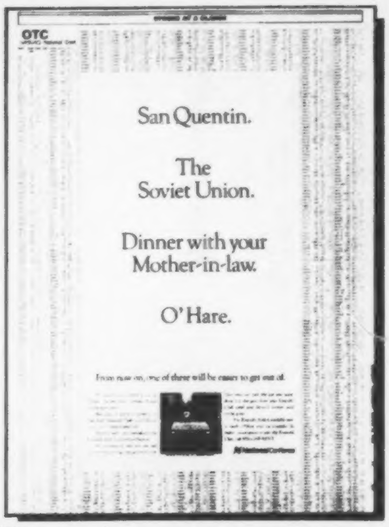
(Continued from Page S-4)

is using but says the company has bought island positions in many of its market areas. "It seemed as though this was a hot property for cars and when it was made available, we jumped on the bandwagon."

Early on, National Car Rental made its commitment to the island position. "We had talked to the Newspaper Advertising Bureau and they had originally talked about double-truck ads," says Bob Zach, VP-media director for Chiat/Day, New York, National's agency. "But we wanted something that was affordable on a continuing basis, not a blockbuster that we couldn't sustain. They came back with the island concept." The FOA's recommendation preceded the bureau's discussions with National, but National's quick interest helped propel newspapers into action.

National had been looking for an innovative way to announce its new Emerald Aisle counterless express rental program at several airports. "It was a perfect fit. Our target was the business market and stocks are certainly a place businessmen look," says Mr. Zach. National ads featuring the Emerald Aisle service broke March 17.

Cindy Hale, VP-marketing for Minneapolis-based National, says the company has been pleased with the results, but doesn't know whether individual rentals resulted from newspaper ads or other advertising. National will drop the ads this summer and resume its schedule in the fall when Emerald Aisle service is expanded to Los Angeles and additional cities.


OTC
San Quentin.
The Soviet Union.
Dinner with your Mother-in-law.
O'Hare.
From now on, one of these will be easier to get out of.

What started out as a double-truck ad turned into an island for National Car Rental.

With no major national advertiser following National Car Rental's enthusiasm, it has been up to individual newspapers to sell the ads. The results have varied considerably.

"It certainly hasn't set the world on fire," says Jerry Ulrich, assistant sales manager for national sales of the *San Jose Mercury-News*. He says the only advertiser that has bought space so far is a financial institution.

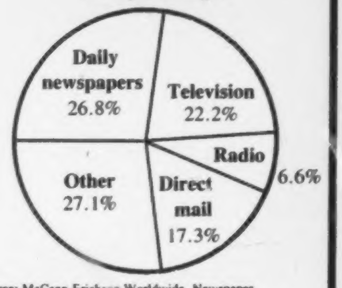
Meanwhile in Dallas, Hartford, Conn., Houston, Los Angeles, Miami and Phoenix, newspapers report sales so heavy they are beginning to look at other possible island sites ranging from additional stock pages to islands on weather, TV, travel or comics pages.

"It's working wonderfully well," says John Naughton, general advertising manager for Phoenix's *The Arizona Republic*, which charges local advertisers a premium of up to 20% above local rates for the page. "We are virtually sold out."

DATA BANK

Newspapers' share of advertising expenditures

1987 percentages



Source: McCann-Erickson Worldwide, Newspaper Advertising Bureau

Jim Currow, director of advertising for *The Miami Herald*, says the paper has sold ads to Florida Power & Light Co., Prudential-Bache Securities and Value Line. It also has had some interest from local banks, although local advertisers have to pay national rates—a 100% premium in Miami—for the page.

At the *Los Angeles Times*, Home Federal Savings & Loan Assn. and Nordstrom Inc. have joined National Car Rental in buying island ads with long-term commitments.

Bill A. Williams, assistant to *The Hartford Courant* Editor and Publisher Michael J. Davies, has been tracking the ads' success since Mr. Davies headed the NAB's Future of Advertising committee. "We've had no negative reaction and have picked up a couple of advertisers," Mr. Williams says.

Newspapers had expressed some concern the ads might generate reader complaints. But those that have run the island ads report surprisingly little reaction from readers.

"We had three or four calls the first week and didn't have any the second," says Jack Loftus, editor of the *Houston Chronicle*. "We've had 300 calls or letters for dropping a comic strip. I have to assume the readers totally accepted this."

The lack of complaints and the prospect of additional revenues have prompted several major newspapers to join the program since its inception, among them, *Newsday* and the *New York Post*. *The Record* of Hackensack, N.J., also began accepting the ads when it shifted to a.m. publication in May.

The *Chicago Tribune*, *The New York Times*, and *The Wall Street Journal* however, have refused the ads.

Nancy Nielsen, director of corporate relations and public affairs for the *Times*, says the paper views the ads as disruptive to readers and possibly not serving advertisers well. The *Times*, however, did create an alternative position under the stock tables.

At *The Wall Street Journal*, Charles Stabler, deputy director of corporate relations for Dow Jones Co., the paper's owner, says, "For years we have tried to make *The Wall Street Journal* a comfortable place for readers and advertisers. That means we don't accept sensational layouts or things that would be distracting. [Island ads] wouldn't fit the kind of atmosphere we want." ■

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The average annual food expenditure of Diario reader households is $4,609. With plenty of discretionary income for liquor, cars, travel and other products and services.

The wealthiest part of an 8-billion-dollar market. Of all the Spanish-language media in the Miami Hispanic Market, Diario Las Américas is the one that reaches the heart and soul, the movers, the shakers and opinion makers of its 8-billion-dollar market.

For additional information call Enrique J. Pérez, Advertising Director, at (305) 633-3341.

Diario Las Américas

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Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street, Miami, Florida 33142-5193

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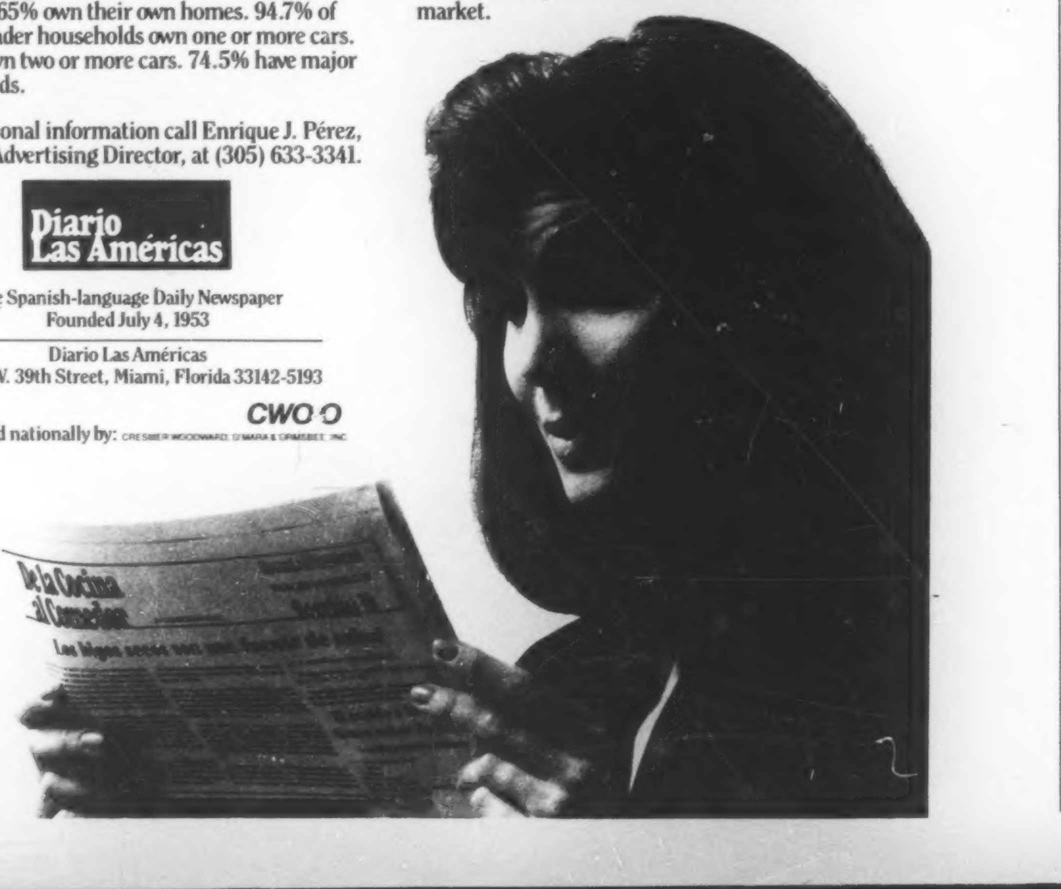
Represented nationally by: CRESMER WOODWARD O'MARA & ORMSBEE INC


De la Cocina al Comedor

cludes local sports scores, an arts calendar, concert line, running events, and an activity guide for senior citizens.

Mr. Haring says some of Cityline's early advertisers dropped the service because "They didn't know how to use it. And frankly neither did we," He says a few of them ran the same commercials for months, as they would for radio, "but when people call every day, commercials wear out in a hurry." Advertisers now are advised to change their messages frequently.

One current Cityline advertiser, the Tulsa City-County Health Department, is using the system to disseminate information about AIDS. Glenn Burnett, chief of the department's Health Information and Education division, says sponsorship of the AIDS hotline costs $150 a month and generates about 300 calls a week.

"We consider that a very good investment," he says. The department produces a new 90-second message each week, which answers common questions about AIDS and invites callers to contact the department with questions.

Kyle Getz, communications services manager of *The Seattle Times*, says InfoLine has only a handful of ad sponsors, but he expects activity to pick up now that the company has added a staffer to manage and sell ads for the service.

He says InfoLine should benefit from having its own ad rep because it requires "more aggressive tactics" than newspaper ad sales. "It's a different concept. It can't necessarily be sold on a cost-per-thousand basis," he says, "but it reaches some highly targeted audiences—and the medium does deliver."

Ms. Farley says the phone system can cost from $35,000 to $200,000 to install, and estimates that most newspapers spend $3,000 to $5,000 per month on programming and staffing. She says that ad rates, which vary according to market, probably range from a low of $100 per month on low-usage lines to as high as $3,000 for the most popular ones.

Most observers agree the *Gazette* represents one of the industry's best success stories. The *Gazette's* Cityline has about 30 advertisers currently in the sponsorship lineup, including a pro shop for the golf category, theaters for the movie guide, banks and brokers for StockQuote, travel agencies sponsoring travel reports, and an Amoco station advertising on the race track report.

The paper has a separate sales rep to sell the service, and it produces ads without charge to encourage advertisers to keep their copy fresh.

Mr. Larson says user support still outpaces ad support, "but it's a new industry, and part of the challenge is shaking the dollars loose so people can test this. It takes time to win acceptance." He hopes the *Gazette's* Cityline, which debuted in April 1987, will break even within its first two years.

While most newspaper officials would like their call-in services to generate enough ad revenues to be profitable, they say the system has other benefits.

For example, it serves as an on-going tool for self-promotion, it can be used to conduct call-in surveys, and it helps cut down on the volume of extraneous calls to the news room.

These newspapers are operating call-in information systems similar to those in Cedar Rapids, Seattle and Tulsa: *The Baltimore Sun*; *Daily Camera* of Boulder, Colo.; *The News Times* of Danbury, Conn.; *The Joplin* (Mo.) *Globe*; *Midland* (Texas) *Reporter-Telegram*; *The Providence* (R.I.) *Journal-Bulletin*; and *The Oakland Press* of Pontiac, Mich. ■

Largest U.S. newspaper companies

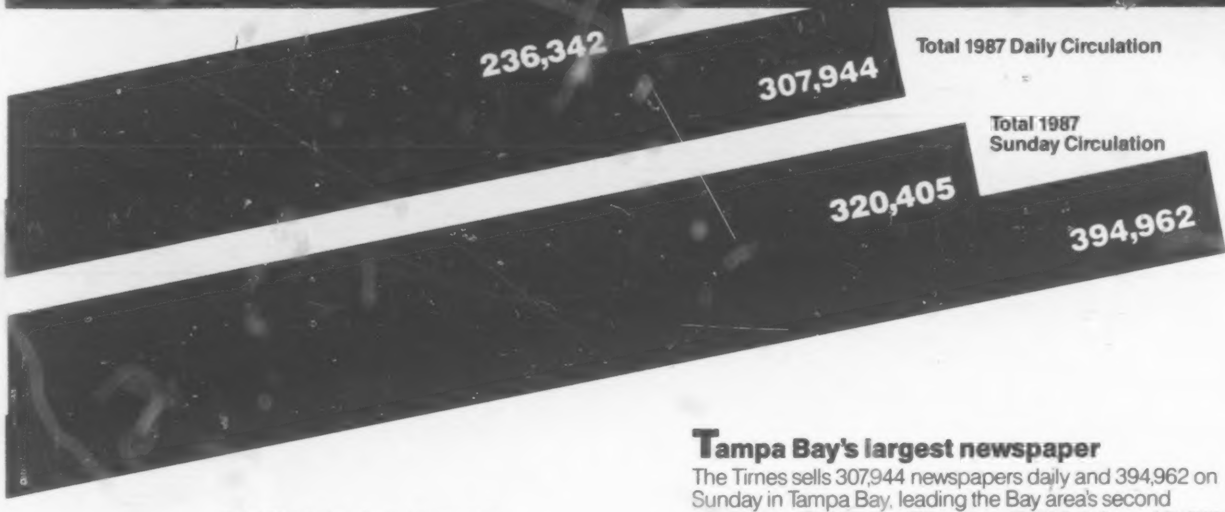
(ranked by circulation)

	Daily circulation*	Number of dailies	Sunday circulation*	Number of Sunday editions
1. Gannett Co.	6,029,745	89	5,673,718	65
2. Knight-Ridder	3,840,387	31	4,643,057	25
3. Newhouse Newspapers	3,018,247	26	3,775,683	21
4. Tribune Co.	2,706,970	9	3,552,635	7
5. Times Mirror Co.	2,566,586	8	3,081,478	7
6. Dow Jones & Co.	2,536,377	24	418,297	11
7. The New York Times Co.	1,821,089	27	2,370,587	17
8. Thomson Newspapers (USA)	1,725,977	102	1,303,244	52
9. Scripps Howard	1,598,375	22	1,708,427	11
10. Hearst Newspapers	1,441,031	15	2,509,392	11
11. MediaNews Group	1,394,620	27	1,556,817	19
12. Cox Enterprises	1,274,973	20	1,569,465	16
13. News America Publishing	1,193,595	3	489,792	2
14. Ingersoll Newspapers	1,077,369	37	922,756	22
15. Capital Cities/ABC	944,832	9	908,387	5
16. Freedom Newspapers	926,261	29	934,509	20
17. Chronicle Publishing Co.	894,033	8	772,110	2
18. Central Newspapers	817,179	7	940,048	4
19. The Washington Post Co.	815,947	2	1,156,415	2
20. Donrey Media Group	753,856	55	746,510	49

Source: Morton Research, Lynch, Jones & Ryan; Audit Bureau of Circulations

*Average for six months ended Sept. 30, 1987

TO REACH TAMPA BAY, YOU NEED TO BUY...



Tampa Bay's largest newspaper
The Times sells 307,944 newspapers daily and 394,962 on Sunday in Tampa Bay, leading the Bay area's second newspaper, The Tampa Tribune, by 71,602 daily and 74,557 on Sunday.

Tampa Bay's fastest-growing newspaper
The Times continues to gain more new readers every year than any other Bay area newspaper. In 1987, the Times gained 22,395 new daily subscribers and 21,932 new Sunday subscribers. More new readers choose Tampa Bay's only Pulitzer Prize-winning newspaper — the St. Petersburg Times.

Tampa Bay's metro newspaper
In the 4-county Tampa Bay metro area (Pinellas, Hillsborough, Pasco and Hernando counties), the Times' daily circulation is 295,627, leading the Tribune's 188,112 by 57 percent. On Sunday, the Times' metro circulation is 375,788, leading the Tribune's 258,056 by 45 percent. And 99 percent of the Times' growth is in the 4-county metro area. Almost half of the Tribune's daily gain (44 percent) is in 26 counties outside the metro area.

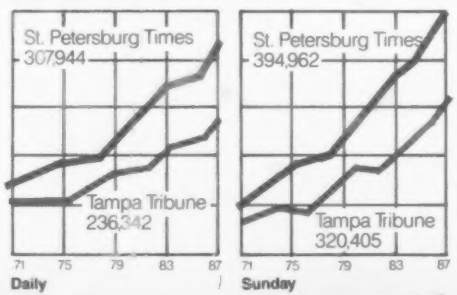
As our numbers grow, so can yours.

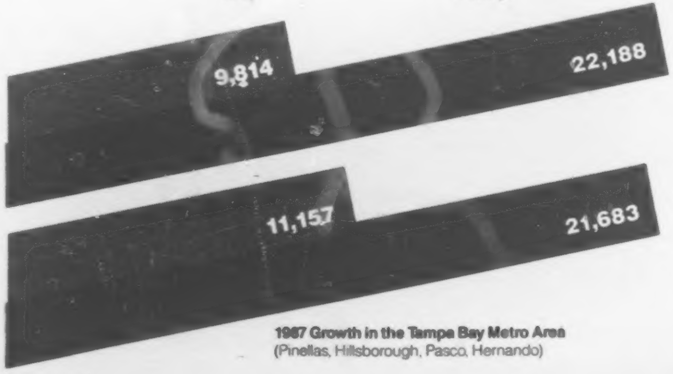
Source: ABC reports 12 months ending 12/31/86 and 12/31/87
Represented by CWO&O, 212/750-4040
Call General Advertising at 813/893-8249

St. Petersburg Times

Tampa Bay's Largest Newspaper

Total Circulation Growth 1971-1987





1987 Growth in the Tampa Bay Metro Area
(Pinellas, Hillsborough, Pasco, Hernando)

June consumer magazine ad linage

	Current month		Year-to-date	
	1988	1987	1988	1987
Auto/cycle/rec. vehicles				
ATV Sports	34.3	45.2	184.4	256.3
Autoweek (52X)	173.8	206.9	1,005.5	897.4
Car & Driver	122.9	105.1	641.6	564.4
Car Collector & Car Classics	11.5	15.7	98.0	104.5
Car Craft	118.0	102.8	514.2	516.1
Circle Track	81.7	80.2	509.5	455.2
Cycle World	60.7	58.2	311.9	353.1
Dirt Rider	47.5	40.1	244.1	218.4
Dune Buggies & Hot VWs	81.5	83.0	443.7	453.0
Family Motor Coaching	172.7	142.1	1,045.0	922.4
4 Wheel & Off-Road	94.5	97.6	505.9	507.7
Four Wheeler	106.0	99.0	532.0	517.0
Hot Rod	92.8	87.4	571.8	465.0
Motorcyclist	53.0	49.3	305.2	304.4
Motor Trend	93.7	105.5	528.5	504.7
Motorhome	99.6	93.7	537.2	507.9
Rider	41.8	53.5	255.5	285.4
Road & Track	102.0	151.2	646.7	633.7
Trailblazer	52.4	57.3	312.7	276.3
Trailer Life	100.3	110.9	565.4	628.1
Total Group	**1,740.6**	**1,784.6**	**9,758.8**	**9,371.0**
% change	**-2.5%**		**4.1%**	
Boating & yachting				
Boating	132.3	128.2	1,055.0	982.6
Chesapeake Bay	58.4	54.5	300.6	271.8
Cruising World	99.8	99.2	696.4	693.9
Lakeland Boating (11X)	83.5	73.2	529.4	459.4
Motor Boating & Sailing	147.5	145.5	1,042.2	1,068.6
Sail	105.0	98.7	648.0	691.1
Small Boat Journal(6X)	—	—	157.9	183.4
Trailer Boats(11X)	63.7	61.9	457.9	389.5
Western Boatman(6X)	—	—	165.5	122.5
Yachting	128.0	120.2	893.0	879.1
Total Group	**818.3**	**781.5**	**5,945.8**	**5,742.0**
% change	**4.7%**		**3.5%**	
Civic/fraternal				
American Legion	21.4	30.1	199.6	192.3
Elks (10X)	15.7	15.9	103.3	121.8
Kiwanis	15.7	17.1	82.6	107.1
Lion (10X)	6.3	7.5	38.1	49.2
Rotarian	12.3	13.7	91.8	90.4
V.F.W. (11X)	20.8	29.6	174.6	193.5
Total Group	**92.2**	**113.9**	**690.0**	**754.3**
% change	**-19.1%**		**-8.5%**	
General				
American Health (10X)	56.3	65.0	357.0	358.9
American Heritage (8X)	—	—	141.2	113.0
American West (6X)	28.3	44.9	108.9	117.3
The Atlantic A.	33.2	20.3	281.5	206.4
Bon Appetit A.	—	—	—	—
Cable Guide	—	—	—	—
Changing Times	59.3	59.5	364.9	390.4
Conde Nast's Traveler	53.7	—	305.8	—
Connoisseur	—	—	—	—
Consumers Digest (6X)	—	—	68.0	75.3
Ebony	115.2	107.5	624.2	552.7
Fifty Plus	26.4	34.0	192.4	252.0
Food & Wine	53.7	58.1	321.0	324.5
Games (6X)	12.9	15.3	47.9	49.5
Golden Years	21.7	26.5	221.4	166.4
Gourmet	99.3	94.8	608.2	586.8
Harper's Magazine A.	27.3	22.2	197.9	183.8
Harrowsmith (6X)	—	—	176.0	145.6
Let's Live	47.0	46.0	310.0	277.0
Life	49.3	35.2	304.0	267.8
Mature Outlook	—	—	—	—
Modern Maturity (6X)	29.8	45.9	104.7	142.7
Money	108.9	131.1	704.4	770.4
Money Maker	9.8	7.8	25.2	18.8
Mother Jones (9X)	—	—	—	—
National Geographic	25.4	23.5	152.7	123.0
National Geographic Traveler (4X)	40.8	41.7	83.8	86.0
Natural History	32.2	23.6	231.1	204.2
Prevention	48.0	57.6	342.6	379.8
Psychology Today	28.9	25.9	177.1	182.2
Reader's Digest A.	100.5	88.8	649.3	579.4
Saturday Evening Post (9X)	—	—	150.5	169.4
Smithsonian	81.9	74.1	540.4	477.6
Sylvia Porters Personal Finance (10X)	32.8	43.0	197.6	251.2
Town & Country	99.7	107.0	753.0	682.8
Travel-Holiday	48.9	41.3	343.9	346.2
Travel & Leisure	104.5	94.2	681.9	603.4
Vanity Fair	82.6	44.5	491.1	317.3
Writer's Digest	40.0	36.6	186.3	172.2
Yankee	64.2	60.8	467.3	469.9
Total Group	**1,662.3**	**1,576.7**	**10,913.1**	**10,043.8**
% change	**5.4%**		**8.7%**	
Home				
Americana (6X)	14.3	17.4	51.8	69.2
Architectural Digest A.	148.3	157.4	895.3	749.7
Better Homes & Gardens	113.8	101.0	690.4	660.4
Colonial Homes (6X)	68.3	75.7	178.2	188.7
Columbus Monthly-Homes (4X)	—	—	79.5	52.4
Country Home (6X)	—	—	155.6	149.3
Country Living	85.5	81.4	527.5	519.3
Family Handyman (10X) A.	—	—	268.1	277.5
Florida Home & Garden	63.7	32.8	346.4	217.2
Flower & Garden (6X)	43.1	34.7	145.0	139.1
Home	55.2	39.5	359.8	318.0
Home Mechanics	53.2	56.6	331.3	355.6
The Homeowner (10X)	25.2	22.3	180.6	179.6
Horticulture	38.4	34.1	270.5	242.6
House Beautiful	60.8	75.2	409.8	427.1
House & Garden	98.7	108.7	563.3	563.3
Metropolis	49.6	52.3	321.3	308.8
Metropolitan Home	71.5	61.0	524.3	397.7
1,001 Home Ideas	48.5	40.0	335.2	305.8
Organic Gardening	30.8	38.9	313.5	338.7
Phoenix Home/Garden	60.5	59.2	458.8	433.8
Practical Homeowner	—	—	229.3	236.3
San Diego Home/Garden	75.3	62.5	451.3	414.6
Southern Accents (6X)	—	—	354.1	288.8
Southern Living	131.2	111.0	788.8	740.9
Sunset Magazine A.	118.2	138.8	780.9	748.2
Workbench (6X)	—	—	128.3	145.9
Total Group	**1,454.1**	**1,400.4**	**10,140.9**	**9,468.5**
% change	**3.8%**		**7.1%**	
In-flight & other passenger				
Aboaru Group (7X)	—	—	93.6	76.1
Alaska Airlines	54.4	55.7	333.8	330.1
America West Airlines	57.3	49.0	382.1	261.7
American Way (24X)	132.9	105.7	790.9	581.1
East/West Network:				
Continental	32.3	—	273.1	—
Eastern Review	39.8	47.8	323.7	432.4
Northwest	31.6	42.7	235.1	261.5
Pan Am Clipper	43.8	43.3	260.2	251.4
Spirit	58.3	58.0	368.2	348.7
TWA Ambassador	42.5	48.5	278.7	288.8
Vis 'A Vis	61.9	52.0	322.5	345.0
Halsey Publication:				
Delta Sky	76.3	75.7	485.5	465.7
Pace Communications:				
Piedmont Airlines	92.7	85.8	558.5	518.3
US Air	55.0	41.5	381.8	270.0
Spirit of Aloha (6X)	20.6	28.6	123.0	186.0
Total Group	**799.4**	**734.2**	**5,210.8**	**4,616.9**
% change	**8.9%**		**12.9%**	
Men's				
Esquire A.	126.5	118.2	555.3	533.2
Firehouse Magazine	46.0	69.5	248.3	264.8
Gentlemen's Quarterly A.	147.0	137.3	914.2	805.8
M Magazine	61.5	50.9	405.6	386.1
Muscle & Fitness	125.8	127.5	724.9	722.5
Penthouse A.	44.6	45.1	262.5	247.4
Playboy A.	59.4	45.5	308.1	314.0
Salute (10X)	28.6	23.7	135.6	101.1
Total Group	**639.4**	**617.6**	**3,554.4**	**3,374.8**
% change	**3.5%**		**5.3%**	
Metropolitan				
Aloha (6X)	25.2	30.5	79.6	86.9
Atlanta	62.2	61.3	391.3	346.5
Baltimore	66.5	60.6	401.1	417.2
Boston	155.9	157.0	875.6	898.1
California	64.3	61.8	378.4	350.2
Chicago	109.9	128.2	616.3	622.5
Chicago's North Shore	79.3	77.8	610.7	558.4
Cincinnati	37.1	55.9	272.9	326.6
Cleveland	61.1	49.9	353.6	412.0
Coast (39X)	245.0	269.4	1,033.2	1,202.7
Columbus Monthly	69.8	66.2	414.3	380.0
Connecticut	107.8	102.9	619.3	596.6
D/Magazine	73.7	131.5	515.5	673.9
Denver	36.0	40.7	213.7	202.2
Detroit Monthly	78.2	80.8	476.5	362.5
Grand Rapids	27.3	32.0	207.8	210.7
Gulfshore Life (10X)	77.0	63.0	529.0	491.0
Honolulu	42.9	46.9	335.9	335.2
Houston Metropolitan Mag.	59.3	79.1	375.9	433.9
Louisiana Life	—	—	98.6	101.2
Madison	44.0	85.0	204.0	486.0
Memphis	72.7	67.0	457.0	439.0
Mid Atlantic Country	37.0	28.2	192.7	219.3
Milwaukee	37.8	59.0	359.4	400.1
Minneapolis/St. Paul	104.4	127.5	592.8	625.0
Nashville	41.0	57.0	272.0	286.0
New England Monthly	48.3	62.7	286.1	274.1
New Jersey Monthly	109.3	95.1	592.0	517.1
New Mexico	34.2	30.0	226.5	171.0
Ohio	67.8	75.0	331.1	354.0
Oregon (6X)	—	—	—	—
Orlando	82.0	84.2	522.3	542.0
Palm Beach Life	27.1	25.6	417.8	442.9
Palm Springs Life	60.0	51.5	709.5	677.2
Philadelphia	137.9	131.1	845.4	804.2
Phoenix	53.3	54.6	350.0	413.8
Pittsburgh	110.0	114.0	445.7	424.4
St. Louis	30.2	49.8	296.8	325.0
San Diego	135.9	123.3	1,031.2	936.5
San Francisco Focus	116.9	79.3	562.9	554.7
South Florida Magazine	76.9	60.3	537.1	325.7
Texas Monthly	91.4	107.0	555.5	574.5
Twin Cities	98.8	94.3	439.7	387.6
The Virginian (6X)	—	—	179.8	174.6
Washington (7X)	—	—	215.7	181.0
The Washingtonian	134.0	132.0	908.1	886.3
Total Group	**3,229.0**	**3,388.9**	**20,329.9**	**20,432.0**
% change	**-4.7%**		**-0.5%**	
Music/entertainment				
Audio	99.4	97.5	507.6	489.1
Dance Magazine	42.9	104.5	350.3	404.4
Playbill	46.2	40.3	301.8	264.2
Stereo Review	—	—	—	—
Video Magazine	—	—	—	—
Total Group	**188.5**	**242.2**	**1,159.7**	**1,157.7**
% change	**-22.2%**		**0.2%**	
Outdoor & sport				
Alaska	30.7	29.5	222.1	223.1
The American Handgunner (6X)	—	—	148.0	127.0
American Hunter	18.5	12.4	123.7	101.5
American Rifleman	18.0	19.4	137.6	140.7
Bass Master (10X) A.	51.2	70.2	534.3	466.8
Bicycling (9X)	152.6	119.9	671.7	539.5
Ducks Unlimited (6X)	—	—	67.6	71.6
Field & Stream	—	—	—	—
Fins & Feathers A.	—	—	116.1	210.9
Fishing World (6X)	—	—	152.5	149.5
Florida Sportsman	107.8	103.1	868.5	818.8
Golf Digest	148.2	143.0	739.5	693.0
Golf Magazine	92.5	100.4	687.3	550.3
Gun Dog (6X)	—	—	99.7	89.6
Guns	31.0	34.0	203.0	170.0
Guns & Ammo	45.2	40.2	271.4	258.3
In-Fisherman (6X)	—	—	—	—
Outdoor Life	64.5	59.2	503.5	489.7
Outside Magazine	67.7	58.8	361.0	317.6
Petersen's Hunting	38.5	49.0	263.2	264.7
Runner's World (12X)	34.8	29.2	208.7	228.9
Salt Water Sportsman	95.1	93.0	783.7	710.8
Sierra (6X)	—	—	130.7	116.7
Shooting Times	34.8	32.2	218.8	202.0
Ski (8X) A.	—	—	293.4	252.2
Skiing (7X) A.	—	—	263.1	1,006.7
Skin Diver	133.5	134.7	700.2	638.2
Southern Outdoors (9X)	—	—	343.8	266.1
Southern Saltwater(8X)	—	30.6	208.9	173.8
Sport	—	—	—	—
Sports Afield	57.7	64.1	491.9	568.3
Tennis	94.9	84.5	479.1	426.4
Waterski (8X)	70.5	64.0	374.5	267.3
Western Outdoors (10X)	23.0	29.3	287.6	280.3
Wildfowl (6X)	14.2	12.9	43.7	29.6
WindRider	56.8	55.5	221.1	169.5
Wing & Shot (6X)	—	—	41.2	31.0
World Tennis	42.1	47.8	343.0	176.6
Total Group	**1,523.8**	**1,516.9**	**11,604.0**	**11,227.0**
% change	**0.5%**		**3.4%**	
Photography				
American Photographer	31.2	36.7	176.7	209.5
Petersen's Photographic	22.2	33.1	148.3	167.7
Popular Photography	72.2	74.2	476.8	399.6
Total Group	**125.5**	**143.9**	**801.8**	**776.8**
% change	**-12.8%**		**3.2%**	
Science/electronic/mech				
Discover	33.7	49.2	219.8	275.3
Family & Home Office Computing	38.1	39.4	257.7	267.2
Omni	63.6	62.6	363.6	348.9
Personal Computing	180.0	163.7	1,304.4	880.2
Popular Mechanics	76.5	78.4	509.1	549.2
Popular Science	70.0	64.5	432.6	434.8
Scientific American	40.8	57.7	231.2	263.3
Spectrum	54.3	58.7	367.3	394.3
Total Group	**556.9**	**574.1**	**3,685.7**	**3,413.1**
% change	**-3.0%**		**8.0%**	
Woman/fashion/service				
Beauty Digest (6X)	22.6	11.0	59.3	27.6
Bride's Magazine (6X) A.	429.0	362.4	1,504.5	1,272.3
Cosmopolitan A.	227.0	198.1	1,185.4	1,208.4
Elle Magazine	127.3	112.3	1,012.9	919.1
Essence	75.3	79.3	444.2	460.6
Family Circle (17X) A.	182.4	168.8	872.4	733.7
Glamour	166.5	140.5	1,011.5	1,087.7
Good Housekeeping A.	117.2	121.6	745.4	824.5
Harper's Bazaar	65.7	66.4	634.4	728.7
Health	37.3	53.1	235.3	271.9
Ladies' Home Journal	110.3	89.6	638.1	593.4
Mademoiselle	142.6	108.3	848.5	862.2
McCall's	76.0	83.7	459.2	551.5
Military Lifestyle	29.1	48.3	288.3	273.6
Modern Bride (6X)	300.8	291.6	1,153.6	1,109.0
Ms.	31.2	35.1	186.8	212.6
New Woman	95.5	87.6	525.4	497.0
Parents Magazine A.	111.3	92.6	615.9	613.1
Redbook	91.2	89.7	584.5	577.6
Savvy	42.0	31.2	260.9	214.3
Self	95.3	95.4	614.1	599.3
Seventeen	94.1	86.2	663.3	683.0
Shape	80.4	70.5	427.4	427.4
Soap Opera Digest (26X)	23.2	30.2	142.7	124.2
Soap Opera Update	5.5	—	61.5	—
Teen Magazine	48.6	61.8	296.4	324.9
True Story A.	45.2	44.4	270.9	282.7
Vogue	170.2	132.4	1,453.4	1,428.4
W Magazine	—	—	647.1	644.0
Weight Watchers	23.0	32.0	204.8	191.9
Woman (10X)	—	—	—	—
Woman's Day (15X) A.	98.9	191.3	768.9	772.3
Women's Sports & Fitness	—	—	—	—
Workbasket	20.4	30.0	151.7	190.4
Working Mother	64.3	73.2	360.0	399.6
Working Woman	117.9	93.7	575.8	584.6
Total Group	**3,367.0**	**3,212.1**	**19,904.5**	**19,691.4**
% change	**4.8%**		**1.1%**	
Youth				
Boys' Life	12.3	16.2	97.8	90.4
Campus Life (10X)	29.0	32.3	219.8	214.3
Total Group	**41.3**	**48.5**	**317.6**	**304.7**
% change	**-14.9%**		**4.2%**	
Business/national				
Barron's	207.9	251.8	1,143.4	1,335.6
Black Enterprise	224.8	215.0	559.7	481.3
Business Week (52X) A.	335.3	430.5	2,070.7	2,126.6
Business Month	46.2	26.5	225.5	167.2
Financial World (26X)	60.4	73.1	360.1	381.6
Forbes (26X)	252.6	318.4	1,562.8	1,552.4
Fortune (26X)	286.6	272.1	1,435.9	1,370.6
Frequent Flyer	45.6	66.7	304.2	341.4
Futures	59.5	49.4	347.2	297.0
Inc. Magazine	98.5	112.6	518.8	549.5
Income Opportunities	84.1	71.9	480.8	411.9
Industry Week (25X) A.	97.8	94.5	483.7	463.7
Nation's Business (12X) A.	25.5	33.9	213.3	178.1
Venture	56.6	64.4	319.2	383.4
Total Group	**1,861.3**	**2,080.8**	**10,025.3**	**10,040.2**
% change	**-9.0%**		**-0.1%**	
Business/regional				
Advantage-Nashville's Bus. Mo.	49.0	57.0	340.0	317.0
Arizona Bus. Gazette (52X)	86.8	100.0	427.3	433.5
Baltimore Bus. Jrnl.	67.4	97.7	489.8	484.3
Boston Bus. Jrnl. (52X)	123.7	155.6	789.5	766.5
Bus. First of Buffalo	87.0	61.9	408.3	300.7
Bus. First of Columbus	88.2	114.2	511.7	509.5
Bus. Jrnl.-Milwaukee	127.2	167.9	798.3	717.9
Bus. Jrnl.-Sacramento	50.0	68.2	442.4	362.0
Bus. North Carolina	53.3	62.5	252.0	263.7
Capital Dist. Bus. Review (52X)	114.3	104.8	517.5	399.8
Caribbean Business	197.0	163.0	795.0	804.0
Cincinnati Bus. Courier	—	—	—	—
Corporate Rpt. Kansas City	20.7	25.1	112.2	123.6
Corporate Rpt. Minnesota	103.0	89.0	447.0	446.0
Crain's Chicago Bus. (52X)	169.0	155.0	902.2	873.0
Crain's Cleveland Bus. (52X)	61.4	69.6	399.1	358.1
Crain's Detroit Bus. (52X)	86.9	82.9	471.1	445.4
Crain's New York Bus. (52X)	49.0	59.0	308.0	220.0
Florida Trend (13X)	70.1	61.1	418.9	493.7
Georgia Trend	37.0	49.2	331.1	404.5
Grand Rapids Bus. Jrnl.	53.8	45.7	309.1	259.1
Hawaii Business	45.5	52.2	242.0	261.5
Houston Bus. Jrnl. (52X)	71.0	76.0	471.0	250.0
Indianapolis Bus. Jrnl. (52X)	154.5	139.3	849.2	802.7
Kansas City Bus. Jrnl.	55.6	86.5	417.9	545.8
Manhattan Inc.	76.6	76.0	378.6	448.6
New England Bus. (20X) A.	69.0	103.8	343.1	417.0
New Orleans City Bus.	41.3	48.5	287.3	305.4
Pacific Bus. News (52X)	108.3	132.2	617.5	681.7
Philadelphia Bus. Jrnl.(52X)	—	—	—	—
Pittsburgh Bus. Times (52X)	104.3	117.6	598.6	712.0
Providence Bus. News	80.7	91.0	491.6	366.5
Regardie's/Washington	143.0	134.0	880.0	843.0
San Diego Bus. Jrnl. (52X)	—	—	—	—
San Jose Bus. Jrnl.	160.0	—	501.9	—
South Florida Bus. Jrnl.	54.9	142.2	413.2	599.6
St. Louis Bus. Jrnl. (52X)	106.6	134.4	678.6	760.1
Texas Business	36.0	33.6	168.1	188.8
Warfield Monthly Baltimore	102.8	59.3	436.7	388.3
Total Group	**3,105.2**	**3,235.9**	**17,245.7**	**16,553.1**
% change	**-4.0%**		**4.2%**	
National Sunday mags				
Parade (52X)	52.2	40.4	323.2	290.6
USA Weekend (52X)	45.8	31.3	291.8	238.8
Vista Magazine	15.3	12.9	94.5	64.9
Total Group	**113.3**	**84.6**	**709.5**	**594.3**
% change	**33.9%**		**19.4%**	
Newspaper Sunday magazine				
Boston Globe	156.9	198.9	1,153.8	1,226.2
Chicago Tribune	113.2	99.6	639.2	644.7
Cleveland Plain Dealer	56.7	50.7	396.7	363.0
Columbus Dispatch	59.0	39.9	198.4	233.7
Detroit Free Press	38.9	33.7	312.7	314.2
Detroit News	45.0	74.0	346.0	417.0
L.A. Times	78.5	52.8	450.5	362.8
Louisville Courier-Jrnl.	29.0	42.0	204.0	322.0
New York Times Mag.	270.1	204.8	1,942.7	1,919.6
Philadelphia Inquirer	75.0	71.0	514.8	418.8
Seattle Times	67.0	54.0	398.0	340.0
St. Louis Post Dispatch	62.6	64.3	441.0	447.3
Toledo Blade Magazine	30.2	38.2	200.8	254.2
Washington Post	118.5	121.3	739.7	815.1
Total Group	**1,200.6**	**1,145.2**	**7,938.3**	**8,078.6**
% change	**4.8%**		**-1.7%**	
Weeklies/bi-weeklies				
The Advocate (26X)	148.6	146.8	868.9	813.4
Army Times Military Group:				
Air Force Times (52X)	161.9	169.2	961.2	696.5
Army Times (52X)	149.4	169.2	921.0	961.2
Navy Times (52X)	168.6	182.3	1,056.8	1,056.5
The Blood-Horse (52X)	184.1	174.0	1,774.2	2,118.8
Capper's (26X)	17.4	15.6	138.0	188.7
Commonweal (22X)	8.4	4.9	40.4	36.5
Golf World (43X)	118.3	124.8	708.3	627.5
Grit (52X) A.	22.0	23.4	171.8	177.3
National Journal (50X)	35.0	20.0	429.8	400.5
National Review (25X)	26.0	30.1	212.0	184.7
New Republic (48X)	32.7	58.0	224.6	238.1
New York Magazine (50X)	247.3	270.0	1,508.8	1,498.1
New Yorker	152.1	165.6	1,102.1	1,139.8
Newsweek (52X) A.	173.7	266.4	1,181.3	1,256.6
People (52X)	271.1	267.6	1,717.2	1,659.4
Rolling Stone (25X)	182.1	151.9	885.3	734.0
Sporting News (52X)	36.5	37.1	288.5	302.4
Sports Illustrated (52X) A.	186.1	229.6	1,475.1	1,291.0
Time (52X) A.	180.9	200.6	1,204.4	1,185.4
Travelhost (52X) C.	3,113.0	3,004.0	18,022.0	17,755.0
TV Guide (52X) A.	157.5	184.8	1,738.2	1,784.2
US Magazine (26X)	55.9	33.3	311.5	280.8
U.S. News & World Report (50X) A.	143.1	129.2	891.8	760.6
Total Group	**5,971.7**	**6,058.4**	**37,833.4**	**37,147.0**
% change	**-1.4%**		**1.8%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

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Joseph Antonini is shaking up retailing with his drive to bring K mart upmarket.

K mart's Antonini moves far beyond retail 'junk' image

By PATRICIA STRNAD

TROY, MICH.—When K mart Corp. CEO Joseph Antonini makes a marketing move, it's generally a big one.

His latest is gutting a 150-year-old Connecticut farmhouse owned by Martha Stewart, ad spokeswoman and consultant for K mart's home fashions division, and redecorating it with K mart products for a new ad campaign.

That move—big, bold, unusual—is typical of Mr. Antonini, 47, who's shaking up the retail business with his drive to bring K mart upmarket without forsaking the chain's discount image.

In the new K mart commercials, Ms. Stewart will do much of the renovation herself as well as pick out the decorations and furnishings. She also will endorse K mart merchandise in a multimedia how-to campaign that starts early next year.

"Marketing is so much more important to retailers today than five years ago," said Mr. Antonini, who also serves as president and chairman. "After all, if you're not going to have a program that is more or less consumer-driven, then what do you have? You really have just a bunch of items you're hoping somebody will buy."

For retailers, times have rarely been tougher. Customer loyalty is a thing of the past. Discount stores, specialty stores and hypermarkets are taking the edge away from general department stores, which are beginning to look like anachronisms. No. 1 retailer Sears, Roebuck & Co., for example, is having huge problems generating excitement.

But K mart is coming through this environment stronger than ever, and the credit is going to Mr. Antonini. Although he became chairman, president and ceo only last October, he's widely acknowledged to have played a crucial role as the strategist in boosting K mart sales to $25.6 billion in 1987, up 7.6% from 1986. That puts K mart only $2.5 billion behind Sears.

Most important, Mr. Antonini has helped modify K mart's image. The chain

(Continued on Page 67)

Last Minute News

New Mazda marketing team challenges FCB's future role

IRVINE, CALIF.—A new marketing team at Mazda Motor of America has put Foote, Cone & Belding, the agency handling its $157 million account, on notice.

"I sent the message to our own people as well as our vendors and agency people that the status quo is no good anymore," said George McCabe, Mazda's group VP-deputy general manager, marketing and sales. "It's all tied into the new direction at Mazda."

A recent shake-up at the automaker prompted a sudden top-level change at FCB.

Welton Mansfield, 58, exec VP-general manager of FCB's Santa Ana office, has been stripped of his responsibilities for Mazda's U.S. marketing efforts. Thomas F. Randolph, chairman of FCB's western operation, San Francisco, will take over the Santa Ana office until Mr. Mansfield's successor is hired.

When Mazda merged its U.S. operations on July 1 (AA, June 20), it created an all-new marketing staff with few if any ties to FCB. That team is now led by Mr. McCabe, who previously had been VP-operations for Mazda Motors of America (East). Jan Thompson, who recently joined the company as VP-advertising, came from Toyota's Lexus divi-

(Continued on Page 8)

Miller Lite hunts for new creative

By IRA TEINOWITZ

Miller Brewing Co. President-CEO Leonard Goldstein is re-evaluating one of the nation's largest, longest-running, best-known and best-liked ad campaigns.

Fulfilling his vow to review all aspects of the brewer's operations, Mr. Goldstein has asked to hear fresh creative alternatives to the 15-year-old, $75 million campaign for flagship Miller Lite.

The campaign, handled by Backer Spielvogel Bates, uses former athletes and the tagline "Less filling. Tastes great."

The only agencies asked for their creative suggestions are Miller's current shops: BSB, New York (which also handles Genuine Draft, additional smaller brands and all media buying); J. Walter Thompson USA's New York (High Life) and Chicago (Lowenbrau) offices; and Leo Burnett USA, Chicago (new products, including Lite Genuine Draft now in test).

"This is not an agency review, nor does it mean we are changing our existing award-winning campaign for the Lite brand," said Susan Henderson, a Miller public relations manager. "We simply want to be able to tap into the best thinking at these different firms."

Asked whether Miller would consider switching Lite to JWT or Burnett, Alan Easton, Miller VP-public affairs, would say only "we will cross that bridge when we come to it.

"It ain't broke and it's not tired, but clearly this campaign is 15 years old and nobody in the beer business has ever had a campaign for 15 years," Mr. Easton said. "The challenge of keeping it fresh gets larger and larger

(Continued on Page 66)

Bud Light ad turns off DDB Needham

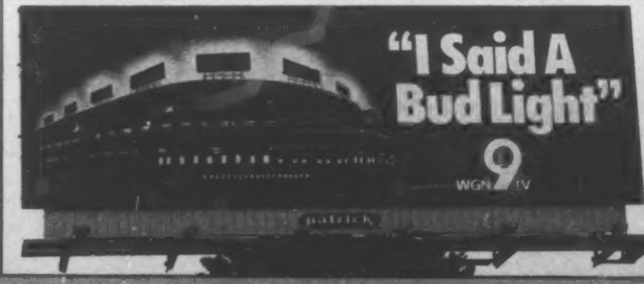
CHICAGO—The lights are up at Wrigley Field, and so's the dander at DDB Needham Worldwide.

Here's why: Two outdoor boards have gone up for the Chicago Cubs' first night game Aug. 8, and they depict a well-lit Wrigley Field and the words "I said a Bud Light."

Another DDB Needham ad, right? Nope. The boards also carry the logo of WGN-TV, the superstation that broadcasts Cubs games and which, like the team, is owned by Tribune Co.

The ads were created by WGN agency Eisaman, Johns & Laws rather than Bud Light agency DDB Needham. The station's joint promotion contract with Cubs sponsor Anheuser-Busch requires it to use the brewer's beers in some ads.

DDB Needham isn't pleased. It created the "I said a Bud Light" theme and campaign but was never consulted before WGN's signs went up. Needham says it "noticed" the outdoor boards but frostily refers all questions about them to A-B or WGN.#



Kellogg pours out more new cereals

By JULIE LIESSE ERICKSON

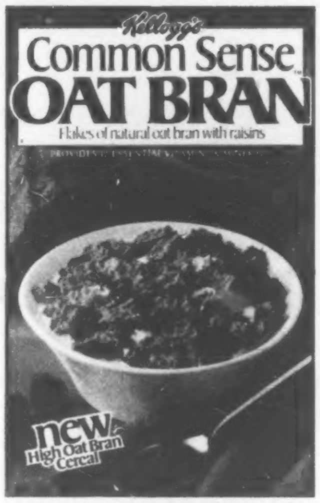
Kellogg Co. will spend $50 million to launch three new cereals this fall, undeterred by drought or retailers' already-bursting shelves.

The introduction of S.W. Graham, Common Sense Oat Bran and Nut & Honey Crunch Biscuits are part of Kellogg's plan to continually exert pressure on its weaker competitors.

That strategy has paid off richly for Kellogg. The cereal company's market share jumped to 41.8% from January through May, up from 41.1% in 1987. Four of its five major competitors—with Quaker Oats Co. the exception—saw market share drop during the same period.

"They think they can hit the 50% share mark—and it's likely they'll do it in the next few years," said Timothy Ramey, industry analyst with County Securities.

"Only General Mills can keep up with Kellogg; they are the only two companies with their livelihood vested in cereals," Mr. Ramey said. "Because of that, General Foods [Corp.], Quaker and Ralston [Purina Co.] never will have the same commitment to spend on new products, nor the determination to make them work."



Kellogg's Common Sense Oat Bran, rolling out this fall, is targeted to health-conscious adults.

With its 1988 new-product total now at six, Kellogg is making good on Chairman William LaMothe's promise to maintain its flow of new entries—despite the national drought affecting grain supplies and prices.

Its three newest cereals are aimed at health-conscious consumers.

- S.W. Graham, made from whole-wheat graham flour, is a biscuit-shaped cereal that comes in regular and honey flavors. It's named after 19th century clergyman and health enthusiast Sylvester W. Graham, inventor of the graham cracker.

Kellogg is telling retail buyers that S.W. Graham will receive heavier marketing support than Mueslix, the European-style premium cereal introduced a year ago with a $33 million campaign.

- Common Sense Oat Bran, available with and without raisins, is positioned to be part of consumers' low-fat, low-cholesterol diets.
- Nut & Honey Crunch Biscuits is an all-family line extension made from whole wheat and nuts.

The introductions are good news for Leo Burnett USA, Chicago, which will handle all three cereals. Separate TV and print campaigns are scheduled for each, with the Nut & Honey Crunch Biscuits effort breaking in September and the other two in October.

Kellogg's decision to blitz com-

(Continued on Page 66)

Lintas, Hakuhodo ponder problems at joint venture

By JULIE SKUR HILL

Lintas:Worldwide and Hakuhodo are taking a second look at their unusual cross-cultural joint venture—Lintas:Hakuhodo.

The joint venture was created in July 1987 to handle Japanese clients in the U.S. and multinationals in Japan. Hakuhodo is the second-largest agency in Japan and last year had billings of $2.8 billion.

The main problem is Lintas:Hakuhodo's slow-growing New York office. Some sources say the office, with about $12 million in billings, is destined to close, but agency President Gerry Miller denied the rumor.

The New York office is largely dependent on JVC Corp., which provides billings of up to $5 million, sources said. The agency had hoped to attract such Japanese clients as NEC Corp. and Canon, but that hasn't happened.

Executives from both parents who oversee the joint venture are assessing the venture's development and may make recommendations for improvements, a source said. The findings will be discussed in September at one of the regular meetings between top executives from both companies, the source added.

Apparently unaffected is the joint venture's Tokyo office, which has $60 million to $70 million in billings, with Unilever a major client.

Sources in the U.S. and Japan blame potential client conflicts with the parent companies for the New York office's difficulty in gaining new business—an all too familiar problem in Japanese-U.S. ventures.

"Because of Lintas' Unilever business, that wipes out [the joint venture's] chance at getting Kao or any Japanese package-goods company," a competitor said. "They probably can't get car business because of [Lintas parent] Interpublic's arrangement with General Motors."

Sources said Hakuhodo officials were surprised at the huge problem stemming from client conflicts.

One source said Lintas and Hakuhodo have many projects in the works and that both agencies are committed to maintaining a relationship. But each project depends on market conditions, the source said.

The New York office's problem is that it hasn't developed a "critical mass," the source said.

Another problem may be differences in outlook between U.S. and Japanese executives. Hakuhodo sees the joint venture as a long-term project, while more bottom-line-minded executives at Interpublic Group of Cos. may want to see results faster.

The good news is that the agencies still may open Lintas:Hakuhodo offices in Los Angeles and London, Mr. Miller said. Details, such as location, are being hammered out in California, while an announcement about a U.K. office is expected in about threemonths.#

U.S. unit to close?

Control of AGB may shift in U.K.

LONDON—AGB Research halted trading on its stock here last week, and sources speculate that control of the company will shift to an outdoor advertising and financial services company, MAI, which could shut down AGB's troubled U.S. unit.

MAI, which initially helped finance AGB's U.S. venture, reportedly is planning to sell to AGB its Mediamark Research unit in the U.S., and in return boost its stake in AGB from 9% to about 30%. Clive Hollick, managing director of MAI, would assume a top executive post at AGB.

These moves are seen as paving the way for a shutdown of the AGB Television Research unit if it's unable to sell its services to the three major U.S. TV networks.

Only CBS took the service last year, and none of the three have yet signed AGB for the next season.

AGB has been fighting with A.C. Nielsen Co. for a foothold in the U.S. TV ratings business. Its latest setback was the resignation of Barry Kaplan, VP-sales and marketing for the U.S. unit (AA, July 18).

In New York, Dave Poltrack, VP-marketing at CBS, said the network likely would decide on a new contract by the end of the month.

He said a link with MAI's Mediamark service would enhance AGB's potential, since it could evolve into a single-source service combining ratings and purchasing data.

ABC said it's still in discussions with AGB. At NBC, Bill Rubens, VP-research, said the network has never wanted two services but that it has "kept the door open a bit."

Analysts here blame AGB Chairman Sir Bernard Audley for taking on Nielsen in a high-risk U.S. situation. However they don't expect him to get into deep trouble since he's on the boards of both AGB and MAI.

Analysts say MAI wants to raise media activities to 50% from the current 30% of its operations. According to its 1987 annual report, MAI bought a 26% share in AGB's U.S. TV unit, investing $6 million.

MAI reported revenues of $478 million for the fiscal year ended June 30, 1987. For the half-year ended Dec. 31, 1987 (the most recent results), saleswere $241.2 million.

New York-based Mediamark is 80% owned by MAI. It operates a syndicated product research service covering advertising exposure and product purchase data.

In additionto AGB Television Research, AGBs U.S. properties include NFO Research, Greenwich, Conn., which operates a national fixed-mail panel.#

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Shift in ad recall

Coke, Sears make waves in top 10

By SCOTT HUME

Results from the June adWatch survey of advertising awareness contain two surprises: Coca-Cola jumped into the lead and Sears, Roebuck & Co. hit the top 10.

Coca-Cola was the best-recalled advertising in the country last month, displacing rival Pepsi-Cola, which had held the No. 1 position for the previous two months.

Top-of-mind awareness of Pepsi-Cola's advertising hardly evaporated, however. It placed a close second in June, the spot Coca-Cola had held in May.

Emblematic of the seesaw battle for supremacy that the two soft-drink brands have waged was Pepsi-Cola's victory when the survey's respondents were asked specifically which soft-drink advertising they recalled first.

In that battle, 40.4% of those polled said Pepsi-Cola's advertising came to mind first, compared with a 26% share of first mentions for Coca-Cola. Those shares were about the same in May.

The June adWatch survey was completed early in the month, before the cola war spotlight shifted to the Mike Tyson/Michael Spinks and Diet Pepsi/Diet Coke fights. Both brands claimed victory after the fight, but if they gained awareness, it wouldn't be evident until the July survey.

Third place among the soft drinks once again went to 7UP, which got 3.9% of first mentions last month.

But more surprising than the continuing tug-of-war for the top between the colas was Sears' appearance as anchor to last month's top 10 in recall.

Sears long has been one of the most visible advertisers, especially in newspapers, yet it had never placed among the best-recalled. What happened?

The answer could be its annual advertising blitz, including heavy TV, before Father's Day (June 19). Of those for whom Sears was the first advertising recalled, more than 70% were men. Those Craftsman tools tumbling over a cliff in Sears' TV commercial made an impact!

Sears' advertising got better recall among men last month than did the California Raisin Advisory Board's figurines. The raisins finished sixth, largely on the strength of heavy recall from women.

The advertising that received the best recall from men was Ford Motor Co.'s "Have you driven a Ford lately?" campaign. It placed No. 3 overall.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that comes to mind first both overall and in specific product categories. Last month, 1,000 adults were polled by phone.

AdWatch survey of advertising awareness Top 10 in June

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 6/88	Rank 5/88	Advertiser	Agency
1	2	Coca-Cola	McCann-Erickson
2	1	Pepsi-Cola	BBDO Worldwide
3	4*	Ford	J. Walter Thompson USA
4	4*	McDonald's	Leo Burnett
5	3	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
6	6	California raisins	Foote, Cone & Belding
7	7	Chevrolet	Lintas:Campbell-Ewald
8	—	Want ads/classified	Various
9	8	Miller	J. Walter Thompson USA/Backer Spielvogel Bates
10	—	Sears	Ogilvy & Mather

* Indicates a tie.

Among other significant changes in the June survey results:

- IBM continues to close in on Apple's once seemingly insurmountable lead in the computer category. Last month, IBM captured 22% of first mentions when respondents were asked which computer advertising they recalled first. Apple remained No. 1 with a 26.7% share.

But only six months earlier, recall of IBM's advertising was fading away. In December, it received 17.8% of first mentions, compared with Apple's 34%.

Since then, IBM has fought back, and one of the agencies vying for its account, currently up for review, will get the task of keeping the comeback on track.

Compaq and Radio Shack tied for No. 3 last month, with each getting 2.3% of first mentions.

- Another account in review is E&J Gallo Winery's. The company may have lost Hal Riney & Partners as its agency, but its Bartles & Jaymes wine cooler continues to capture consumers' attention.

In June, it garnered 14.2% of first mentions in the wine category (up from 10.9% in May), placing it solidly ahead of No. 2 Riunite's 8% share and the 7.6% share taken by advertising for Gallo wines.#

For more information, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Bennigan's cooks up a return to TV

By JENNIFER LAWRENCE

DALLAS—Bennigan's, the top casual-dining restaurant chain in the U.S., is returning to TV advertising with an estimated $15 million campaign after a 2½-year absence.

Bennigan's also will open 50 new restaurants in the next five years, concentrating on the Northeast.

These moves come in the wake of persistent rumors that Bennigan's parent, Pillsbury Co.'s S&A Restaurant Corp., is on the block.

Pillsbury maintains S&A is not for sale, according to Johnny Thompson, Pillsbury VP-public relations.

In addition to the 214-unit Bennigan's chain, S&A's other major operation is Steak & Ale, with 164 units.

"Bennigan's has been the best-performing concept in Pillsbury's dismal restaurant portfolio," said John McMillin, food industry analyst at Prudential-Bache Securities. "Increased spending for Bennigan's is consistent with what Pillsbury is doing—pushing top-line sales to stimulate growth."

Though small compared with Pillsbury's Burger King Corp., Bennigan's offers a diversified menu that includes chicken, fish and pasta, which are growth areas for restaurants, Mr. McMillin said.

New TV spots emphasize what a fun experience it is to dine at Bennigan's.

But growth won't be easy. Bennigan's and its competitors, second-ranked TGI Friday's and third-ranked Chili's, are trying to replace lost liquor volume (people are drinking less) with increased food sales.

Also, the $3 billion casual-dining segment has become intensely competitive in the past five years as the number of players has risen.

Bennigan's new campaign, via Lintas:New York, goes beyond its earlier food messages. TV spots emphasize improved service and the whole dining experience in a fun, upbeat mood.

The shift was based on research showing that customers' restaurant decisions often are "mood-driven," said Nicholas Castaldo, S&A senior VP-director of marketing.

Bennigan's campaign, themed "Bennigan's—Your escape from the everyday," replaces "Get a taste of it," which was used in print and radio.

The popular oldie "Stay"—a hit song in the movie "Dirty Dancing"—is used in two 30-second TV spots and two radio :60s.

The target audience is 20-to-40-year-olds, with heavy emphasis on those between 20 and 30.

Both TV spots feature a main character who's having a "bad day." In one, a young man is swamped at work but escapes to Bennigan's that night—where he meets his friends. Friendly staff and good food are woven into the scenario as the background music group sings "Bennigan's—Won't you stay just a little bit longer?"

In the other spot, a different young man is struggling with hanging pictures at home. His cat knocks a lamp over, and the phone lands in a fish tank. He escapes to a fun, relaxing experience at Bennigan's.

Though Bennigan's sales for fiscal 1988, ended May 31, increased 1.3% to $455 million, sales per unit were down 3% from the previous fiscal year—mainly due to declines in liquor volume.

Still, Bennigan's remains S&A's largest and most profitable asset. Steak & Ale posted 1988 sales of $221 million, down 15% from 1987.#

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City of Big Shoulders slumps

Chicago shops suffer new-business drought

By SCOTT HUME
and JULIE LIESSE ERICKSON

Chicago, the "second city" of advertising, is suffering from a new-business dry spell, and there doesn't appear to be any rain in sight.

Chicago agencies account for media billings of more than $5 billion, but the odds of increasing that have grown slim this year. One agency head even called it this year's "other drought."

In addition to a shortage of good new accounts, Chicago agencies have lost an estimated $300 million in billings from major national advertisers during the past year, which far eclipses the amount of incoming business or new assignments from existing clients. One agency's internal estimate is that layoffs and resignations have eliminated 10% of the city's 1986 agency work force.

Chicago agencies had at least preliminary shots at Nissan Motor Corp. USA's Infiniti business and General Motors Corp.'s Saturn account, only to watch those land at agencies on the two coasts. Meanwhile, shops scramble for local opportunities; Foote, Cone & Belding, the market's No. 2 shop, is a finalist in the Wisconsin Milk Marketing Board's $5 million review, and even Leo Burnett USA, a $1.5 billion agency, is pitching the $10 million Ameritech corporate account.

One piece of business headed out of town is the $15 million creative assignment for Long John Silver's, previously at FCB.

"We talked to a number of Chicago agencies, several of which we invited to participate in the review," said Dennis Kruse, VP-advertising for Lexington, Ky.-based Long John's. "While I wouldn't say we were disappointed with the creative we saw . . . we were impressed with the creative capabilities we saw from some unexpected places" outside Chicago.

Finalists for the business are Campbell-Mithun-Esty and Scali, McCabe, Sloves, both New York, and the Richards Group, Dallas.

GSD&M, Austin, Texas, picked up the largest single piece of Chicago business lost in the past year, Adolph Coors Co.'s $40 million Coors beer account, from FCB (which kept Coors Light and some smaller Coors brands).

Some advertising executives pooh-pooh the notion that Chicago is in trouble, blaming agency and advertiser megamergers and the resulting conflicts for many of the individual account problems. Branch offices of Ogilvy & Mather and Young & Rubicam have been hampered by conflicts and overshadowed by larger sister offices.

"I think there's plenty of good advertising in Chicago and likewise plenty of good clients," said Alan Webb, exec VP at J. Walter Thompson USA. "What I think you've seen is more of a settling—a response to changes on both the client and agency side. But I think that's been true of the ad business and the general business community as a whole."

Added Wayne Fickinger, vice chairman at Bozell, Jacobs, Kenyon & Eckhardt: "I believe the good agencies in town are retaining their business, that nothing is really falling apart here. There are forces at work affecting this market, but I believe many are just cyclical."

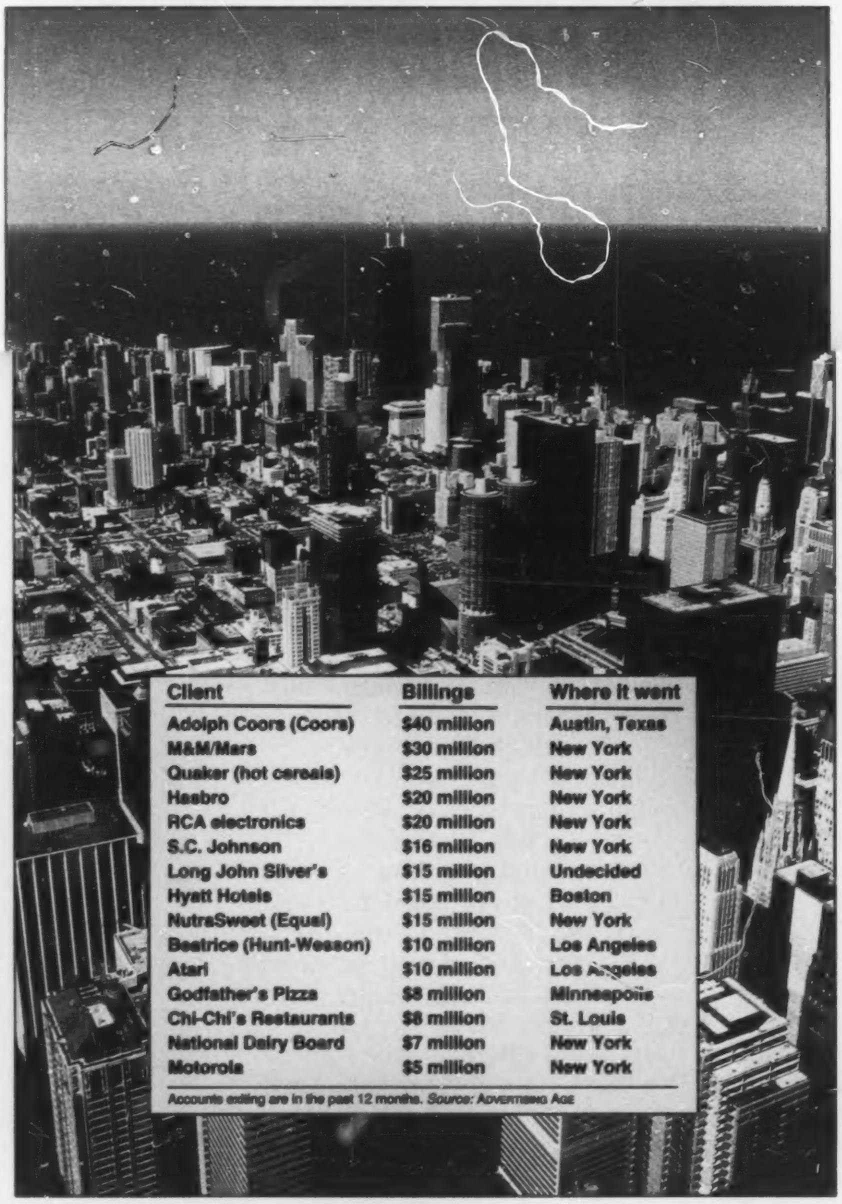
Others bitterly remember The Best Show, the creative competition organized last year by the Chicago Advertising Club. The big winner was Minneapolis' Fallon McElligott.

There was no Second Annual Best Show this year.

A lack of creative pizazz isn't the whole problem. In studying the market's long-term client potential, Campbell-Mithun-Esty discovered that 84 of Chicago's top 150 companies either don't advertise or have accounts smaller than $3 million. Of the remaining 66 companies, 18 have in-house agencies and two are agencies themselves (Burnett and FCB).

That leaves 46 companies with significant business for outside agencies. Of those, more than half—25—have either an out-of-town or a specialized agency.

Major accounts exiting Chicago agencies



Client	Billings	Where it went
Adolph Coors (Coors)	$40 million	Austin, Texas
M&M/Mars	$30 million	New York
Quaker (hot cereals)	$25 million	New York
Hasbro	$20 million	New York
RCA electronics	$20 million	New York
S.C. Johnson	$16 million	New York
Long John Silver's	$15 million	Undecided
Hyatt Hotels	$15 million	Boston
NutraSweet (Equal)	$15 million	New York
Beatrice (Hunt-Wesson)	$10 million	Los Angeles
Atari	$10 million	Los Angeles
Godfather's Pizza	$8 million	Minneapolis
Chi-Chi's Restaurants	$8 million	St. Louis
National Dairy Board	$7 million	New York
Motorola	$5 million	New York

Accounts exiting are in the past 12 months. *Source:* Advertising Age

For C-M-E Exec VP Marvin Goldsmith, those numbers mean one thing: "Chicago agencies must wake up and realize they need to play in a bigger playground."

"We get a lot of our growth from food and package goods, but computer and service businesses are where the growth is, and the Midwest is not a center of those businesses," said Powell Johns, president of HDM Dawson Johns & Black.

Also, Mr. Goldsmith said, "I'm not sure that Chicago agencies have aggressively pursued business outside the Midwest—that's one problem. We've also gone through a tremendous interest in creative shops. And Chicago is being challenged to work at providing a good creative product."

Is creative output the problem? On the surface, no; for the past two years, Chicago-based agencies—Burnett in 1987 and FCB in 1986—have captured ADVERTISING AGE's Agency of the Year award, acknowledging creative excellence.

But beyond Burnett—which, at three times the size of its nearest competitor seems an odd choice for the city's hottest creative shop—DDB Needham Worldwide and Bayer Bess Vanderwarker, creative executives are hard-pressed to name a "hot" Chicago agency.

"I think we all need to ask ourselves whether we're offering 1970s advertising to answer 1990s marketing problems," Mr. Johns said. "A lot of Chicago advertising seems long on marketing and short on pizazz."

"No one in Chicago except maybe some small agencies are really dedicated to doing outstanding creative. Who has a great creative reputation right now?" said Bob Barocci, chairman of McConnaughy Barocci Brown. "There needs to be a rededication to creative excellence by the major shops in town."

Some executives say the problem is that agencies neglect to promote their creative product.

"It's true; Chicago isn't getting the opportunities it should," said Peter Krivkovich, president of Cramer-Krasselt. "When you look at the roster of the agencies who do get the attention, and compare it with the awards Chicago wins and the high quality of work we do, you realize we should definitely be getting consideration for the best business too.

"But Chicago agencies have traditionally not been promoters of themselves. Chicago isn't thought of as a glitzy ad community; instead it's thought of more as a hard-working, let's-get-the-job-done agency city."

Some advertisers say Chicago agencies sometimes miss other pieces of the puzzle.

In June 1986, Kitchens of Sara Lee in suburban Deerfield was forced to find a new agency after FCB resigned because of a client conflict. It moved the business to Chiat/Day, New York, in part because of C/D's account planning system.

"When we went to search for an agency, we felt it would be an advantage to be with a midsize Chicago shop," said Bob Tarkington, VP-marketing. "If anything, we gave high priority to agencies in Chicago. When we put together our short list, we were looking primarily at out-of-town shops."#

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Dealers' choice: more nameplates

By Laura Clark

Not too long ago, the average American auto dealer was not unlike the owner of any small retail business.

He sold one brand of cars and trucks and was loyal to one company. His contact and input from the manufacturer was through a factory sales representative. He promoted his store through local advertising paid out of his own pocket.

Laura Clark covers advertising and marketing for Automotive News, *a sister publication of* ADVERTISING AGE.

But the profile of the American car dealer and his importance to the factory is changing as quickly as the American auto industry itself.

The average dealership in the U.S. handles two or more nameplates, with many car and truck dealers selling import and domestic lines in one facility.

As of Jan. 1, there were 24,938 dealerships holding 72,191 franchises from 12 domestic and 39 import makes for an average of 2.89 franchises per outlet, according to *Automotive News'* dealership census.

■ *But as rules loosened, control of regional marketing dollars dividing factory, some stores*

General Motors Corp. recently dropped a restriction on how many facilities each of its dealers could own. In March 1985, GM said its dealers could own up to five facilities and invest in up to five more. Now each case is being looked at individually.

"[The restrictions] were not appropriate in today's business climate," Claude N. Moore, GM VP-customer sales and service, said in a letter to GM dealers.

Facilities are no longer small "corner store" operations but large, well capitalized facilities.

The move toward multi-franchising and larger facilities are requiring more capital investment. The number of mega-dealers is rapidly increasing each year.

Some dealership groups are taking their companies public to provide the capital needed for expansion. Two publicly traded foreign companies—Lex Service PLC of Britain and Tokyo Nissan of Japan—announced this year they intend to begin purchasing American dealerships.

Both GM and Ford Motor Co. —which previously frowned on public ownership of dealerships holding one of their franchises —have reconsidered. Mitsubishi Motor Sales of America also gave its OK recently on the public ownership issue.

Along with allowing its dealers to branch into new areas, manufacturers also are relying on their dealers to assist them in marketing to a given area.

Automotive marketers have followed the food industry into regional marketing or tailored messages for individual areas.

The full-size pickup truck that is almost non-existent in New York is actively touted as a staple to many Dallas residents. Large, rear-wheel-drive domestic cars sell well in Florida but barely move off the lots in California.

Regional marketing has boosted advertising budgets. The National Automobile Dealers Association says dealers spent $3.6 billion in advertising in 1987, up from $2.9 billion in 1985.

"The challenge is to have an umbrella that works in all areas and to tailor that overall strategy to unique needs of certain markets," says Warren Christell, Oldsmobile general marketing manager.

Ford, Lincoln-Mercury, Dodge, Pontiac and Chevrolet were the first to begin regional efforts. Chevrolet and Pontiac began California marketing programs in the early 1980s to combat rising Japanese competition.

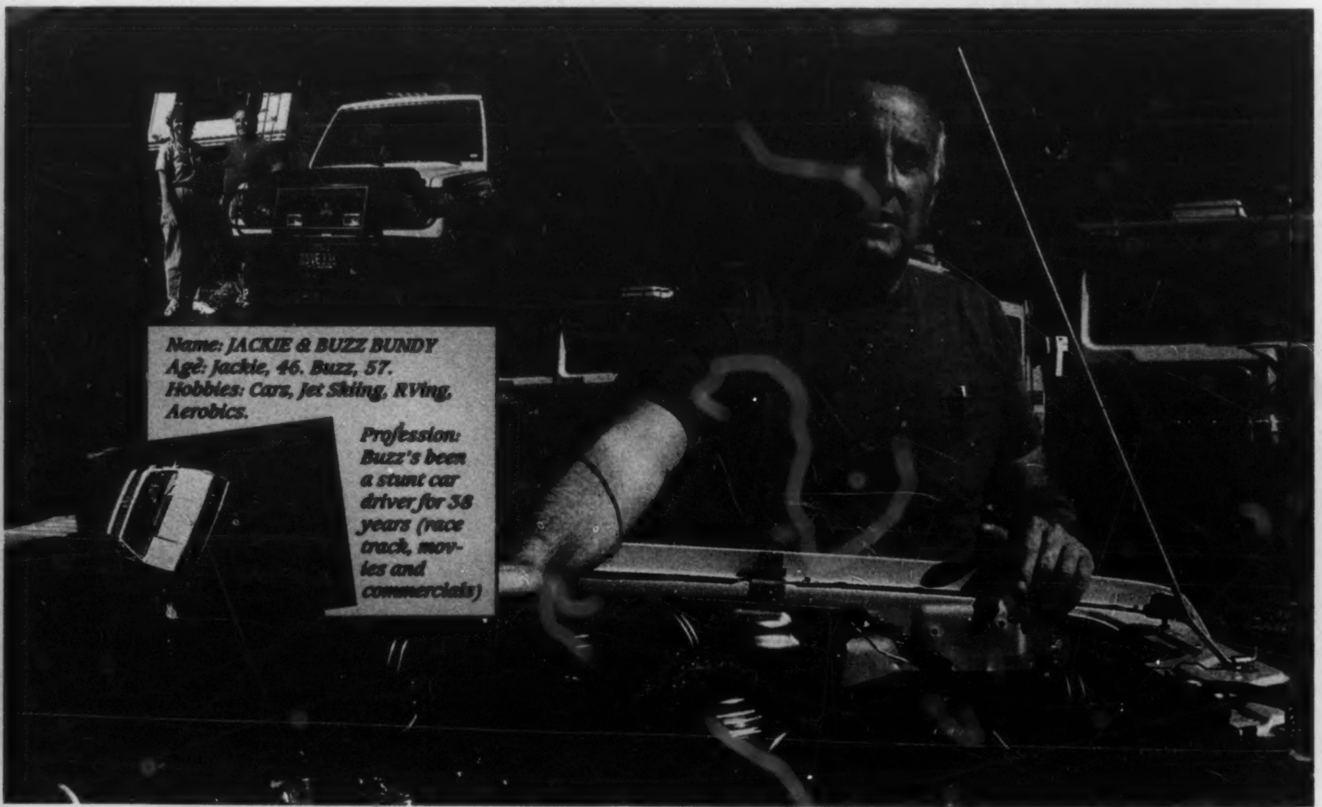
In 1984, Chevrolet took the step of hiring a separate agency, Vic Olesen & Partners, Culver City, Calif., to handle West Coast advertising, previously handled by Campbell-Ewald, Warren, Mich., the division's long-time national agency.

Dodge's program focused on the hot Texas truck market, and later Chrysler Corp. added marketing programs for California and the Northeastern U.S. Patrick Keegan, director of special marketing programs for Chrysler, says the company worked with its dealers to establish regional programs with appropriate products.

Nissan, BMW and Mercedes-Benz of North America also are building regional efforts with the help of their dealer groups.

Mercedes-Benz last year established its Marketing Group Support Program. "We started to think that we had a corporate advertising effort and then we had the individual dealer; in the middle we had nothing,"

(Continued on Page S-6)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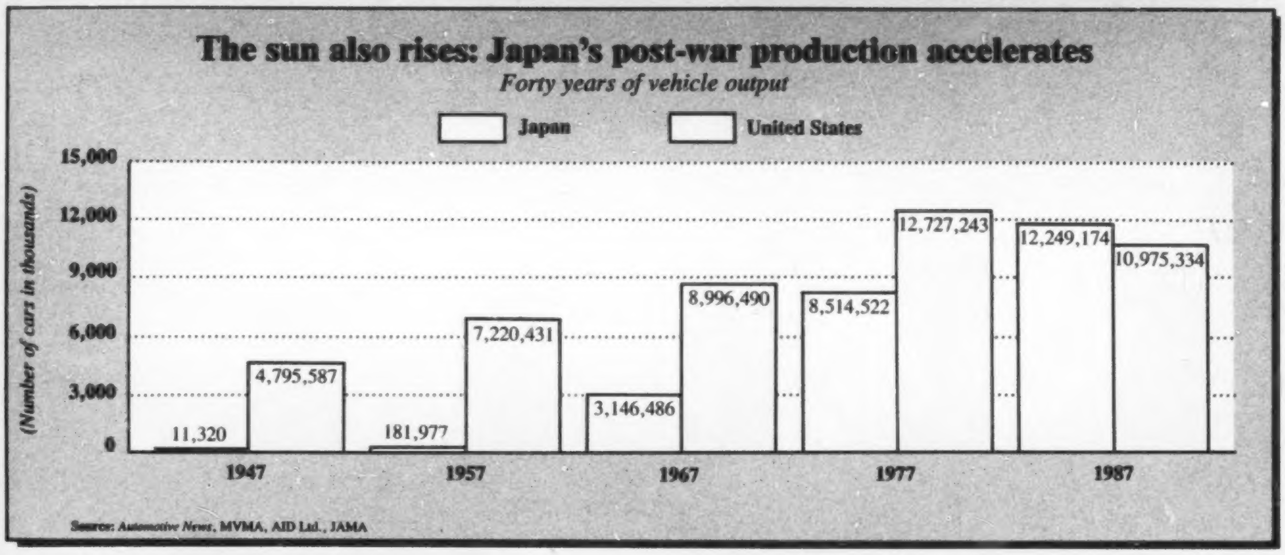
Source: 1987 *Trailer Life/MotorHome* Subscriber Study, Conducted by John Schug Media Research

DATA BANK — Auto Marketing

The sun also rises: Japan's post-war production accelerates

Forty years of vehicle output



Source: *Automotive News*, MVMA, AID Ltd., JAMA

Dealers' choice

(Continued from Page S-4)

says Gerd Klauss, VP-operations for Mercedes-Benz of North America.

Nissan also is relying on its dealers, recently starting a regional marketing program that allows its dealers to direct the company's marketing efforts in four U.S. regions.

Instead of collecting advertising fees for each vehicle from dealer association members and contributing factory funds to dealer groups, Nissan includes the cost of local advertising in the wholesale price of the car and works with dealers in tailoring programs locally.

Unlike in the past, factory funds will be spent on only ads developed by Nissan's new national advertising agency, Chiat/Day. According to Nissan VP Bob Thomas, the carmaker needs a consistent image using one advertising theme.

These new policies regarding co-op or "market support" advertising have created some friction. Some dealers feel the regional effort has been a method to make the dealers help pay for factory advertising.

"They [the manufacturers] are trying to transfer the cost of advertising their products to the dealer and ultimately to the customer," says Jim Caplinger, former National Automobile Dealer Association president and an Arkansas car dealer.

"Some dealers are unable to advertise their own stores [because they must pay for dealer group ads]," Mr. Caplinger says.

NADA recently opposed mandatory membership in dealer advertising groups.

The action was taken after several Chevrolet dealers had voiced concern over Chevy's new policy of adding advertising charges to the invoice price of every vehicle sold. GMC's truck division is eyeing a similar program.

Beginning in the 1989 model year, 1% of the invoice price of every retail Chevrolet car or truck will be collected for dealer association advertising, regardless of whether a dealer wants to belong to an association or not.

According to Chevrolet Marketing Manager Mike Erdman, the program was designed to equalize the cost of local advertising among all dealers and bring Chevrolet collections up to the level of its competitors.

Chrysler divisions also are going to the 1% (or more in some cases) of invoice to fund dealer association ads. Jeep-Eagle division dealers transfered to the 1% of invoice collection system after Chrysler Corp. purchased American Motors Corp. in 1987.

"We had a lot of difficult meetings with the dealers, a lot of it was, 'Trust me, it will work,' " says Bob Williams, Jeep-Eagle dealer marketing manager.

As manufacturers tighten their marketing "partnership" with dealers, many are asking or encouraging dealer groups to use the factory's advertising agency.

McCann-Erickson, Buick's national agency and the only GM agency currently handling dealer group ad business, would like to add more Buick groups to its roster.

J. Walter Thompson USA, Ford division's agency, also is seeking more Ford retail business and has recently taken out ads in Ford's dealer magazine using testimonials from Ford dealer group presidents using JWT.

But independent agencies say a national agency cannot serve both the manufacturer and the retail-oriented ad group.

"The problem is that for the manufacturer there are some good and some bad agencies handling their groups," says Tim Kelling, VP-director of Kelling-Murley automotive division of W.B. Doner & Co., Southfield, Mich., which handles several Pontiac and Ford dealer groups.

Local advertising by new car dealers in 1987

Media used	*Millions spent*
Newspaper	$2,028
Radio	714
TV	651
Direct mail	144
Outdoor	69
Displays, demonstrations	37
Programs	31
Handouts or handbills	10
Other	29
Total	**$3,713**
Type of advertising	*Millions spent*
New vehicle	1,968
Used vehicle	1,040
Institutional	408
Service	297
Total	**$3,713**

Source: NADA Industry Analysis Dept.

GM divisions, Ford and Toyota all say they will continue to allow their dealers to choose their own advertising agency.

Others, including Chrysler, Mercedes-Benz and Nissan, believe the one agency approach will help to give a consistent image for the brand.

Regardless of the approach, it is certain as competition rises in the auto industry, carmakers will rely more on the dealers' input to win in the trenches.

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Communities in crisis

Plant shutdowns continue as foreign transplants, overcapacity problems cause cutbacks by U.S. automakers

By Dee Ann Maki

Ford Motor Co., whose Probe and Taurus models have helped make it the darling of Detroit, has been unable to steer clear of the industry's biggest public relations pothole. In the latest of a series of Big Three plant closings last month, Ford confirmed its Forge plant in Canton, Ohio, would be shut down by the end of the year, marking the first plant closing for the No. 2 automaker in five years.

A plant closing can become a major public relations debacle for a company when a large segment of the community relies on it for employment. Chrysler Corp.'s announcement to phase out its Kenosha, Wis., assembly and stamping plant, directly affecting 5% of the city's population, generated a storm of national media attention.

Ford's decision to close the Forge plant has met with harsh criticism. According to Stephen Yokich, a United Auto Workers VP, the closing was "a completely unnecessary action." He blasts Ford for not paying attention to a 1987 A.T. Kearney Co. study that concluded the plant could be made profitable if appropriate actions were taken by both Ford and its union.

"Assessing all the evidence, it appears [Ford management] never had any intention of treating the investigation by the Kearney consultants as anything other than an expensive smokescreen with which to cover their tracks while they proceeded with their predetermined decision to permanently close the plant," says Mr. Yokich.

To stem the animosity, Ford promises to place as many salaried and hourly employees as possible in other company locations," according to Henry Nichol, general manager, Transmission and Chassis division of Ford North America Automotive Operation. Since the September 1986, announcement, about 350 workers have been placed and 140 have retired; 419 employees still work at the plant.

The most publicized plant closings involved Chrysler's Kenosha plant and Volkswagen AG's July 14 shutdown of its Westmoreland, Pa., plant. The latter, representing the first time a foreign-based auto manufacturer has idled a U.S. assembly plant, stands in sharp contrast to Asian manfacturers' rush to build U.S. facilities.

Sales of Volkswagens in Westmoreland County have dropped slightly since the closing, says a Volkswagen of America spokesman. He asserts that the decline primarily is in response to local economic conditions rather than the plant closing.

The company contends that Westmoreland's production levels did not justify its operating costs. Volkswagen's U.S. production output fell 21% in 1987 to 66,696, from 84,397 in 1986. Westmoreland produced the Golf, GTI and Jetta models.

To assist the 2,500 workers affected by the planned shutdown, Volkswagen established a job bank, offering employees job placement and training programs. Several job placement agencies have set up shop within the Westmoreland plant, counseling workers and offering national computerized search programs. Hourly workers will receive a $6,000 severance check and a $1,000 bonus.

In Kenosha, Chrysler's troubles were compounded by Chairman Lee Iacocca's announcement that the plant would be closed earlier than originally stated.

One outdoor board installed by the United Auto Workers-Local 72 near Chrysler's Highland Park, Mich., headquarters read, "Iacocca, keep your word to Kenosha."

In response, Mr. Iacocca said, "Blame us for being dumb managers for spending $200 million to put [out] two old cars in an 86-year-old plant, but please don't call me a liar when I've got to close it sooner than I thought."

Chrysler acquired the Kenosha facility as part of its August 1987 purchase of American Motors Corp. Analysts had predicted Chrysler would close either the Kenosha plant or the Jeep facility in Toledo, Ohio.

The Jeep plant appeared to be destined for mothballs, but the company reconsidered following a tentative contract agreement with the Jeep unit of UAW-Local 12, assuring production until Sept. 14, 1992.

At the end of January, Chrysler announced plans to close the Kenosha plant, which produces the Dodge Omni, Plymouth Horizon models, Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Grand Fury. The Kenosha Jeep engine plant is expected to remain open, employing about 1,000.

Mr. Iacocca attributes the decision to close the facility to an overcapacity problem. Analysts estimate that without such cutbacks, auto industry production would exceed demand by about 5 million vehicles a year by the early 1990s. Car production in the U.S. decreased 9.4% from 1986 to 1987 to 7.1 million vehicles, according to *Automotive News*.

After the announcement, Wisconsin Attorney General Donald Hathaway claimed that Chrysler had agreed to continue production at Kenosha in return for state and city aid in modernizing the facility. Chrysler promised to repay Kenosha its $1 million investment in the plant and to help relocate or work out retirement programs for the 5,500 workers affected.

Chrysler sales in the Kenosha area initially dropped off drastically. When Chrysler announced in February that it would create a trust fund of up to $20 million for displaced workers, with the money tied to 1988 sales in Wisconsin, local sales of Chryslers rebounded.

Plant closings never fail to generate negative publicity—at least at a local level. When General Motors Corp. closed Cadillac division's Fleetwood Body and Clark Avenue plants in southwest Detroit, members of UAW-Local 22 held candlelight vigils at the plant gates.

A number of the 6,600 displaced workers were recruited to GM's new Detroit-Hamtramck facility, yet an estimated 3,000 workers were left unemployed.

The problem of dealing with displaced workers and the accompanying damaging publicity is perennial. U.S. employment in motor vehicle and related manufacturing industries, which reached more than 1 million in 1978, has fallen to 841,700 last year, according to *Automotive News*.

General Motors should become the expert at managing these crises. The company has announced plans to phase out an additional six plants by 1990. ■

Dee Ann Maki is a Detroit-based correspondent for ADVERTISING AGE.

DATA BANK — Auto Marketing

Downtime on the assembly lines

1987-88 U.S. plant closings

Plant	Location	When closed	Employees*
Chrysler:			
1. **Kenosha Assembly and Stamping Plants**	Kenosha, Wis.	*by the end of 1988*	5,500
2. **Indianapolis Electrical**	Indianapolis	*by early 1989*	975
3. **Milwaukee Stamping Plant**	Milwaukee	*March 1988*	450
4. **Amplex Van Wert**	Van Wert, Ohio	*to be closed or sold by September 1989*	300
5. **Winfield Foundry**	Detroit	*by September 1988*	60
6. **Detroit Forge**	Detroit	*to be closed or sold by September 1989*	400
7. **Detroit Trim**	Detroit	*to be closed or sold by September 1989*	1,000
8. **Trenton Chemical**	Trenton, Mich.	*to be closed or sold by September 1989*	200
Average number of workers employed by Chrysler in the U.S. in 1987—118,700			
Ford Motor Co:			
1. **Forge plant**	Canton, Ohio	by the end of 1988	909
Average number of workers employed by Ford in U.S. in 1987— 180,800			
General Motors:			
1. **Truck & Bus Group Facility**	St. Louis, Mo.	*in August 1987*	2,600
2. **Chevrolet-Pontiac-Canada**	Norwood, Ohio	*in August 1987*	4,000
3. **Fleetwood Body/Clark Avenue plants**	Detroit	*in mid-Dec. 1987*	6,600
4. **Buick-Oldsmobile-Cadillac (BOC) body/assembly**	Flint, Mich.	*in December 1987*	2,500
5. **CPC final assembly plant**	Pontiac, Mich.	*in December 1987*	2,000
6. **B-O-C manufacturing and stamping plant**	Chicago	*by 1990*	2,500
7. **C-P-C stamping plant**	Hamilton, Ohio	*by 1989*	2,500
8. **B-O-C Conner Street stamping plant**	Detroit	*by 1990*	700
9. **Fisher Guide Division, Fisher Guide**	Elyria, Ohio	*ceased production July 1, but will remain open until end of 1988*	2,050
10. **Fort Street plant**	Detroit	*by end of 1989*	2,057
11. **Central Foundry-nodular iron case plant**	Saginaw, Mich.	*in Dec. 1987*	700
12. **Inland Division interior trim plant**	Tecumseh, Mich.	*in Dec. 1987*	900
13. **Hydro-matic Division**	Constantine, Mich.	*in Dec. 1987*	135
Average number of workers employed by GM in the U.S. during 1987—583,000			
Volkswagen AG:			
1. **Westmoreland Assembly Plant**	Westmoreland, Pa.	*July 21, 1988*	2,900
Average number of workers employed by Volkswagen in the U.S. in 1987 —5,529			

Source: Advertising Age—information provided by the automakers

*Approximate number of workers employed at the time of the announcement

Associate editor Anita M. Busch coordinated this report on Automotive Marketing.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Direct Marketing.**

8/3/88

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August 1, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

AGB pulling the plug on U.S. people meters

London—AGB is ending its pioneering people-meter audience measurement service in the U.S. AGB already has invested $67 million in the U.S. venture, called AGB Television Research Service, and estimates the cost of suspending it at another $52 million.

The decision to shut down the U.S. service is part of an agreement by the financially pressed U.K. company to merge its operations with Mediamark Research Inc. Mediamark is owned by U.K. group MAI, which will increase its stake in AGB to 31% from 8.9%. AGB's stock plummeted after the announcement.

Tim Joyce, MRI chairman, said, "It is naturally disappointing that we have had to conclude that the U.S. TV project must be suspended, but it was clearly not realistic to suppose that costs could be covered by revenues in the foreseeable future."

A.C. Nielsen Co. is now the only major U.S. TV audience measurement service. "Nielsen will continue to reinforce its commitment—with product, with investment and with experience—to provide high quality, high value information services to customers," said John Holt, Nielsen's chairman and ceo.

"AGB was around for a relatively short period of time, but it made a significant impact on the industry," said Peter Chrisanthopoulos, president, RJR Nabisco Broadcast, the only advertiser subscriber. "We're grateful that it sped up Nielsen's people-meter progress. We do prefer that there is more than one ratings service."

CBS was the only major network to sign up with AGB, and Dave

(Continued on Page 8)

Clorox ups ante in war with P&G

Bleach battle reaches new plateau

By JENNIFER PENDLETON

Oakland, Calif.—Clorox Co. President Jack Collins is upping the ante in his battle with Procter & Gamble Co.

Defending its lead in the $600 million liquid chlorine bleach market, the company has begun testing Clorox Lemon Scent liquid chlorine bleach in Houston with TV ad support, via Foote, Cone & Belding, San Francisco.

The move is significant because the product is going head-to-head with a similar new P&G product in an anticipated battle between two major household product companies.

In an interview with Advertising Age, Mr. Collins, who is also the marketer's chief operating officer, said, "Liquid bleach is our largest brand from the standpoint of volume and overall contribution to the company's earnings. Anytime a competitor, and especially an established, well-respected company like P&G, comes in . . . I don't like to use the word concern, but it's of keen interest to us."

Market analysts contend Clorox's Lemon Scent test is a signal to P&G that it will not take any challenge to its core business lying down. Bleach accounts for about 45% of Clorox's profit.

The analysts maintain P&G was sending a similar message when it countered Clorox's first detergent entry by testing P&G's Tide with Bleach.

Clorox in June began the Western regional introduction of Clorox Super Detergent, a renamed version of the superconcentrated powder detergent it tested for 18 months under the Wave name, via DDB Needham Worldwide's Chicago office.

This dramatic new-product test represents the largest single com-

(Continued on Page 47)

Mary Wells: On the record

By JON LAFAYETTE

Mary Wells Lawrence, the Greta Garbo of Madison Avenue, is alive and well and, for the moment anyway, living in France.

Although she is keeping close tabs on her agency from across the ocean, the first lady of American advertising said in a rare interview that she has no plans to take an active part in WRG's pitch for IBM Corp.'s $133 million account because she has confidence that the agency's new-business team can push all the right buttons for the computer maker.

Mrs. Lawrence, 60, spoke by telephone from her vacation home in the south of France. She isn't seen very often in public, but she made it clear that she is still the agency's ceo and, as such, is involved in agency business on a day-to-day basis.

And while acknowledging that the rumor mills of advertising have been amply productive in the attention they have paid to her career, she insisted that her health is fine and that she doesn't plan to give up control of the agency any time soon. "It's my baby and I love it," she said of the shop she helped found in 1966 and quickly turned into one of advertising's Midas-like legends.

Within five years after she and Dick Rich and Stu Greene left Jack Tinker & Partners to open their own agency in a Gotham Hotel suite, they were billing $100 million with a client roster brimming with such blue-chip names as Philip Morris Cos., Procter & Gamble Co. and American Motors Corp.

Not only was the agency hot, it grew with style. From its "end of the plain plane" campaign that swathed Braniff jets in bright colors, to its funny, award-winning ads highlighting the disadvantages of smoking Benson & Hedges, its reputation for conspicuous creativity was firmly set.

Mary Wells, in a photo supplied by Wells, Rich, Greene.

And as one of the most highly visible, and highly paid, women executives in the country, she couldn't help but make headlines. She found herself in the media spotlight for marrying client Harding Lawrence, at the time president of Braniff International (and then resigning the account to take on Trans World Airlines); for making millions of dollars by taking the agency public, then taking it private again; and for her $225,000-a-year salary.

She became an American symbol of glamour, success, wealth, brains and beauty.

But all that publicity has died down during the past few years.

"I'm learning to be serene and supportive," she said from her French villa near St. Jean-Cap-Ferrat between Nice and Monte Carlo. "I felt very strongly that if other people were going to come up [and manage the agency] I would have to get my ego down in size and swallow it and pull back and let other people shine. I have to work at that very hard. It's hard to do because people don't want to let you do it. People want to keep the person who founded a company sort of like a bright light. They have a star complex and they want to keep that up."

By remaining the star, she believed she was eclipsing the work others were performing.

"It isn't fair when so much of what's being done at the company is really in the hands of others and they don't get the full credit for what they do.

"When you are the person who started a company, people tend to associate everything with you. I saw that happen with Bill Bernbach when I was working with him. No matter what anybody did, Bill Bernbach got the credit or he got the blame, but mostly he got

(Continued on Page 48)

Is Saatchi's stock price too low?—P. 3

Mazda may punt James Garner—P. 12

Stan Freberg assails ad clutter—P. 32

7-11 shopping

Doner has edge over rivals

By JENNIFER LAWRENCE

DALLAS—W.B. Doner & Co. may have an inside track at Southland Corp. as the chain seeks a new agency for its 7-Eleven convenience store.

Doner, Southfield, Mich., is already 7-Eleven's "tactical" ad agency, working on market-specific campaigns.

Differences with incumbent Hill, Holliday, Connors, Cosmopulos, New York, over strategic direction, and disappointment in last year's "Where the good things come easy" campaign, caused the advertiser to look elsewhere.

That campaign, which promoted 7-Eleven as a destination rather than just a convenient place to shop, was abandoned earlier this year.

Officially, Southland cited "philosophical differences" with Hill Holliday, which won the account from Young & Rubicam two years ago.

"They put the account up for review and we decided not to participate," an HHCC spokesman said.

Ad budgets were not revealed, but HHCC's portion of the 7-Eleven account was said to be worth an equivalent of $12 million in billings. Southland's measured media expenditures last year totaled $52.1 million.

HHCC's last major TV effort breaks today in spot markets for the introduction of the "Big Bite," a sandwich featuring Oscar Mayer Food Corp. all-beef franks. The hot dog campaign follows the successful introduction of Coca-Cola Slurpees in May, also handled by HHCC.

"The candidate that will win the account will be closely involved in the development of 7-Eleven's strategic direction," said Fred Bradshaw, 7-Eleven advertising and communication manager.

O'Brien joins Hill Holliday—P. 46

Doner's humorous, award-winning Dabney Coleman campaign last year, which ran primarily in Texas and Arizona, and its current market-specific efforts may give the agency an edge over competitors.

"We are not prepared to say now that Doner has the business," Mr. Bradshaw said. "Doner is very much a part of our consideration in the search and we have a close relationship with them." Southland has contacted other agencies but declined to name them.

Mr. Bradshaw said he and consultant Sergio Zyman, a former Coca-Cola Co. marketing executive, will select "no more than nine agencies" before the end of August. The list will be pared by early September with a final decision a month later.

The new agency will be responsible for strategic advertising support, creative, production and media input. Media placement now is handled in-house.

Next year's ad budget will exceed this year's level, which reflects cutbacks after the $4.9 billion leveraged buyout by the Thompson family late last year.

The costly LBO is putting pressure on the 7,000-unit chain. The company has sold close to 1,000 stores and various divisions to finance the debt. Store expansion is on hold so increases must come from existing units.

The company is the largest convenience store chain, ahead of No. 2 Circle K Corp. and No. 3 National Convenience Store's Stop N Go.

"Our goals are to generate sales out of existing stores by providing the best services and products to consumers," Mr. Bradshaw said.#

Gary Levin in New York contributed to this story.

Lord Geller getting hit on all sides

An Advertising Age Roundup

The news keeps getting worse for Lord, Geller, Federico, Einstein.

Last week's abrupt loss of the $10 million Dean Witter Financial Services Group account follows management changes at IBM Corp. that virtually eliminate whatever advantages the incumbent had in fighting to keep all or part of IBM's $138 million account.

Dean Witter's move to Leo Burnett USA, Chicago, was so swift it caught the receiving agency by surprise.

"We had no advance notice," a Burnett spokesman said. "I'm sure Dean Witter is familiar with our work for Allstate, and that's probably why they called, but it was definitely . . . a pleasant surprise."

Burnett has handled the $30 million Allstate Insurance Cos. account since 1957. Allstate and Dean Witter are units of Sears, Roebuck & Co.

Dean Witter's official explanation for the switch was that it needed an agency closer to its new offices in Lincolnshire, Ill., where it recently relocated its advertising and marketing operations from New York.

"What's happening with Lord Geller was not a factor in our moving the account," said Beth Steinfeld, manager of public relations for Dean Witter in New York.

However, others traced the split in part to animosities between Dean Witter Chairman-CEO Philip Purcell and WPP Chief Executive Martin Sorrell.

In an interview after the breakaway of top Lord Geller executives, Mr. Sorrell said he had been particularly irritated by inquiries made to him by Dean Witter's mergers and acquisition unit about the possible sale of the agency (AA, April 4).

Lord Geller's statement, released last week after it was notified of Dean Witter's decision, said: "Our regret is, we suppose, obvious, since Dean Witter has been a first-class client for whom we have done outstanding work. Our frustration is caused by a loss for reasons beyond anyone's control."

Also beyond Lord Geller's control was IBM's marketing department shake-up.

Among the changes, IBM Senior VP George H. Conrades has moved to general manager of U.S. marketing and services from general manager of IBM's personal computer business. IBM VP William O. Grabe takes the new post of assistant general manager-marketing for U.S. marketing and services from assistant general manager-marketing for IBM's mid-range computers (AA, July 25).

Neither Mr. Conrades nor Mr. Grabe has had any major involvement with IBM corporate advertising, which seems to eliminate the advantages of incumbency Lord Geller and Lord Einstein O'Neill & Partners might have had.

Other finalists are D'Arcy Masius Benton & Bowles, Grey Advertising, Lintas:Worldwide and Wells, Rich, Greene, all New York.

Those agencies may be encouraged by reports that Mr. Conrades has been dissatisfied with IBM's past advertising, especially when compared to BBDO Worldwide's advertising for Apple Computer.

Mr. Conrades, however, "is not expected to dramatically alter the direction the review has taken. In his new capacity, [he] will be involved in the final selection, but [the change of personnel] will have no impact on the selection schedule or the selection date," said an IBM spokeswoman.

The agency review, being handled by a lower level management team, is still on schedule and is expected to be wrapped up in late August.#

This story was written by Kate Fitzgerald in Chicago with contributions from Alan Radding in Boston and Gary Levin in New York.

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U.S. tobacco companies are igniting South Korea's $2 billion tobacco market now that the marketing rules have changed.

SPECIAL REPORT

S-1 Direct Marketing
Catalogs, catalogs, catalogs! Section profiles Spiegel Inc., Walt Disney Co. and American Express Co., how the newsstand sales experiment failed and why catalogers dislike the election process.

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Agencies boost profit margins

By JON LAFAYETTE

NEW YORK—Profit margins at publicly held advertising agencies are on the rise.

Agencies' second-quarter results are likely to show that the vigorous cost-cutting, including job cutbacks, is having an impact.

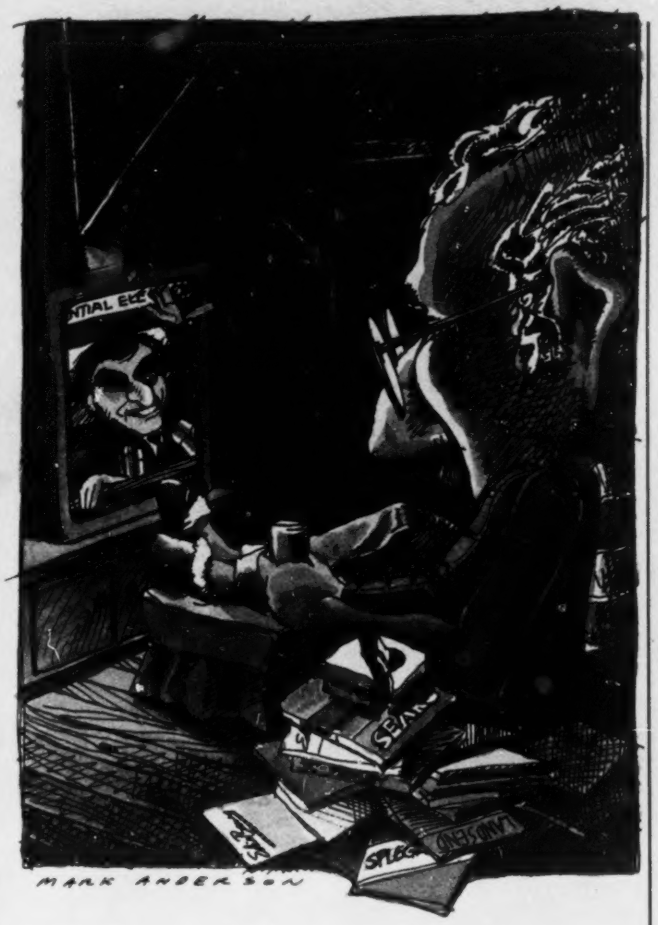
In announcements last week, Interpublic Group of Cos. reported record income for the period, while London-based WCRS Group said that acquisitions boosted its earnings to a record for the ninth straight fiscal year.

Significantly, Interpublic's profit margin—profits as a percentage of revenues—grew to 16.6% from 16.2% a year ago, said analyst Greg Ostroff of Goldman Sachs.

Alan Gottesman, an analyst at PaineWebber, noted that domestic revenues at Interpublic seem particularly strong, rising 15% to 16% after experiencing a slim 1% increase last year.

In its second-quarter report, Interpublic said net income for the quarter rose 19.3% to $24.2 million as gross income increased 13.2% to $282.6 million. The company said its agencies, including McCann-Erickson Worldwide and Lintas:Worldwide, gained net new business of

(Continued on Page 49)



Election year frenzy bane of catalogers

As if rising costs weren't enough, catalog companies brace for downturn during political season

By Ed Fitch

They might represent the toughest voting bloc George Bush or Michael Dukakis will face this November. Their negative outlook toward the Nov. 8 event is not an indictment of either candidate, however. Catalogers simply dislike the election process.

Don't call them radicals, either. Call them businesspeople who face a quadrennial slump whenever election year rolls around, diverting consumer attention from placing catalog orders.

On top of dealing with an election that falls in the midst of their prime selling season, catalog companies are facing rising merchandise, postal and paper costs plus a softening in consumer retail spending.

Accounting for an estimated 20% to 30% of catalog costs, third-class postage rates soared 25% in April. Paper costs also will jump about 10% this year, hewing profits to a pulp.

The ever-present threat of Congress removing mail-order sales tax exemptions and a recent U.S. Supreme Court decision supporting a sales-and-use tax levied on catalogs sent free to Louisiana residents but printed out of state (AA, May 23 *et seq.*) also keep catalogers constantly looking over their shoulders.

A February Direct Marketing Association survey of leading catalog companies showed pessimism at its highest level in five years. When asked their expectations of next season's performance, 43% sensed a downturn—a marked change from last September's 12%.

> ***"It's better to watch who you send your book to. If you have control of your mailing list, you can get books into the right hands."***
>
> Rodney Birkins
> J.C. Penney Co.'s catalog division

Last September only 7% announced a decline in profits; in February 22% experienced a drop. Those suffering a downturn in response rates skyrocketed from 12% to 48% in the six-month period.

But just when they seem to be teetering, catalogers find ways to fight back.

"[Rising postal and production costs and election year downturns] are a way of life and unfortunately they came together this year. But catalogers figure a way around it," says Steve Millard, president of Millard Group, a catalog consultancy and list broker.

Recent opinions cast doubt on the February survey's accuracy as a barometer. "They sure didn't talk to us," says Terry Wilson, VP-public and investor relations, Lands' End, which is bullish on cataloging for both the short and long term. Rodney Birkins, president of J.C. Penney Co.'s catalog division, expects a very strong year.

Maxwell Sroge, president of Marke/Sroge, a catalog development consultancy, predicts consumer catalog revenues will hit $38.6 billion, up 14.9% over last year and well above the 3% growth estimate for retailers. First-quarter results for the publicly owned companies he follows were up 27%.

Catalogers are exploring many options to defray the increased costs' impact, however. Lands' End raised shipping and handling charges 16.7% in April to cover increases. Bright's Creek, J. Crew, Johnny Appleseed's and Tweeds also boosted service charges. J. Crew also hiked merchandise prices, as did Boston Proper and Lands' End.

The weak value of the dollar overseas is putting the squeeze on any cataloger relying on imported product. A letter to customers in Lands' End's July catalog went to great lengths to explain the exchange rate's impact on price increases. "We have to price our products to reflect the costs we pay," Mr. Wilson says.

Product price hikes will not be outrageous because catalogers are determined to compete with retail store prices, says Mr. Sroge. "It will hit a point where customers will not pay a premium for convenience."

Other options involve trying new paper weights and cutting the size of catalogs—in terms of trim sizes, pages featured and number mailed. Arnold Fishman, president of Marketing Logistics, a mail-order consultancy, says companies experiment with these options at great risk.

"The savings are marginal in doing things like trimming the sizes and can't be done without jeopardy," he says.

Mr. Birkins agrees, saying, "Rather than cut the corners, it's better to watch who you send your book to. If you have control of your mailing list, you can get your books into the right hands."

In addition to carrying as many products as possible, Mr. Fishman says that with annual customer attrition of 5% to 10%, catalogers should maintain as high a circulation as feasible to sustain sales.

The list broker business is predicting its first no-growth year, says Mr. Millard, adding that his orders have declined 15% as catalogers dig more deeply into their house files.

Catalogers confirm they are cutting back on prospecting for new clients. "We're being careful to mail to our best customers, but then we always have," Mr. Wilson says.

Another cost-cutting option is to deliver catalogs by means other than the U.S. Postal Service. While catalogers and magazine publishers actively are investigating other opportunities, an early attempt by Lillian Vernon to insert a 16-page children's catalog in *The New York Times* fell flat (AA, May 2).

"The average cataloger won't fiddle around with alternate delivery because they require an undue amount of management time," says Mr. Millard. Mr. Birkins insists, however, that Penney will bypass the USPS if it finds a more efficient distribution method.

Catalogers' willingness to adapt to constraints leads Mr. Millard to revise what he describes as a gloom-and-doom prognosis this spring. With cost increases a way of business, catalogers realize it will never be cheaper to mail than now.

At Lands' End, Mr. Wilson even sneers at the election's effect. "The decision to buy a new shirt or skirt probably won't be influenced by whether a Democrat or Republican is sitting in the White House."

DATABANK — Direct Marketing

Big books, big sales

Catalog sales, 1986 ($000,000)*

1.	Sears, Roebuck & Co.	$3,711.4	6.	Fingerhut	316.0
2.	J.C. Penney Co.	2,332.0	7.	Lands' End	265.0
3.	Spiegel Inc.	882.2	8.	Hanover House	256.0
4.	Brylane	475.0	9.	Avon Products	216.2
5.	L.L. Bean	367.8	10.	General Mills	200.0

* Most recent figures available Source: [illegible]

Through rain, sleet . . . and catalogs

Number of catalogs mailed (000,000,000); % change

1987	12.4	5.1%
1986	11.8	18.0
1985	10.0	17.6
1984	8.5	26.9
1983	6.7	13.6

Source: Direct Marketing Association; ADVERTISING AGE

A consuming passion

Consumer catalog sales ($000,000,000); % change

1988	$38.6	14.9%
1987	33.6	14.3
1986	29.4	8.9
1985	27.0	8.9
1984	24.8	10.2

Source: Marke/Sroge Communications

HOT PROPERTIES

Buyer preferences: More is less

Products consumers most prefer to buy via catalog	*Products consumers say they never buy via catalog*
1. Books, records, tapes	1. Expensive jewelry
2. Casual clothing	2. Expensive dresses
3. Undergarments	3. Major appliances
4. Sports equipment	4. Suits
5. Small appliances	5. Shoes

Sources: Krupp/Taylor USA; Yankelovich, Skelly & White/Clancy, Shulman

Up [illegible] mail-order categories

[illegible]

Showrooms fend off the dinosaur look

Caught in web of the catalog's locked-in pricing, the segment's lament is summed up: 'It is a pain in the neck to do, but it's too vital to give up'

By Joanne Y. Cleaver

Catalog showrooms are exercising a right of American business: When you start losing at your own game, change the rules.

The alterations are so extreme that the category name may need changing. Although they still feature catalogs, many showrooms are deemphasizing the book as they struggle to find their position between low-price mass merchandisers' broad product selections and price cutting by specialty discounters and membership clubs.

"They used to be catalog showrooms, now they have become more of straight discount operations," says Steve Ashley, retail analyst, Blunt, Ellis & Loewi. "The catalog is much less a facet of the operation."

According to *Upscale Discounting*, the showrooms' aggregate sales hit $8.6 billion in 1987, 8.9% up from 1986's $7.9 billion but still 14% below 1985's $10 billion.

Indicating the pressure on the segment, McDade & Co. filed for bankruptcy last November; Allied Wholesale Distributors and Wilkor Jewelry & Showroom closed their doors early last month.

The situation has caused the chains to view their catalogs, once their trademark, as more of an albatross. The traditional 400-to-500-page catalog locks in product selections and prices at annual intervals, leaving less room for flexibility and making them more vulnerable to competitors.

About 50% of the customer base uses the catalog primarily to compare prices, says Leonard Luria, chairman and president, L. Luria & Sons, a Florida-based chain of 43 catalog showrooms.

"That's the weakest part of it. You're laid out before the competitors," he says.

Completely canning something that 50% of the customers rely on would be impossible, he says. "It is a pain in the neck to do and is very time consuming and costly. But it's too vital to give up."

Best Products, the No. 2 chain with sales of $2.1 billion in its fiscal year ending Jan. 30, is addressing the problem by reducing its catalog's role. It downsized the catalog this year from more than 400 pages to about 300 pages that feature only half the items carried in Best showrooms.

"The catalog is intended to give an idea of the categories and assortment customers can find in the store," says Mark Murphy, VP-corporate communications at Best Products. "With only half the items in the catalog, we can respond much more quickly to customer demands."

Like many other showrooms, Best is seeking marketplace flexibility by increasing the number of supplements that push seasonal and promotional items. It currently is dropping supplements every other week.

When Best Products reduced its catalog size, however, the space devoted to jewelry was kept constant, boosting jewelry-oriented pages to about 33% of the catalog rather than 25%.

DATA BANK

Not much to show for themselves

Mail-order sales, 1987 ($ 000,000)

Department/specialty stores	$4,930
Big 4 catalogers	3,070
Catalog showrooms	770

Source: Marketing Logistics

The reason is obvious. "They have category dominance in jewelry and they're fighting like hell to hold onto everything else," says Mr. Ashley.

Jewelry, watches, clocks, silver and gifts account for 47% of showroom sales, according to *Upscale Discounting*. Arnold Fishman, president of Marketing Logistics, a mail-order consultancy, speculates that jewelry eventually will account for up to 40% of sales.

Mr. Luria began to alter his merchandise as sales eroded,

Joanne Y. Cleaver, a frequent contributor to Special Report, specializes in retail subjects.

The best telemarketers don't go in blindfolded...

Telemarketing is booming. Everyone seems to be getting into the act. But . . . with 65% of telemarketing start-ups failing in the first year alone, how do successful telemarketers do it?

By knowing the importance of these basics: strong planning, strong managing, and strong training strategies. The kind of foundation you get at the American Management Association, where sales and marketing executives go to make promising ventures take shape.

AMA's telemarketing courses can lay the groundwork for your entire operation.

"How to Establish and Manage a Telemarketing Sales Operation" explains how to develop a telephone marketing/sales plan, write up a revenue/expense budget, recruit and train sales staff, provide leadership and motivation, use the latest technology, and more. "Telephone Selling Skills That Increase Sales" can fire up your staff and improve productivity.

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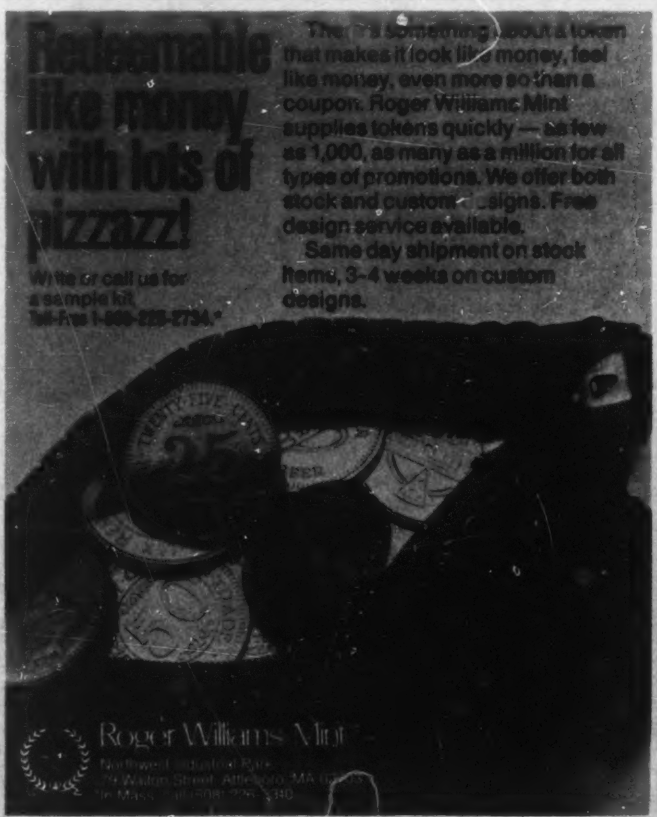

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PM hopes to clear the air via catalog

With its advertising options increasingly clouded by negative public opinion and regulatory uncertainty, Philip Morris is using a catalog to order up some positive images.

"Quality Choices," which is tied to its Benson & Hedges brand, features products such as espresso makers, VCRs and champagne flutes that portray the cigarette company as a purveyor of upscale goods.

"The philosophy is to extend the brand's image," says Ellen Merlo, Philip Morris VP-marketing services. "We have high-quality goods offered to our customers at deep discounts, products that enhance our target audience's lifestyle."

Strengthening ties to existing customers has become essential, and direct marketing programs are being considered as a way to meet that need.

"The cigarette companies are having to create a relationship with a dwindling market," says Katie Muldoon, president of Muldoon Direct, an agency specializing in catalogs. "They have to identify their audience."

Colgate-Palmolive Co. uses a catalog to build image and brand loyalty among customers. Launched last fall, its "Hand in Hand" catalog targets mothers with educational games and toys and parents' aids, mail-order categories showing growth potential.

The company's presence is extremely understated. Colgate products appear as props in only two photos; Colgate toothpaste is not even featured with a toothbrush set.

"We see this as a way to build a relationship with mothers by promoting products that become integral in the relationship between mothers and their kids," says Renee Kristol, Colgate's catalog director.

Still officially in test, the catalog has given Colgate "a taste for the value of targeting a specific audience and learning to communicate with them about their needs and wants. That's what direct marketing is all about," she says.

—Kristine Stiven

---

retaining electronics, small appliances, home furnishings and housewares but concentrating on jewelry and gifts. "We don't carry toys, soft goods or sporting equipment," he says.

Jewelry now accounts for about 40% of Luria & Sons' revenues—twice the industry average. As a result sales increased 19% in 1987 to more than $205 million.

Best Products is also reevaluating its merchandising strategies, changing them to look more like "any contemporary discount merchandiser," says Mr. Murphy. Small appliances like irons and microwave ovens are now stacked on self-serve shelves rather than behind counters.

Segment leader Service Merchandise, with 1987 sales of $2.8 billion, is holding out against making wholesale format changes, says Raymond Zimmerman, chairman and president. "We're changing nothing. We're just running the business better than we have in the past."

Part of this new efficiency involved halving the number of catalogs mailed, however.

Although the 6 million catalogs sent this year still represent a significant mailing, the move further indicates the decreasing importance of the first word in catalog showrooms' label. ▪

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Photo by A. Blake Gardner

Jim Heekin has come a long way from his heyday in New York—but small-town life suits him just fine.

Kicking back

Heekin finds happiness in small-town shop after years at the top in NYC

By ALAN RADDING

Williamstown, Mass., is only 170 miles from New York City, but for James R. Heekin Jr., it's as different as a Chevy pickup from a Mercedes limousine.

In his heyday at Doyle Dane Bernbach, Mr. Heekin traveled to work in a chauffeured limo. Now he drives a pickup through the quiet streets of the small college town.

Mr. Heekin, 60, opened James Heekin Associates five years ago in Williamstown after a career that included more than a decade at Ogilvy & Mather, five months as president of DDB and six years as a principal of what became Canter, Achenbaum, Associates.

After a long, colorful and controversial stay on Madison Avenue, Mr. Heekin decided to become a small-town adman.

"This is the last place you'd decide to start an ad agency," he says. But he was determined to succeed. "If nothing else, I didn't want to look like an ass back in New York."

And in his own way, he's succeeded.

Heekin Associates, which has $5 million in billings, recently won the $500,000 account of Mount Mansfield, a Vermont ski resort, beating out a dozen other New England agencies. The win brought the small shop its first regional attention.

Most of Heekin's other clients are more typical of a small-town agency, including a local bank, a hospital and a hotel.

"The client/agency relationship is less competitive here," Mr. Heekin says. "There isn't another ad agency on every corner, so the threat of losing business is not as worrisome as in New York."

A fervent disciple of David Ogilvy, Mr. Heekin works straight from Mr. Ogilvy's books, right down to a print orientation, long

(Continued on Page 42)

IBM mulling brand setup

Move could affect ad agencies

**By GARY LEVIN
and ALAN RADDING**

IBM Corp. is moving toward reshaping its marketing and advertising along brand-management lines, which would affect ad agency alignments with the giant computer marketer.

Faced with increasing competitive pressures on all sides, IBM is considering a decentralized marketing system, sources said. If a company task force decides to go ahead, Big Blue will join the ranks of other major companies that have pushed advertising and promotion responsibilities down into their business units.

Currently, all product advertising is coordinated by IBM's U.S. Marketing & Services Group, which includes about 175 staffers.

Decentralization of planning and decision-making along product lines already is a key element of the major corporate restructuring that's been under way since January.

That reorganization, conducted with the help of McKinsey & Co., a consultancy, could help IBM reduce its top-heavy corporate management ranks and enable it to be more responsive to changes in the marketplace.

An IBM spokeswoman tersely said the company "is not dispersing advertising support throughout the lines of business," disputing reports from several sources. She wouldn't comment on whether a physically centralized marketing team could be split by product lines.

An IBM marketing executive confirmed that a restructuring of marketing and advertising along brand-management lines is under consideration. "But it is just one of, probably, two dozen options," the executive said, adding that no timetable has been set for a decision.

Another source, however, said any action would likely be taken before IBM's traditional fall sales meeting in late August.

"These are hard times for IBM," said an agency executive with close ties to the computer marketer. "I would not be surprised to see them do some innovating. They're one of the last remaining monoliths.

"I think to try to find a structure where they can be market-focused instead of product-focused is a smart thing."

A former IBM executive said he believes the move could make essential staff reductions easier by

(Continued on Page 43)

Chilko widow files $20M suit against DDB

By LAURIE FREEMAN

The widow of Robert V. Goldstein, one of five advertising executives who died last year in a rafting accident, has sued DDB Needham Worldwide and its parent, Omnicom Group, for $20 million.

Nancy B. Goldstein, whose husband was VP-advertising at Procter & Gamble Co., and Ronald J. Goodman, co-executor of Mr. Goldstein's $1.5 million estate, filed the wrongful death and damages suit in U.S. District Court in Cincinnati.

The suit alleges that Al Wolfe, then the Chicago-based president of DDB Needham's U.S. division, arranged the Chilko River whitewater rafting trip without warning Mr. Goldstein and the other participants that it could be "exceedingly dangerous."

Attorney Stanley Chesley, who represents Mrs. Goldstein and Mr. Goodman, said he contacted lawyers for three other women widowed by the August 1987 trip (AA, Aug. 10, *et seq.*) and said two are likely to file suit within the next month.

"This clearly was a DDB Needham-sponsored trip," Mr. Chesley said. "All of the plans were booked and arranged on their stationery."

He declined to identify other Chilko River widows considering legal action against DDB Needham and Omnicom.

Mr. Chesley is widely known for representing surviving families of several disasters, including the MGM Grand hotel fire in Las Vegas, Nev., and the

(Continued on Page 42)

Last Minute News

Brown-Forman takes on scotches

LOUISVILLE, KY.—Brown-Forman later this month breaks a test campaign in California, Colorado and Florida that repositions Bushmills Premium Irish whiskey against premium scotch. Print and outdoor, the first from Chiat/Day, San Francisco, play on Dewar's and J&B ads with headlines like "Give J&B some R&R" and "Occasionally, Dewar's doers do ours." Bushmills, which only sold about 100,000 cases last year, hasn't advertised for about four years. If the campaign rolls out of test, Bushmills could become one of the top-advertised whiskeys in the U.S.

P&G rolls extra-strength Pepto

CINCINNATI—Procter & Gamble is introducing nationally Maximum Strength Pepto-Bismol after a yearlong test in Atlanta. Leo Burnett USA, Chicago, handles the print and TV campaign.

Honeywell breaks image effort

MINNEAPOLIS—Honeywell today breaks its first corporate image ad campaign from Campbell-Mithun-Esty, which succeeded BBDO Worldwide

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Inside:

AA taste test stuck in middle—P. 3
How to get a job at Riney—P. 25
Media Lab conjures up future—P. 26

AGB may resurface; Percy stops service

By VERNE GAY

Another highly touted TV ratings service, R.D. Percy & Co., bit the dust last week, just as word surfaced that AGB's people meters could rise from the ashes.

In an about-face, AGB's U.K. investor, MAI, said its Mediamark Research Inc. unit would revive the service on a three-month trial basis if it can raise $5 million from agency and TV clients.

It was earlier announced that the financially strapped people-meter service would be suspended (AA, Aug. 1).

AGB won't be back in the daily ratings business, however. The plan, to be unveiled this week by MRI Chairman Timothy Joyce, calls for a "single-source" monthly report that would combine AGB's TV ratings with MRI's product research information.

Until it suspended operations, AGB had been sending clients overnight network, cable and syndication TV ratings. The British company had invested $67 million in the service, but failed to make a profit.

"We're cautiously optimistic, very cautiously optimistic" that the plan will be accepted by clients, Mr. Joyce said. "[But] we're not prepared to risk any money" in continuation of the service.

"We've had many, many conversations—with all three networks, the cable networks and ad agencies—and it's clear there is very considerable sentiment that it was a good service," he said. "[They told us] that if it was positioned differently, there might be something there."

The trial service would be up and running by September. It would charge agencies a percentage of their billings, while the major networks would be charged $3.5 million each, the same rate they were charged for the defunct service.

CBS was the only major network client of AGB's original people-meter service.

AGB TV viewing data, which would continue to be collected on a daily basis, would be "married" with MRI's product usage data. A show's average monthly rating would then be compared with the show's specific product usage profile. For example, the book would have an average rating for NBC's "ALF," along with viewers' buying habits.

MRI collects data on a wide variety of products, including car purchases, via 20,000 questionnaires and "diaries." About 70% of MRI's revenues come from magazines.

The news of the possible AGB restart came just as Percy, a 2-year-old ratings service, announced that it had suspended operations.

The Seattle company's shutdown wasn't a complete surprise; Percy has had severe cash flow problems for several weeks.

The shutdown followed a board meeting at which investors said they would no longer support the service. Clients were notified Aug. 4, sources said.

In a statement released Aug. 5, CEO Roger Percy said the company had suspended operations while it

(Continued on Page 43)

Photo by Hal Fisher

Announcing the proposed resolution to the writers strike are (foreground, from l.): Brian Walton, executive director, Writers Guild of America West; Floyd Wood, federal mediator; and J. Nicholas Counter III, president of the Alliance of Motion Picture & Television Producers.

Strike fallout

Advertisers may rethink buys for new TV season

By VERNE GAY
and WAYNE WALLEY

The Big 3 TV networks will start scrambling to produce original fall programs this week, but it may be too late to avert some big problems for advertisers.

Following the resolution of the Writers Guild of America strike, advertisers may begin renegotiating some network buys for October and November—or even pull some money back.

During the recent upfront sales period, TV time was purchased on the originally announced schedules, not the ersatz strike schedules. And even though the strike is over, it's unlikely those original schedules will be completely intact before the start of next year.

"Clients may start pulling back their budgets because they're not getting what they want and there are no alternatives this late in the year," said Rose O'Connell, senior VP-director of network research at J. Walter Thompson USA, Chicago.

"I have to buy time in the fourth quarter," said Chuck Bachrach, VP-director of network programming, Western International Media, Los Angeles. "Advertisers can't change their plans. You have to be there and have to get weight during the flight. I have guarantees from the networks, and if I can't find the make-good I want, I can take the credit or take the money and spend it elsewhere."

Many advertisers are believed to have heavied up during the fourth quarter because of expected ratings declines. To meet their brands' ratings goals, they had to overbuy in the upfront market.

"You don't have flexibility" for some clients, said Mel Conner, senior VP-director of network operations, Saatchi & Saatchi DFS Compton, New York. "Clients have plans that have to be executed in specific weeks. That's why the upfront market was $3.2 billion. A number of advertisers would not have bought upfront if it was a regular season. It's the fright factor."

Bart McHugh, senior VP-director of national radio/TV programming at DDB Needham Worldwide, said that if a client specifically requested a show in an upfront plan that will

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The FDA is close to approving the use of health claims in advertising for foods that are high in fiber and low in fat.

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The clock is ticking for European automobile importers Audi and Peugeot.

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Sears' plan to take on specialty retailers has surged ahead on one front but stalled on at least one other.

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"Willow" isn't the box office hit that advertisers had expected, but that hasn't hurt their $50 million promotional campaigns.

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A mystery revolving around a statement by a former employee of bankrupt Freedman & Rossi/-BBDO, claiming two other agencies overcharged clients, is shaking up the S. African ad world.

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Dealers happy with Chrysler

Jeep/Eagle groups plan network blitz

By RAYMOND SERAFIN

HIGHLAND PARK, MICH.—Chrysler Corp. and its new Jeep/Eagle dealer network are putting together the first-ever network TV buys sponsored by dealers.

The estimated $20 million media blitz, created by Campbell-Mithun-Esty, Southfield, will break Sept. 6 as part of a big fall drive to help build the Jeep/Eagle division's passenger car sales.

The campaign is aimed at duplicating the showroom traffic generated by the original $25 million effort that last December and January launched the newly merged Jeep/Eagle division, the new Eagle brand name and the first Eagle car, the Premier.

The unique dealer media buy shows how far C-M-E has come in solidifying its once-precarious hold on the division, which was created when Chrysler bought American Motors Corp., maker of Jeep, a year ago this month.

C-M-E not only held onto the account through the merger (and its own internal changes and merger), but has also begun building an international organization to service Jeep business and has taken on the business of all 28 U.S. Jeep/Eagle dealer ad groups formed by Chrysler.

That consolidation of all dealer associations with a single agency opened up the possibility of dealer groups pooling funds to buy network TV, said Robert Williams, dealer marketing manager for Jeep/Eagle.

Mr. Williams said the division couldn't take full advantage of the first campaign, because many dealers lacked both signage and the right mix of inventory.

Mr. Williams pegged the cost-saving of buying network instead of

(Continued on Page 43)

OREO vs. Hydrox

Staff photos by Doug Goodman

Geoff Klapisch takes the test on 42nd Street.

Ad Age right in the middle of this taste test

By LENORE SKENAZY

After watching Diet Coke and Diet Pepsi slug it out for taste-test supremacy, ADVERTISING AGE decided the time had come to conduct a taste test to end all taste tests.

Pitting the white part of Oreos against the white part of contender Hydrox creme-filled chocolate sandwich cookies, we would determine which sugar-cream center consumers prefer.

To do this, we erected a booth on New York's bustling 42nd Street. All right—we used a card table. But we draped it with a (plastic) tablecloth.

To attract participants, we asked each passer-by to take the Oreo-Hydrox Cookie-Middle Taste Test Challenge, and few could refuse. All right—most refused. But we still got 45 takers, including two TV producers, three homeless men and a couple of kids.

In taking the test, these participants turned their backs while the

(Continued on Page 41)

World News Roundup

LONDON—Gordon's Gin, part of Guinness-owned United Distillers Group, is seeking an agency to handle its $17 million account for continental Europe, now with Lowe Howard-Spink. Grey Ltd., D'Arcy Masius Benton & Bowles and three shops on the Continent are pitching.

SYDNEY—Dulux Australia split its new $7.5 million paint account between Ogilvy & Mather, Melbourne, and Leo Burnett Ltd.

LONDON—Helene Curtis' Finesse shampoo and conditioner was launched here with a $7 million campaign by WCRS Mathews Marcantonio.

NYON, SWITZERLAND—International 800 Telecom, which provides toll-free telephone service to companies in 60 countries, received

(Continued on Page 30)

Godfather's chain splits with Fallon

By SCOTT HUME

After less than eight months together, Godfather's Pizza and Fallon McElligott are parting company.

Indications are the chain is following the hard-pressed restaurant industry's latest trend—a shift to "retail" advertising, emphasizing price and product over image.

"This was a friendly, mutual decision," said a spokesman for Godfather's. "We both agreed that what the company needs right now is a smaller, more retail-oriented agency."

He also said Fallon McElligott wants to "keep its options open in the restaurant category," a position confirmed by agency President Patrick Fallon.

The Minneapolis agency had succeeded J. Walter Thompson USA, Chicago, on the $6 million-to-$8 million account.

The move comes as top management of the No. 5 pizza chain, led by President Herman Cain, negotiates final details of a leveraged buyout of Omaha, Neb.-based Godfather's from Pillsbury Co.

"Godfather's has a tough chal-

(Continued on Page 46)

Dems target regional ads

By STEVEN W. COLFORD

★★★★ Campaign 88

WASHINGTON—The Democrats responded to the GOP's national TV campaign late last week, and the placement of their spot indicates regional marketing will be key to media advertising strategies for the 1988 presidential race.

The 30-second spot, which broke Aug. 5, is running only in Texas, and that underscores not only the importance of Texas but the role of targeted marketing in the drives for the White House.

The Republicans' two-week TV blitz, which began July 26, aired on the Big 3 TV networks and five cable channels (AA, Aug. 1).

The Democrats' spot, produced by Ken Swope, a prominent member of presidential nominee Michael Dukakis' ad team, tries to counter the basic themes of the three GOP commercials—that the Republicans are responsible for seven years of growth and prosperity, and wouldn't it be silly to risk a return to economic recession, gas lines and inflation by voting Democratic?

In the Democrats' spot, a group of children play in front of an American flag backdrop as a somber voice notes the doubling of the national debt during the Republican administration. "We need to invest in our children, not borrow from them," the voice-over says.

A spokeswoman at the Democratic National Committee said politics and "niche marketing" determined the placement of the party's first spot of the '88 race.

"It's a matter of deciding where our resources should be spent and when," said Julie Anbender, deputy press secretary of the DNC. "Texas is an important market and what better place to launch our response to Republican demagoguery?

"I think our media this year will be very targeted and aimed at spots where we think it will match the area viewership with our own political strategy."

The committee claims to have about $8 million in contributions so far to organize and help finance generic "Vote Democratic" adver-

(Continued on Page 42)

Magazine winners & losers

Magazines	1st-half '88 ad pages	% gain vs. '87	Magazines	1st-half '88 ad pages	% loss vs. '87
Vanity Fair	493	56.4%	Modern Maturity	109	−25.0%
Cable Guide	188	41.5	Venture	316	−17.5
American Way	839	33.0	McCall's	458	−17.0
Metropolitan Home	526	31.7	Star	224	−14.0
Hot Rod	584	26.5	Harper's Bazaar	637	−13.0

Source: Publishers Information Bureau.

Affluent titles soar

By PATRICK REILLY

NEW YORK—Upscale magazines are leading a surprisingly strong performance by consumer books, despite continued concern about softening in national ad spending.

During the first half of 1988, consumer books avoided any dire aftereffects of last year's stock market plunge. According to rankings from Publishers Information Bureau, the top performers of the first half include Conde Nast Publications' *Vanity Fair* and Meredith Corp.'s *Metropolitan Home*, magazines in a class whose ad volume was supposed to have been hurt.

"All indications are that luxury and high-end items are selling stronger than ever," said Doug Johnston, publisher of *Vanity Fair*.

"The predictions scared us going into the year, but problems didn't materialize," said George Green, a group publisher at Hearst Corp., who oversees such upscale books as *Town & Country* and *Connoisseur*. "There was a slowdown in some areas, but advertisers concentrated on magazines that identified with the people with money."

Vanity Fair, among the leaders in percentage growth in ad pages, continued a climb that began about three years ago. In the first half of 1988, it had 493 ad pages, a 56.4% increase over the same period in 1987.

Among the top 100 ad revenue-producing magazines, other strong performers were *Cable Guide*, to 188

(Continued on Page 44)

National discount rates aren't helping newspapers—P. 44

HOT STUFF

Frito-Lay will introduce Ruffles Light potato chips into test in Colorado and Wyoming with a TV spot positioning the less-oil product as "The most inviting potato chip ever." DDB Needham Worldwide, Chicago, handles. *(See story, Page 42.)*

Kraft is marking the 10th year of Miracle Whip's "A sandwich just wouldn't be a sandwich" campaign. In one new spot, campers are scared by the tale of a man who made a sandwich without Miracle Whip. Foote, Cone & Belding, Chicago, handles.

MAXWELL'S MARKET SHARES

Pet-food sales sag at food stores

By JOHN C. MAXWELL JR.

Dog days have hit food-store sales in the pet-food industry.

Sales grew just 1% in 1987. A contributing factor is the growing proportion of pet foods sold through other outlets, such as veterinarians and breeders, and the trend in these areas appears to be up.

Slow growth also is related to the decreasing rate of increase in the cat population and the slight decline in the dog population.

Cat food continues to lead dollar tonnage gains, up 1.9% vs. a 0.5% gain for dog food.

Cats continue to be the convenience pet of choice. Households owning cats and the total number of cats increased in 1987, outnumbering the dog population for the third consecutive year.

This, of course, has had positive ramifications for companies with predominantly cat-food entries, such as Ralston Purina Co., Carnation Co. and H.J. Heinz Co., while those that are most involved in dog foods, such as Quaker Oats Co. and Alpo Pet Foods, lost market share.

For example, Carnation (which is owned by Nestle) passed Quaker for the No. 2 position in 1987 pet-food market share.

Part of Heinz's growth was due to the acquisitions of CHB Foods (Vets and Skippy brands) and Champion Valley Farms (Recipe brand). Quaker, despite its acquisition of Gaines Foods, lost share as it took longer than expected to relaunch the Cycle and Gravy Train brands.

Several companies disappeared in 1986 and 1987, and others are likely to fold in the coming years. The top seven companies now account for about 78% of the total volume.

Dog treats were up 10% in dollars compared with a 4% increase in cat treats.

In terms of unit trends, canned dog-food sales in food stores fell 4%, with maintenance products down even more at 9%.

The premium canned-food area was relatively flat. Carnation's Grand Gourmet and Quaker's King Kuts, both introduced in 1987, completed national expansion by yearend.

In one twist reminiscent of the marketing of human foods, Alpo is launching Alpo Lite canned dog food with 25% fewer calories than its regular brand, citing studies showing that 40% of dogs are overweight.

Dry dog food was down about 2%, with premium being up 1% and maintenance products down 2.5%. At least 25% of dry dog food by volume is sold through channels other than grocery stores, while roughly 10% of canned dog food is sold outside grocery stores.

New dry products included Kibbles & Chunks by Purina, Purina O.N.E. and Carnation's Hearty Chunks.

By units, dog treats were up about 1.5%, with biscuits remaining flat.

Moist dog food was down 8% in unit volume; the only product showing a gain was Moist & Meaty from Purina.

Soft-dry dog food was off 20%. The introduction of Tender Chops by Quaker provided some buoyancy to this sagging segment in 1987.

In canned cat foods, the gourmet section—which makes up about 85% of the total—was up 6%; total canned was up 5%. Kal Kan cat food demonstrated superior unit growth in 1987, though Fancy Feast by Carnation showed a higher percentage growth.

Dry cat food was up 3%, with cat treats up 2%. The moist cat-food segment was down 7%.#

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

Dog food sales

Dry dog food

Brand	Manufacturer	1986	1987
		($ in millions)	
Dog Chow	Ralston Purina	$250.0	$233.0
Puppy Chow	Ralston Purina	140.0	135.0
Alpo Beef Flavored Dinner	Alpo (GrandMet USA)	102.0	108.0
Gravy Train	Gaines (Quaker Oats)	132.0	90.0
Come 'N Get It	Carnation	90.1	84.0
Kibbles & Chunks	Ralston Purina	55.0	83.0
Dog Meal (Hi-Pro)	Ralston Purina	87.5	80.0
MealTime	Kal Kan (Mars)	66.0	64.4
Chuck Wagon	Ralston Purina	57.3	58.3
MainStay	Ralston Purina	45.5	48.5
O.N.E.	Ralston Purina	—	45.0
Lucky Dog	Ralston Purina	33.0	40.5
Purina Blends	Ralston Purina	34.5	33.5
Dry Cycle	Gaines (Quaker Oats)	35.6	30.4
Hearty Chunks	Quaker Oats	—	30.0
Grravy	Ralston Purina	—	30.0
Fit & Trim	Ralston Purina	28.5	30.0
Puppy Chow Chewy Morsels	Ralston Purina	34.0	20.0
Hunters Choice	Jim Dandy (GrandMet USA)	12.4	12.9
Jim Dandy Chunk & Ration	Jim Dandy (GrandMet USA)	11.5	11.5
Alpo Puppy	Alpo (GrandMet USA)	10.0	10.0
Gravy Train Puppy	Gaines (Quaker Oats)	5.0	9.0
Thrive	Ralston Purina	10.0	8.0
Ken-L Ration Biskit & Meal	Quaker Oats	8.0	7.0
Bow Wow	Piasa	6.0	6.0
Kasco	Piasa	5.0	5.5
Praise	Ralston Purina	16.0	5.0
Friskies Dinner & Cubes	Carnation	10.0	5.0
Field & Farm	Ralston Purina	3.8	3.5
Field Master	Ralston Purina	3.0	3.3
Alamo Brand	Alpo (GrandMet USA)	1.5	2.0
Savor	Ralston Purina	1.0	2.0
Cadillac	Cadillac	1.5	1.6
Blue Mountain	Associated Products	1.5	1.3
Vets Nuggets	Heinz	1.5	1.3
Strongheart	Beatrice	1.4	1.2
Gaines Meal	Gaines (Quaker Oats)	1.0	0.8
Others		497.1	459.5
Total		$1,799.2	$1,800.0

Moist dog food

Brand	Manufacturer	1986	1987
Gaines Burgers	Gaines (Quaker Oats)	$60.0	$47.0
Top Choice	Gaines (Quaker Oats)	35.0	30.5
Ken-L Ration Special Cuts	Quaker Oats	24.1	20.0
Moist & Meaty	Ralston Purina	13.0	20.0
Ken-L Ration Cheeseburger	Quaker Oats	15.0	13.5
Smorgasburger	Quaker Oats	11.0	12.5
Ken-L Burgers	Quaker Oats	11.0	5.5
Moist & Beefy	Quaker Oats	—	4.0
Prime/Puppy Choice	Gaines (Quaker Oats)	2.0	1.5
Ken-L Burger 'n Liver	Quaker Oats	5.1	1.0
Ken-L Burger with Egg	Quaker Oats	2.0	—
Gaines Variety/Complete	Gaines (Quaker Oats)	0.5	—
Others		31.3	49.5
Total		$210.0	$195.5

Canned dog food

Brand	Manufacturer	1986	1987
		($ in millions)	
Alpo	Alpo (GrandMet USA)	$230.0	$240.0
Kal Kan	Kal Kan (Mars)	155.0	160.0
Mighty Dog	Carnation	110.4	98.0
Cycle	Gaines (Quaker Oats)	70.1	72.3
Ken-L Ration	Quaker Oats	54.5	50.0
Skippy, Premium	Heinz	38.2	39.3
Grand Gourmet	Carnation	—	25.0
Recipe	Heinz	25.0	24.5
Vets	Heinz	21.2	21.5
King Kuts	Quaker Oats	—	20.0
Gravy Train	Gaines (Quaker Oats)	13.1	11.0
Cadillac	Cadillac	18.0	11.0
Strongheart	Beatrice	11.0	9.5
Twin Pet	Allied Foods	8.4	8.0
Blue Mountain	Alpo	8.0	8.0
Skippy	Heinz	8.7	7.5
Alpo Canned Puppy	Alpo (GrandMet USA)	8.2	7.5
Laddie Boy	Laddie Pet Food	5.4	5.0
Bone Appetit	Ralston Purina	1.0	2.0
Henny Pen	Allied Foods	2.0	1.5
MPS	Kal Kan (Mars)	2.0	1.0
Red Heart	Allied Foods	0.3	0.2
Tender Chunks Dinners	Quaker Oats	0.2	—
Jobo	Allied Foods	0.2	—
Others		72.1	67.2
Total		$863.0	$890.0

Soft-dry dog food

Brand	Manufacturer	1986	1987
Kibbles 'N Bits 'N Bits 'N Bits	Quaker Oats	$110.5	$98.5
Tender Chops	Quaker Oats	—	30.0
Moist & Chunky	Ralston Purina	27.0	22.5
Puppy Kibbles 'N Bits 'N Bits	Quaker Oats	30.1	15.0
Dinner Rounds	Heinz	4.5	4.0
Love Me Tender Chunks	Quaker Oats	45.2	—
Jim Dandy Tender Moist Chunks	Jim Dandy	3.7	3.6
Others		—	14.4
Total		$221.0	$188.0

Dog treats

Brand	Manufacturer	1986	1987
Milk Bones & others	RJR Nabisco	$125.0	$130.0
Chew-eez & others	Superior	34.0	40.0
Jerky Treats	Heinz	35.6	36.7
Meaty Bones	Heinz	27.3	26.5
Bonz	Ralston Purina	20.5	21.0
Alpo Jerky	Alpo (GrandMet USA)	12.5	13.0
Hearty Chews	Ralston Purina	5.0	12.0
Alpo Snaps	Alpo (GrandMet USA)	11.0	11.5
Snausages	Quaker Oats	12.0	10.5
Pup-peroni	Quaker Oats	4.0	10.0
Beef Bites	Alpo (GrandMet USA)	7.0	7.4
K-L-R 100% Nat Treat	Quaker Oats	—	5.0
Cheese Dawgs	Ralston Purina	—	3.0
Marrow Bone	Kal Kan (Mars)	7.4	2.0
Tasty Chunks	Gaines (Quaker Oats)	5.0	2.0
Recipe	Heinz	1.8	1.56
Say Cheese, People Crackers	Hi-Life	1.3	1.1
Others		50.6	63.3
Total		$360.0	$396.5

Cat food sales

Canned cat food

Brand	Manufacturer	1985	1986
		($ in millions)	
9-Lives	Heinz	$257.0	$255.0
Kal Kan	Kal Kan (Mars)	226.0	242.6
Friskies Buffet	Carnation	181.7	175.0
Fancy Feast	Carnation	127.8	138.5
Purina 100	Ralston Purina	80.5	86.2
Amore	Heinz	64.0	85.0
Puss 'n Boots	Quaker Oats	19.0	21.0
Bright Eyes	Carnation	19.0	14.5
Catviar	Ralston Purina	4.0	8.0
Unique	Ralston Purina	4.5	5.0
Tabby	Alpo (GrandMet USA)	6.1	2.0
Others		157.9	161.7
Total		$1,147.5	$1,195.0

Dry cat food

Brand	Manufacturer	1985	1986
Cat Chow	Ralston Purina	$155.0	$154.0
Friskies	Carnation	90.1	91.5
Meow Mix	Ralston Purina	83.1	85.0
Crave	Kal Kan (Mars)	66.5	61.5
9-Lives	Heinz	51.0	46.4
Special Dinners	Ralston Purina	45.2	43.5
Alley Cat	Ralston Purina	35.6	43.5
Chef's Blend	Carnation	43.5	40.3
Thrive	Ralston Purina	38.2	37.0
Kitten Chow	Ralston Purina	24.3	32.0
Smart Cat	Ralston Purina	2.0	15.0
Others		115.5	102.3
Total		$750.0	$752.0

Moist cat food

Brand	Manufacturer	1985	1986
Tender Vittles	Ralston Purina	$125.1	$118.3
Happy Cat	Ralston Purina	66.5	57.5
9-Lives/Tender Meal	Heinz	33.6	30.5
Moist Meals	Quaker Oats	10.2	6.4
Moist & Tender	Ralston Purina	2.8	2.6
Others		11.0	23.7
Total		$249.2	$239.0

Source: John C. Maxwell Jr.

L.A. Gear takes off

Spending up to race Reebok, Nike

By MARCY MAGIERA

LOS ANGELES—L.A. Gear is picking up its marketing pace to compete with athletic shoe market leaders Reebok International and Nike.

The 5-year-old marketer of fashion-oriented athletic shoes will boost its ad spending to $20 million to $25 million in 1989, from $12 million this year.

It also signed pop singer Belinda Carlisle to appear in a Christmas season ad campaign and this month will start its most aggressive back-to-school effort—a $4 million campaign showcasing its men's shoes.

The back-to-school campaign, which breaks Aug. 15, is L.A. Gear's first major effort for its men's line.

The TV, print, radio and outdoor campaign continues the marketer's "It wasn't a fantasy" ad theme, introduced two months ago in a spot for women's shoes.

A 60-second commercial intercuts a young man's fantasy basketball game—a one-on-one match on a beachside court, his opponent a beautiful young woman—with his real on-court challenge, a high school championship game.

The campaign, which will air nationally on cable and in 38 spot markets, was created and produced in-house under the direction of L.A. Gear Exec VP-Marketing Sandy Saemann.

The new campaign and future efforts will focus more on function than past ads, which mainly have emphasized L.A. Gear shoes' fashion aspects, Mr. Saemann said.

"We don't want to go down as only a fashion shoe that doesn't perform on the aerobic floor," he said.

L.A. Gear's $72 million in sales in 1987 represents a 2.3% share of the $3.1 billion branded athletic shoe market and makes it the ninth-largest player in the industry, according to *Sports Management News*, an industry newsletter.

In 1987, Reebok had a 32.2% share with $990 million in sales; Nike had an 18.6% share with sales of $571 million.

L.A. Gear has steadily increased its sales and ad spending since 1985. Its sales grew by more than 200% in 1986 to $36 million and doubled in 1987.

Ad spending grew from an estimated $2 million in 1986 to $7 million last year.

L.A. Gear's first TV spot for its men's line intercuts scenes of a young man's championship basketball game with his fantasy game, played against a beautiful young woman.

Reebok will spend $35 million to $40 million this year, through Chiat/Day, New York. Nike's budget is $34 million, handled by Wieden & Kennedy, Portland, Ore.#

Dailies' discounts fail to stem slide

By PATRICK REILLY

TORONTO—Although discount rates for national advertisers are growing among U.S. newspapers, they're doing little to offset the downward spiral of national ad dollars for the medium.

Executives meeting at the International Newspaper Advertising & Marketing Executives conclave here said small to midsize newspapers are the most enthusiastic backers of discounts, but most large metropolitan dailies still appear cool to the idea.

Discounts have been promoted for the past two years as an important component of an industrywide effort to lure back national advertisers to newspapers.

National ad rates are often double the local—or retail—rates, and that's been cited as a reason for national advertisers' reluctance to use newspapers. The percentage of national ad spending in newspapers dwindled to less than 6% in 1986, from more than 15% in the 1950s.

A recent survey by the Newspaper Advertising Bureau showed that 63% of 656 newspapers—representing 60% of total U.S. circulation—now offer discounts to national advertisers for repeat ads, in addition to the newspapers' customary volume discounts.

The discounts are a key recommendation of the NAB's Future of Advertising project, a blue-ribbon committee of newspaper chief executives formed in 1985 to address the industry's long-term future.

At last week's conference, several attendees seemed unimpressed by the growing number of papers offering discounts.

"It's a myth to believe that by lowering the price, the national ads will come back," said one executive of a major newspaper who asked not to be identified.

While the NAB's survey suggests a major accommodation by newspapers, executives here contended that many of the papers that have adopted the discounts are small to medium-circulation newspapers whose national business is marginal at best, usually representing no more than 10% of their annual ad revenue.

"We haven't changed our [national] rates, and I don't know of any major paper that has," said Leonard Pomerantz, manager of retail advertising for the *Los Angeles Times*.

One executive from a major metropolitan daily newspaper said, "It costs no more to run a national ad than a local one. What the price differential represents to many papers is profit, and they aren't about to do away with that profit."

James Doughton, advertising director of the *Sarasota* (Fla.) *Herald-Tribune*, said the acceptance of lower national rates is "a lot like skinny-dipping. Everybody wants to do it, but no one wants to be the first to do it."

Mr. Doughton said his paper's national rate is only about 7% above its retail rate.

"It wouldn't be a dramatic change for us," he said. "But I don't see things really changing until the big papers do it. When they do, you will know we have made some progress."

Some large papers have simply made volume discounts more attractive.

"We have a frequency discount for national advertisers that's so low it falls below our retail rate," said Jerome Tilis, president of the *Detroit Free Press*.

Still, some executives said price isn't the key factor.

"It's not really about the price," said Roger Clapp, president of INAME and ad director of *The Richmond* (Va.) *News Leader* and *Richmond Times-Dispatch*. "It's about whether you have the market the advertiser wants and how easy you make it for the advertiser to buy newspapers."

Of late, national spending levels in newspapers, like spending for retail, haven't been encouraging.

According to NAB's figures for the first quarter of 1988, total newspaper spending was $6.7 billion, an increase of 2.5% over the same period in 1987. National ads rose a sluggish 2.2% to $848 million. But retail ad spending increased only 1% to $3.3 billion, while classified rose 4.6% to $2.6 billion.

NAB also lowered its projections for total newspaper spending in 1988. NAB President Craig Standen told the attendees that the bureau's earlier estimate of $31.7 billion in total U.S. newspaper advertising for 1988, or an 8% increase from 1987, has been revised to $31.3 billion, or 6% growth.#

Magazines

(Continued from Page 3)

ad pages, up 41.5%; *American Way*, American Airlines' in-flight magazine, to 839, up 33%; *Metropolitan Home*, to 526, up 32%; and *Hot Rod*, to 584, up 26.5%.

Of the 156 consumer magazines that PIB tracks, 95, or 61%, showed ad page gains. The magazines averaged a growth of 4.4%. That's a better pace than in 1987, when their total ad pages grew little more than 3% for the year.

Ad revenue in the first six months totaled $2.8 billion, an increase of 9.4% from 1987. Ad pages, not revenues, are considered a more precise gauge of the industry's performance, since revenue totals don't reflect discounts off the magazine's official rate card.

Despite the overall good ad performance, some publishers will spend the second half recovering from the first half. For example, Washington Post Co.'s *Newsweek* has slumped this year after pulling ahead of rival *Time* in 1987. In the first half of 1988, *Newsweek's* pages totaled 1,182, down 6% from the same period in 1987. *Time* was up 1.7% to 1,207 pages.

Newsweek Publisher Gerard Smith said the magazine was "looking to strengthen in the second half," in part because of a special election issue whose ad space is selling well. The issue will appear 36 hours after the polls close on election night and will stay on the newsstand for 10 days.

Each advertiser in the *Newsweek* issue is being promised space opposite editorial pages.

Publishers and industry observers expect advertising demand to remain relatively stable for the rest of the year.

"Publishers say they are cautiously optimistic," said James Guthrie, exec VP-marketing development at Magazine Publishers of America. "Their second halves will be about the same as their first."

Mr. Guthrie said he's confident that "bellwether" categories such as automotive and apparel, which were strong in the first half, will maintain their volume for the year.

Automotive ads in consumer magazines totaled $428 million, a 19.3% increase from the first six months of 1987, while apparel rose 14% to $154 million.

"I don't hear of any categories that are tightening their belts, and all the critical categories are strong," Mr. Guthrie said.

He said magazine revenues will increase at a higher rate than pages due to recent sharp increases in page rates to cover "uncontrollable" costs of postage and paper.#

AA workshop tackles sports sponsorships

NEW YORK—How do advertisers make big bucks by signing up big-name sports stars? How are the dynamics of sports sponsorship changing? Is there a future for these partnerships?

A five-member panel will be batting out the answers here during the 31st annual ADVERTISING AGE Creative Workshop. Participants in the sports sponsorship session are CBS-TV sportscaster Tim Ryan; agent-attorney Bob Woolf, president of Bob Woolf Associates, a pioneer sports law firm whose clients include basketball's Larry Bird and Otis Birdsong and former NFL star Jim Plunkett; H. Kent "Bud" Stanner, senior corporate VP, International Management Group, Cleveland, a leading full-service sports management company; Barbara Paddock, VP, Manufacturers Hanover Corp.; and Liz McMahon, manager-marketing and communications, 3M.

Panelists also will discuss the future of sports marketing, endorsements, remuneration and impact on creative work.

The workshop will be at the New York Hilton Aug. 21 to 24. For more information, contact AD AGE Communications, 220 E. 42nd St., New York 10017. In New York state, call (212) 210-0[illegible]; outside New York, call 1-800-233-3435. Telex: 64-0207. Fax: (21[illegible]) 867-9716.#

RD keeps eying new titles

By PATRICK REILLY

Reader's Digest Association is expected to make more domestic acquisitions following the shuffling last week of a number of its top publishing executives.

As part of the new assignments, Marcia Lefkowitz, 44, VP and director of U.S. circulation for the 16.5 million-circulation *Reader's Digest*, will become VP-director of corporate planning and development. She succeeds Rene Isaac, 64, who's retiring.

Ms. Lefkowitz will oversee acquisition activity for the magazine and book publisher and will report to George Grune, chairman-ceo.

"Isaac's put in place our acquisition-minded plans," said a *Reader's Digest* spokesman. "And Marcia is expected to build on that.

K. Gordon

R. Cole

There is still great interest in other acquisitions."

Under Mr. Grune's leadership, the association has bought three magazines in the past two years: *Travel-Holiday, Family Handyman* and *50 Plus*.

The other changes were made partly in preparation for another senior executive's retirement, Mr. Grune said.

Kenneth Gordon, 51, VP-publisher at *Reader's Digest*, will become VP-director, international operations, succeeding Richard Hewett, 64, who's retiring. Ronald Cole, 43, will succeed Mr. Gordon as publisher, returning from Montreal, where he was president-ceo, *Reader's Digest*-Canada.

M. John Bohane, 52, was named to the new post of VP-director of U.S. marketing, from VP-books and music division. Peter Davenport, 48, VP-director of international marketing, gets additional responsibilities as deputy director of international relations.

Patrick Kenny, 40, succeeds Ms. Lefkowitz as U.S. circulation director, from subscription sales director.#

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Last Minute News

JWT out of media talks with Ogilvy, Omnicom

NEW YORK—Talks about a three-way media-buying venture involving J. Walter Thompson Co., Ogilvy & Mather and Omnicom Group have broken off, and it appears O&M and Omnicom will forge their own deal by next month.

Burt Manning, JWT chairman-ceo, confirmed the talks are no longer active. He declined to disclose why an agreement couldn't be reached, saying only that more limited and preliminary talks with other agencies are continuing. But sources familiar with the negotiations said JWT "couldn't deliver" several of its overseas offices—including its largest in London. These were unwilling to cooperate with the venture because of separate partnerships or their own strength.

Sources said JWT was the most recent potential partner for O&M and Omnicom, which two weeks ago formally disclosed their talks (AA, Aug. 8).

"We're talking to nobody on a broad worldwide basis," Mr. Manning said. "We're primarily interested in a market-by-market examination of the needs of our clients."

However, some sources believe JWT and parent WPP

(Continued on Page 8)

- **Fax-machine mania strikes the advertising business—P. 3**
- **Saatchi brothers' secrets revealed in new book—P. 64**

Cereal makers feel their oats

Quaker, Gen'l Mills plan $100M in spending

By JULIE LIESSE ERICKSON

Quaker Oats Co. and General Mills are committing nearly $100 million for marketing in the second year of their oatmeal war.

The rival hot-cereal marketers will fire off a barrage of new products and ad campaigns later this month.

At stake is a market that grew close to 24% last year, to $606 million, as well as the opportunity to piggyback on consumers' feverish interest in oat bran cereals.

General Mills, which threw down the gauntlet last year by introducing Total Oatmeal as a challenge to longtime market leader Quaker Oats, is adding three new products to the line.

Total Oatmeal Swirlers, rolling national in September, are packs of instant oatmeal accompanied by a separate packet of jam to be squeezed onto the hot cereal.

The Fruit Swirlers pouches contain 50% real fruit and come in three flavors—apple cinnamon, raspberry and strawberry.

General Mills believes Swirlers will enhance oatmeal's appeal for children. "We think there's a lot of play value involved with these," a spokeswoman said.

Saatchi & Saatchi DFS Compton, New York, handles Total Oatmeal and Swirlers, and the entire campaign is estimated at $35 million.

Ads for the basic oatmeal line break in September; Swirlers will get a separate TV and print campaign later.

In addition to Swirlers, General Mills is adding a sixth flavor—maple brown sugar—and a multiflavor variety pack to its instant oatmeal line.

In the latest example of one-upmanship in this bitter market battle, General Mills now is fortifying Total Oatmeal with 100% of the U.S. recommended daily allowance of 12 vitamins and minerals, up from nine initially.

That's two more than Quaker Extra, an instant oatmeal now rolling national as Quaker's response to Total's nutritional claims (AA, Jan. 4, *et seq.*).

Extra, tested in Arizona last winter, will be available nationally this month in apples and spice, raisins and cinnamon and regular flavors.

Quaker's print and TV ad support for its oatmeal line begins at the end of this month.

The company is boosting its oatmeal marketing budget by about a third, to nearly $60 million, compared with a

(Continued on Page 63)

Murdoch buy stacks the racks

By PATRICK REILLY

Rupert Murdoch's acquisition of Triangle Publications will earn him a commanding position on U.S. newsstands, setting up what could be a major battle between his News Corp. and the U.S.' largest magazine publishers.

With the planned $3 billion purchase of Triangle, including the flagship *TV Guide* founded by owner Walter Annenberg, Mr. Murdoch becomes a formidable competitor in single-copy sales.

TV Guide sells an average of more than 8 million copies on newsstands, or about 47% of its total weekly paid circulation of 17 million. News Corp.'s weekly supermarket tabloid, *Star*, sells an average of 3.3 million copies on newsstands, about 87% of its total paid circulation of 3.8 million.

"He has made himself a powerful force," said Charles Walker, exec VP-operations, Select Magazines, a major magazine distributor. "Between *TV Guide* and the Murdoch titles, Murdoch can quarterback a lot of racks," he said, referring to the practice of negotiating favorable positions at supermarket checkouts and newsstands.

The acquisition also will make News Corp. a greater global media force. That, industry observers say, will accelerate Mr. Murdoch's drive to become a single-source resource for international advertisers.

The purchase places Mr. Murdoch in the position of offering attractive ad packages, as wide-reaching as any offered today. In addition to magazines and newspapers on three continents, he owns Fox Broadcasting Co. in the U.S. *(see related story on Page 62)* and the Sky Channel cable TV service in Europe, soon to be absorbed by a new, larger Sky Television satellite TV company.

More immediately, however, Mr. Murdoch will become the U.S.' largest consumer-magazine publisher in terms of circulation and, as a magazine distributor, will greatly boost his share of the multimillion-dollar industry.

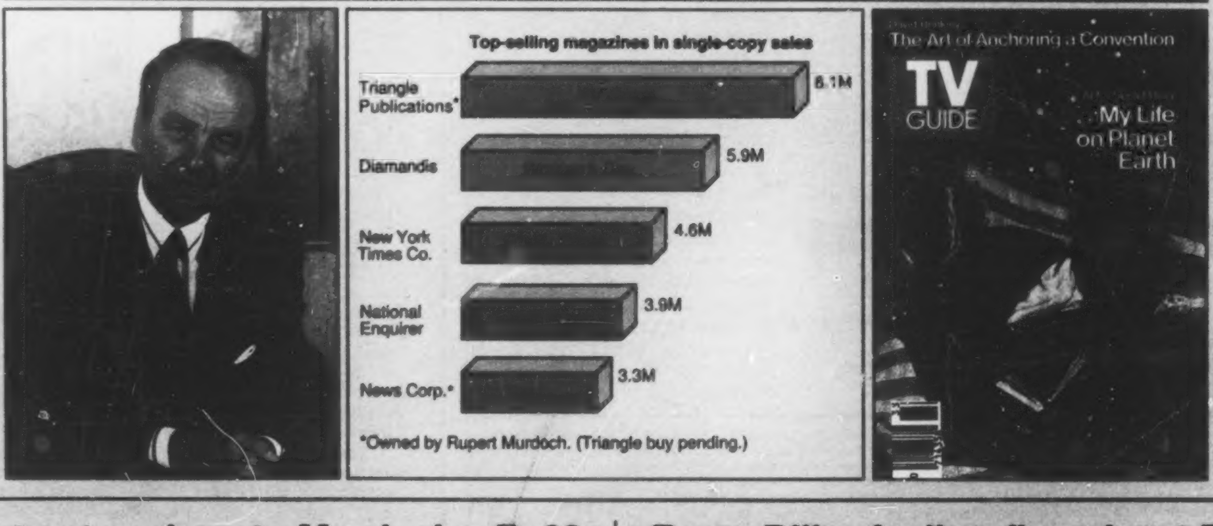
Triangle's national distribution arm handles not only *TV Guide*, *Seventeen* and *Good Food*, but also clients such as *Reader's Digest*, *Newsweek*, *Soap Opera Digest* and *Woman's World*.

Triangle ranks about sixth among magazine distributors; its titles alone represent about $266 million in total annual retail sales at newsstands and supermarket checkouts.

Adding Murdoch Magazines titles to

(Cont'd on Page 62)

Rupert Murdoch's newsstand clout



*Owned by Rupert Murdoch. (Triangle buy pending.)

Annenberg to stay close to Murdoch—P. 62 | Barry Diller feeling fine about Fox—P. 62

Duke stages ad am-Bush

By STEVEN W. COLFORD

WASHINGTON—The first TV spot from Democratic presidential nominee Michael Dukakis' campaign team hit the airwaves in Texas and Florida last weekend, just as the Republican convention was about to steal the national spotlight.

The 60-second commercial is a mixture of color footage from the Democratic convention and b&w stills of the Massachusetts governor at work. The tagline is "For a new era of economic greatness."

Campaign officials denied the two-state launch was intended to blunt the impact of the Republican convention, starting today in New Orleans, or to counter recent polls showing Gov. Dukakis' lead shrinking against Vice President George Bush, who will claim his party's nomination this week.

Dukakis campaign officials previously had said they would withhold their opening ad salvo until Labor Day (AA, July 25), but now it looks like that's when they'll launch their first network spots.

Earlier, the Democratic National Committee broke its first "Vote Democrat" commercial in Texas in response to the Republican National Committee's initial buy (AA, Aug. 8).

The Dukakis spot started airing last Friday evening, campaign officials said, and was scheduled to run through tonight.

The flight might be extended, however, for another day or two.

A campaign official said the spot, which he called a "collaborative effort" of the entire ad team, will air in many markets before Nov. 8.

★★★★ Campaign 88

Conservative ads await Bush's VP pick at convention—P. 60

If there's considerable similarity between Gov. Dukakis' ads and those cranked out by the DNC, that's because many of the same ad and political talents are working for both.

The DNC formed a new management structure for the fall, named Campaign '88, that includes representatives from major organizations such as the Democratic Senatorial Campaign Committee, Democratic Governors Association and Democratic Congressional Campaign Committee.

Paul Bograd, a New York communications adviser who will oversee Campaign '88's media team, declined to identify who'll be creating the party's spots.

But a source rattled off a list of names that includes practically the entire Dukakis ad team: political advertising consultants Ken Swope (who produced the first spot), Scott Miller, Dan Payne and Michael Kaye; and key Madison Avenue imports Ed McCabe, former partner in Scali, McCabe, Sloves, and Malcolm McDougall, vice chairman at Jordan, McGrath, Case & Taylor.

Other creative input is expected from people who've offered their services to the Dukakis team—Tom Amico and Jim Proimos, a copywriting team from Smith Burke & Azzam, Baltimore; Mike Hughes, vice chairman-creative director at the Martin Agency, Richmond, Va.; and Bill Tragos, chairman of TBWA, New York.

Another similarity to the Dukakis ad team, Mr. Bograd said, is the division of the party's ad team into a unit made up of political consultants—to produce quick-response ads in answer to the Republican Party's generic commercials—and a strategic team using ad personnel to develop thematic messages.

The DNC's ad budget is expected to be several million dollars.#

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High-flying videos get lift from tie-ins

By WAYNE WALLEY

LAS VEGAS, NEV.—Some major national advertisers are tying yearend holiday promotions to the $6 billion home video industry.

Coca-Cola USA, Pepsi-Cola USA, McDonald's Corp., Procter & Gamble Co. and Ralston Purina Co. have struck sweepstakes or rebate deals co-promoting their products with what's become one of the nation's hottest gift categories.

Those attending the Video Software Dealers Association convention here last week expect record fourth-quarter video sales, fueled by the release of top titles such as "Cinderella" and "E.T.: The Extra-Terrestrial."

But while video companies have doubled and tripled ad budgets again this year, many believe the unprecedented influx of tie-ins with major product advertisers will push sales further.

Various programs in the works could yield tens of millions of dollars in additional national media exposure in the coming months.

Walt Disney Home Video, which topped all video companies by selling 7.5 million cassettes during its Christmas promotion last year, has been the most aggressive in seeking promotional partners this year. It has signed deals with P&G, Coca-

(Continued on Page 60)

Levine poised to capture lead in Gallo review

By MARCY MAGIERA

E&J Gallo Winery will start airing new spots this fall for its table wines, and if the campaign is successful, Levine, Huntley, Schmidt & Beaver could become agency of record for a significant piece of Gallo's $75 million account.

Gallo has assigned creative projects for its brands to various agencies but hasn't signed a contract with any shop since Hal Riney & Partners, San Francisco, resigned the entire account last December.

Levine, the New York shop that created the new campaign for table wines, has been working on Gallo business since December, along with John Crawford Creative, San Francisco; Dailey & Associates, Los Angeles; and Della Femina, McNamee WCRS, Los Angeles.

Sources close to the agency review say it's likely Levine will be the first shop to achieve agency-of-record status.

In addition to the table wine effort, Gallo will introduce later this month a tropical version of its Bartles & Jaymes wine cooler.

B&J Tropical, Gallo's fifth wine cooler flavor and its third introduced this year, is a direct response to category leader Jos. E. Seagram & Sons' Seagram's Island Tropics, introduced in February, and Miller Brewing Co.'s Matilda Bay cooler, another tropical entry.

Spots for the new cooler flavor were produced by John Crawford Creative, which has done about 15 B&J commercials since March.

Gallo is also trying to exploit a trend started by its competitors in the sparkling wine segment, where it has seen sales of its low-price Andre champagne, still the No. 1 brand, eroded by midprice brands.

This fall, Gallo will introduce Tott's champagne, priced at about $6 to compete with Guild Wineries & Distilleries' Cook's champagne and Freixenet USA's Cordon Negro Brut.

It's believed Gallo will support the Tott's introduction with an ad campaign created by Riney as the agency's last assignment, and one produced by Della Femina.

Gallo is also developing a third brand, priced between Tott's and Andre. John Noble Advertising, Tiburon, Calif., which recently dropped out of the Gallo review, was working on creative for the as-yet-unnamed brand.#

Jon Lafayette in New York and correspondent Alice Z. Cuneo in San Francisco contributed to this story.

Contract beers gush

(Continued from Page S-1)
tion, is helping to build interest in private stock beer among other restaurateurs, Mr. Smith says. In some cases, the brewpubs may become clients if they cannot keep up with demand or want to expand to off-premises distribution.

Huber also makes Berghoff beer, the namesake lager sold by the landmark Chicago restaurant. The restaurant markets it to selected liquor and grocery store chains in Illinois, Wisconsin and Indiana.

"The Berghoff began as a brewery in Fort Wayne, Ind., in 1887," says Bill Marquardt, VP of the restaurant and related enterprises. "But because of ordinances designed to protect local breweries, it couldn't sell its product in Chicago. So, the family decided to open a saloon in town to sell its own beer. We sold the beer for a nickel and gave away sandwiches."

The food eventually became more important than the beer; when Berghoff pot roast and wiener schnitzel began outselling suds in 1954, the brewery was sold.

However, the restaurant wanted to keep up the tradition of making its own beer and selected Huber as the contract brewer in the late 1950s, Mr. Marquardt says.

Huber makes about 7,000 barrels of the Bavarian-style beer to be sold both in bottles and on draft. The Berghoff maintains its own sales force to market the beer to retail chains; about 3,600 barrels are sold in Chicago.

The restaurant promotes the product with a $100,000 radio and print advertising campaign managed in-house. The restaurant also contracts with Chicago-based Clover Club for a draft root beer, a product that may also make it to retailers' shelves in the near future, Mr. Marquardt says.

Not all contract brews are originally meant for on-premises sale. Specialty breweries, sometimes called microbreweries, are on the rise, but few small companies can afford to invest in the fixed assets necessary to make beer *(see related story on Page S-1)*.

"So, they devise the recipe and handle the marketing and we make the beer," Huber's Mr. Smith says.

Huber makes beer for several microbreweries including Ambier Brewing Co., Milwaukee, Telluride Brewing Co., Telluride, Colo., and Boca Brewing Co., Boca Raton. Fla.

At last year's Great American Beer Festival in Denver, two of the brews, Telluride and Boca, won tasting awards, an honor Huber shares.

"Their recipes won the awards, but our care and quality control was a factor," Mr. Smith says. "The great advantage of contract brewing is that you don't have to own a brewery to be a master brewer."

—Len Strazewski

Morgan

Berghoff beer is now marketed regionally by its namesake restaurant.

DATA BANK — Beverage Marketing

Top U.S. beer brands

By volume share 1987*

Beer	Volume* share
Budweiser	14.9
Miller Lite	10.8
Coors Light	6.4
Busch	5.5
Coors	4.9
Bud Light	4.5
Miller High Life	3.7
Old Milwaukee	3.5
Milwaukee's Best	2.9
Miller Genuine Draft	2.6

*Volume share expressed in 288 ounce equivalent units.
Source: Information Resources

Top imported beers

By U.S. volume share*

Beer	Volume* share
Corona	20.8
Heineken	16.8
Molson	10.3
Becks	7.5
Moosehead	4.5
St. Pauli Girl	3.9
Dos Equis	3.1
Amstel Light	2.8
Fosters	2.3
Tecate	2.0
All others	26.0

*Volume share expressed in 288 ounce equivalent units.
Source: Information Resources

Bottled water bubbling in food stores

	Total bottled water		*Non-carbonated bottled water*		*Carbonated water*	
	Sales ($000,000)	% chng.	Sales ($000,000)	% chng.	Sales ($000,000)	% chng.
1984	$185.7		$152.8		$33.0	
1985	237.3	27.8%	192.5	26.0%	44.8	35.8%
1986	283.1	19.3	224.2	16.5	58.9	31.5
1987	355.7	25.6	275.3	22.8	80.4	36.5
Yr. end 5/20/88*	$383.4	24.8%	$296.5	22.5%	$86.9	33.1%

*SAMI/Burke broke out the period 5/21/87 to plot growth using most current figures. Percentage increase for this row is based on comparison with comparable 1986-87 period.
Source: SAMI/Burke

Beverage advertising as part of '87 medium totals

($ in millions)

Medium	Total ad income	Beverage income	Percent of total
Cable TV	$ 607,199.5	$ 64,492.7	10.6
Magazines	5,389,841.6	259,337.3	4.8
Newspapers*	2,829,764.0	104,068.0	3.6
Newspaper supplements	422,184.7	11,403.7	2.7
Outdoor**	1,329,247.0	138,323.8	10.4
Radio***			
Spot	1,445,475.0	203,778.0	14.0
Network	610,000.0	44,756.0	7.3
TV			
Spot	8,395,737.1	616,699.5	7.3
Network	8,814,447.9	883,854.8	10.0

Source: *Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau*

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DATA BANK — Beverage Marketing

break down consumer stereotypes—thinking that only white wines can be served with fish—and customers learn to drink what they like," says Rhea Ike, winery manager.

Only a few other wineries have restaurants: Wiederkehr has its Swiss-cuisine Weinkeller Restaurant at its Arkansas winery, Chateau Souverain and Topolos at Russian River operate restaurants in Sonoma County, Culbertson has just opened Cafe Champagne at its new Temecula winery north of Los Angeles, Napa Valley's V. Sattui has its deli and picnic tables, and several small wineries in the Midwest offer some food selection.

"Nearly 500 new wineries have opened in this country over the last 20 years, but only a handful have added a restaurant to their facilities," says Lou Gomberg of the *Gomberg, Fredrikson Report*, an industry newsletter. "Running a restaurant is a highly specialized field, and it's markedly different than running a winery.

"I don't see too many wineries opening restaurants, but they can achieve the same result by encouraging people to bring their own food, and picnic on winery grounds," Mr. Gomberg says.

Despite the difficulties of operating and managing restaurants, offering food on premise is an effective way for wineries to promote wine as a food beverage, and as an American staple, eventually.

"It's an idea that is catching on," says Ms. Rodeno.

Where beverages advertised in 1987

($ in millions)

	TV					Newspaper		Radio***	
	Spot	Network	Cable TV	Magazines	Newspapers*	supplements	Outdoor**	Spot	Network
Beer	$203,724.3	$385,765.3	$31,552.4	$ 21,007.5	$26,743.0	$ 269.6	$40,142.9	$135,196.0	$19,698.0
Wine	40,574.1	140,296.4	8,146.3	15,243.4	7,224.0	1,030.5	3,831.6	17,024.0	4,152.0
Liquor	.2	NA	17.8	171,345.2	30,748.0	7,848.2	80,075.4	NA	NA
Coffee/tea/cocoa	44,748.1	116,286.0	6,379.2	29,916.0	4,956.0	1,746.0	964.1	8,030.0	16,214.0
Fruit & vegetable juice	71,205.2	116,458.4	8,645.9	17,135.6	6,578.0	299.9	1,778.0	4,337.0	2,869.0
Soft drinks (regular & diet)	242,875.0	124,563.0	10,017.0	4,065.4	20,538.0	52.8	10,366.8	35,992.0	1,803.0
Bottled water	NA	11,791.6	234.1	624.2	NA	156.7	1,091.1	3,199.0	20.0

Source: Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau Research: Kristine Siven

Primary beverage advertiser by medium—1987

Medium	Category	$ in millions
Cable TV	Beer	$ 31.552.4
Magazines	Liquor	171,345.2
Newspapers*	Liquor	30,748.0
Newspaper supplements	Liquor	7,848.2
Outdoor**	Liquor	80,075.4
Radio***		
Spot	Beer	135,196.0
Network	Beer	19,698.0
TV		
Spot	Beer	203,724 3
Network	Beer	385,765.3

Source: *Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau*
Research: *Kristine Siven*

Who got the beverage business in '87

Medium	Beverage income ($ in millions)	Percent of total
Cable TV	$ 64,492.7	2.8
Magazines	259,337.3	11.4
Newspapers*	104,068.0	4.59
Newspaper supplements	11,403.7	.5
Outdoor**	138,323.8	3.4
Radio***		
Spot	203,778.0	8.99
Network	44,756.0	1.97
TV		
Spot	616,699.5	27.2
Network	883,854.8	39.0
Total beverage ad income	$2,326,713.8	

Source: *Broadcast Advertisers Reports/Leading National Advertisers; *Media Records; **Institute of Outdoor Advertising; ***Radio Advertising Bureau*

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months, are treated to frozen confections after the show.

The trade and retail community are heavily lobbied by Dole and Rogers. Many of them meet Rogers at concerts or promotions—private concerts are sometimes given for primary customers.

Before each concert, up to 20 fans are invited backstage to view commercials, including outtakes.

In September, Dole plans include a luau with consumer prizes of a trip for two to Hawaii, a luau at home or a cookbook.

In addition, cents-off coupons and recipes are geared to draw in potential consumers in national Sunday magazine ads and point-of-sale displays. ■

DATA BANK — Beverage Marketing

Shelf-stable juices have ups and downs

	Blended fruit juices		*All shelf-stable juices combined*	
	Sales ($000,000)	**% chng.**	**Sales ($000,000)**	**% chng.**
1984	$100.3	—	$1,844.2	—
1985	136.8	36.5%	1,872.7	1.5%
1986	114.5	-16.3	1,823.8	-2.6
1987	135.6	18.5	1,863.4	[illegible].2
Yr.end 5/20/88	$134.1	8.8%	$1,909.9	4.6%

Source: SAMI/Burke

*SAMI/Burke broke out the period 5/21/87 to plot growth using most current figures. Percentage increase for this row is based on comparison with comparable 1986-87 period.

Hot refrigerated juices and drinks

	Refrigerated juices & drinks		*Frozen juices & drinks*	
	Sales ($000,000)	**% chng.**	**Sales ($000,000)**	**% chng.**
1984	$1,425.3	—	$2,199.4	—
1985	1,609.8	12.9%	2,228.0	1.3%
1986	1,716.9	6.6	1,924.7	-13.6
1987	1,929.5	12.4	1,955.9	1.6
Yr.end 5/20/88	$2,082.2	7.9%	$1,988.5	4.7%

Source: SAMI/Burke

*SAMI/Burke broke out the period 5/21/87 to plot growth using most current figures. Percentage increase for this row is based on comparison with comparable 1986-87 period.

BEVERAGE MARKETING NEWSLINE

Waters

- **Total sales for year ending May 20, 1988 exploded 25% to $383 million: mineral water escalated 68% to $5 million, flavored sparkling water increased 49% to $29 million, flavored mineral water rose 47% to $33 million, and for largest current share of market—39%—spring water jumped 23% to $148 million, says SAMI/Burke.**
- **Brand leaders: Beatrice Foods' Arrowhead pours into first; Poland Spring takes second place pushing parent Perrier to third, says SAMI/Burke.**
- **Rocky Mountain seltzer rolls out with new package.**
- **Old San Francisco seltzer takes to radio and outdoor advertising.**

Compiled by Sandra C. Davis

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July consumer magazine ad linage

	Current month		Year-to-date	
	1988	1987	1988	1987
Auto/cycle/rec. vehicles				
ATV Sports	83.1	81.3	526.8	534.3
Autoweek (52X)	152.9	142.3	1,158.4	1,039.7
Car & Driver	95.2	103.3	736.8	667.8
Car Collector & Car Classics	17.8	14.0	115.8	118.5
Car Craft	85.1	92.9	599.2	608.9
Circle Track	81.6	83.6	591.1	536.8
Cycle	43.8	41.0	333.4	360.2
Cycle World	44.8	46.0	356.7	399.1
Dirt Rider	39.3	33.3	283.3	251.7
Dune Buggies & Hot VWs	33.3	52.5	217.7	505.5
Family Motor Coaching	202.5	187.8	1,247.5	1,110.2
4 Wheel & Off-Road	97.3	104.0	603.2	611.7
Four Wheeler	94.0	83.0	626.0	600.0
Hot Rod	80.4	75.9	652.2	540.9
Motorcyclist	47.0	75.4	352.1	379.8
Motor Trend	59.0	68.9	587.5	573.7
Motorhome	94.2	79.6	631.4	587.4
Rider	40.1	38.5	295.7	323.9
Road & Track	99.1	95.4	745.8	729.1
Trailblazer	50.5	48.3	363.2	324.6
Trailer Life	103.0	106.1	668.3	734.1
Total Group	**1,643.9**	**1,653.0**	**11,692.0**	**11,538.0**
% change	**-0.6%**		**1.3%**	
Boating & yachting				
Boating	116.4	126.2	1,161.0	1,108.8
Chesapeake Bay	48.3	41.3	348.8	313.1
Cruising World	105.2	116.0	801.5	810.0
Lakeland Boating (11X)	60.0	60.2	589.4	519.6
Motor Boating & Sailing	125.0	130.7	1,167.1	1,199.3
Sail	87.5	74.2	735.5	765.3
Small Boat Journal(6X)	—	—	—	—
Trailer Boats(11X)	44.9	41.3	502.8	430.8
Western Boatman(6X)	44.2	32.8	209.7	155.3
Yachting	108.9	116.9	1,001.9	996.0
Total Group	**740.4**	**739.7**	**6,517.8**	**6,298.2**
% change	**0.1%**		**3.5%**	
Civic/fraternal				
American Legion	32.4	29.2	232.0	221.5
Elks (10X)	—	—	103.3	121.8
Kiwanis	—	—	82.6	107.1
Lion (10X)	—	—	38.1	49.2
Rotarian	12.4	12.1	104.2	102.5
V.F.W. (11X)	—	—	174.6	193.5
Total Group	**44.8**	**41.3**	**734.8**	**795.6**
% change	**8.5%**		**-7.6%**	
General				
American Health (10X)	80.0	84.4	437.0	443.2
American Heritage (8X)	31.4	27.6	172.6	140.6
American West (6X)	—	—	108.9	117.3
The Atlantic A.	22.6	28.2	304.1	234.2
Bon Appetit A.	61.1	63.0	528.2	552.2
Cable Guide	22.6	14.6	213.4	147.5
Changing Times	30.0	49.4	396.3	439.9
Conde Nast's Traveler	29.4	—	335.2	—
Connoisseur	40.6	33.2	553.8	479.1
Consumers Digest (6X)	17.3	11.7	85.3	87.0
Ebony	83.9	81.8	708.1	634.5
Fifty Plus	20.7	20.5	213.0	272.5
Food & Wine	33.3	52.3	354.3	376.8
Games (6X)	—	—	47.9	49.5
Golden Years	25.3	23.6	246.7	190.0
Gourmet	59.7	76.5	667.9	663.2
Harper's Magazine A.	23.8	24.1	221.7	207.9
Harrowsmith (6X)	42.0	40.0	218.0	185.6
Let's Live	42.0	43.0	352.0	320.0
Life	53.2	39.0	357.2	306.8
Modern Maturity (6X)	—	—	104.7	142.7
Money	84.0	93.3	788.4	863.7
Money Maker	—	—	25.2	18.8
Mother Jones (9X)	—	—	—	—
National Geographic	14.7	15.7	167.4	138.7
National Geographic Traveler (4X)	—	—	83.8	86.0
Natural History	29.2	29.2	261.3	233.4
Prevention	52.2	59.7	394.8	439.5
Psychology Today	29.9	25.2	207.0	212.6
Reader's Digest A.	—	—	—	—
Saturday Evening Post (9X)	28.0	41.3	178.5	210.6
Smithsonian	56.8	66.9	597.1	544.4
Sylvia Porters Personal Finance (10X)	26.3	41.2	223.9	302.1
Town & Country	57.9	85.5	810.9	768.3
Travel-Holiday	35.6	34.1	379.5	380.3
Travel & Leisure	61.9	68.3	753.8	671.6
Vanity Fair	44.3	46.1	535.4	363.3
Writer's Digest	23.7	20.3	210.0	192.5
Yankee	48.0	51.7	515.2	521.6
Total Group	**1,311.3**	**1,391.2**	**12,758.4**	**11,937.9**
% change	**-5.7%**		**6.9%**	
Home				
Americana (6X)	14.0	11.7	66.2	80.9
Architectural Digest A.	97.5	74.4	982.8	824.1
Better Homes & Gardens	89.7	84.0	788.6	746.6
Colonial Homes (6X)	48.9	52.1	227.0	236.9
Columbus Monthly-Homes (4X)	35.4	34.5	114.9	86.9
Country Home (6X)	41.3	51.3	196.9	200.6
Country Living	82.7	69.8	610.2	589.1
Family Handyman (10X) A.	40.9	49.8	309.0	372.3
Florida Home & Garden	73.8	45.4	429.5	293.3
Flower & Garden (6X)	—	—	145.0	139.1
Home	43.0	44.0	401.0	362.0
Home Mechanics	34.5	43.2	365.8	398.8
The Homeowner (10X)	32.0	31.3	212.5	210.9
Horticulture	27.9	30.3	298.4	272.9
House Beautiful	42.6	50.2	452.4	477.3
House & Garden	52.0	72.6	615.3	635.9
Metropolis	57.4	52.2	378.7	361.0
Metropolitan Home	56.2	46.6	580.6	438.1
1,001 Home Ideas	46.0	37.9	379.9	343.7
Organic Gardening	27.3	27.3	340.8	366.0
Phoenix Home/Garden	56.2	60.3	515.0	494.1
Practical Homeowner	32.8	45.8	262.1	282.1
San Diego Home/Garden	65.1	64.5	516.4	479.1
Southern Accents (6X)	74.1	69.1	428.2	357.9
Southern Living	84.8	98.7	873.6	839.6
Sunset Magazine A.	110.6	100.4	891.4	848.6
Workbench (6X)	25.4	34.8	153.7	180.7
Total Group	**1,392.1**	**1,382.1**	**11,535.8**	**10,918.5**
% change	**0.7%**		**5.7%**	
In-flight & other passanger				
Aboard Group (7X)	43.6	29.5	137.2	105.6
Alaska Airlines	54.4	51.5	388.2	381.6
America West Airlines	—	—	—	—
American Way (24X)	114.8	94.0	905.7	675.1
East/West Network:				
Continental	55.6	—	328.8	—
Eastern Review	56.5	49.3	380.2	481.7
Northwest	42.2	45.3	277.3	306.8
Pan Am Clipper	42.7	34.2	302.9	285.6
Spirit	59.7	59.0	427.9	407.7
TWA Ambassador	36.2	45.3	314.9	334.1
Vis 'A Vis	64.3	47.8	386.6	392.8
Halsey Publication:				
Delta Sky	75.0	78.3	560.5	544.0
Pace Communications:				
Piedmont Airlines	88.6	71.7	590.0	647.1
US Air	43.2	53.5	425.0	326.6
Spirit of Aloha (6X)	—	—	—	—
Total Group	**776.8**	**659.4**	**5,425.3**	**4,888.8**
% change	**17.8%**		**11.0%**	
Men's				
Esquire A.	48.7	46.0	603.9	579.2
Firehouse Magazine	42.8	27.5	291.2	292.3
Gentlemen's Quarterly A.	91.7	69.3	1,005.9	875.0
M Magazine	51.3	69.7	457.0	447.4
Muscle & Fitness	130.9	138.0	855.8	860.5
Penthouse A.	49.8	41.2	312.3	288.6
Playboy A.	66.6	47.6	374.7	361.6
Salute (10X)	30.1	21.8	165.7	122.9
Total Group	**512.0**	**461.0**	**4,066.4**	**3,827.4**
% change	**11.1%**		**6.2%**	
Metropolitan				
Aloha (6X)	38.0	42.4	117.6	129.4
Atlanta	74.6	47.0	465.9	393.4
Baltimore	64.2	69.6	465.4	487.8
Boston	142.7	147.8	1,018.2	1,045.9
California	39.6	40.0	417.8	390.3
Chicago	68.5	75.1	684.8	697.5
Chicago's North Shore	91.1	94.3	701.7	652.7
Cincinnati	45.3	76.4	318.1	403.0
Cleveland	54.5	69.6	408.0	481.6
Coast (39X)	230.9	276.3	1,264.1	1,478.9
Columbus Monthly	80.5	82.7	494.7	462.7
Connecticut	73.8	56.4	693.1	653.0
D/Magazine	67.7	80.5	583.2	754.4
Denver	27.7	38.1	241.3	240.3
Detroit Monthly	54.8	63.2	531.2	425.8
Grand Rapids	56.0	59.5	263.8	270.2
Gulfshore Life (10X)	—	—	529.0	491.0
Honolulu	—	—	—	—
Houston Metropolitan Mag.	39.7	56.2	415.6	489.2
Louisiana Life	32.1	40.0	130.7	141.2
Madison	38.0	53.0	242.0	539.0
Memphis	68.3	62.0	525.5	501.0
Mid Atlantic Country	31.0	28.8	223.7	248.1
Milwaukee	37.8	59.0	359.4	400.1
Minneapolis/St. Paul	79.3	82.6	672.1	707.6
Nashville	50.0	35.0	322.0	323.0
New England Monthly	41.9	35.0	328.0	309.1
New Jersey Monthly	80.5	79.8	672.5	596.9
New Mexico	—	—	—	—
Ohio	42.3	35.0	373.4	389.1
Oregon (6X)	—	—	—	—
Orlando	89.8	101.0	615.1	648.4
Palm Beach Life	25.6	20.6	443.4	463.5
Palm Springs Life	48.7	39.3	758.2	716.5
Philadelphia	133.5	180.2	978.9	984.5
Phoenix	55.1	41.7	405.1	455.5
Pittsburgh	50.6	41.2	496.3	465.5
St. Louis	60.8	52.0	501.8	474.5
San Diego	149.0	155.7	1,180.2	1,092.2
San Francisco Focus	55.0	63.5	617.9	618.2
South Florida Magazine	121.0	49.3	666.1	375.0
Texas Monthly	76.2	75.6	631.7	650.1
Twin Cities	40.6	44.1	480.3	431.7
The Virginian (6X)	112.0	124.0	241.8	230.6
Washington (7X)	65.0	59.5	280.7	240.5
The Washingtonian	105.7	103.6	1,013.7	989.9
Total Group	**2,939.3**	**3,036.6**	**22,774.0**	**22,938.5**
% change	**-3.2%**		**-0.7%**	
Music/entertainment				
Audio	59.3	61.3	566.8	550.4
Dance Magazine	37.0	37.5	387.3	441.9
Playbill	44.5	40.0	346.3	304.2
Video Magazine	54.0	53.0	414.0	474.0
Total Group	**194.8**	**191.7**	**1,714.4**	**1,770.4**
% change	**1.6%**		**-3.2%**	
Outdoor & sport				
Alaska	25.0	26.7	251.0	249.8
The American Handgunner (6X)	54.0	55.0	202.0	182.0
American Hunter	20.3	15.7	143.9	117.2
American Rifleman	27.3	15.2	165.0	155.9
Bass Master (10X) A.	46.8	—	581.1	466.8
Bicycling (9X)	105.3	79.8	777.0	619.3
Ducks Unlimited (6X)	26.5	30.0	94.1	101.6
Field & Stream	43.1	82.0	604.6	607.0
Fins & Feathers A.	—	—	—	—
Fishing World (6X)	16.1	20.0	168.6	169.4
Florida Sportsman	88.3	97.9	956.8	916.7
Golf Digest	96.4	63.4	835.9	756.2
Golf Magazine	76.9	49.7	764.2	600.0
Gun Dog (6X)	36.5	32.4	136.2	122.0
Guns	38.0	35.0	241.0	205.0
Guns & Ammo	47.9	43.1	319.4	301.4
In-Fisherman (6X)	37.8	54.5	405.8	383.0
Outdoor Life	41.6	74.3	545.2	564.0
Outside Magazine	55.0	49.0	416.0	366.6
Petersen's Hunting	42.2	44.9	305.3	309.6
Runner's World (12X)	31.2	28.0	239.9	256.9
Salt Water Sportsman	134.8	110.3	918.5	821.1
Sierra (6X)	27.8	31.5	159.2	148.2
Shooting Times	27.1	25.4	245.9	227.4
Ski (8X) A.	—	—	293.4	252.2
Skiing (7X) A.	—	—	263.1	203.3
Skin Diver	127.0	123.3	827.3	761.6
Southern Outdoors (9X)	30.4	36.5	374.2	302.6
Southern Saltwater (8X)	28.2	—	237.1	173.8
Sports Afield	42.1	46.2	534.0	614.5
Tennis	62.2	90.2	541.3	516.6
Waterski (8X)	66.8	64.3	441.3	331.7
Western Outdoors (10X)	—	—	287.6	280.3
Wildfowl (6X)	—	—	43.7	29.6
WindRider	52.6	52.0	273.7	221.5
Wing & Shot (6X)	16.4	13.6	57.6	44.6
World Tennis	46.0	36.2	389.0	212.8
Total Group	**1,617.5**	**1,526.1**	**14,039.6**	**12,592.1**
% change	**6.0%**		**11.5%**	
Photography				
American Photographer	28.7	45.5	205.4	255.0
Petersen's Photographic	28.3	24.1	176.6	191.8
Popular Photography	74.6	84.0	551.4	483.6
Total Group	**131.6**	**153.6**	**933.4**	**930.4**
% change	**-14.3%**		**0.3%**	
Science/electronic/mech				
Discover	30.3	35.9	250.2	311.2
Family & Home Office Computing	31.6	30.5	333.9	298.7
Omni	56.4	54.9	420.0	403.8
Personal Computing	—	—	—	—
Popular Mechanics	57.7	83.1	566.8	632.3
Popular Science	53.7	56.4	486.3	491.2
Scientific American	48.7	32.5	279.9	295.8
Spectrum	45.5	52.5	412.8	446.8
Total Group	**324.0**	**345.7**	**2,749.9**	**2,879.6**
% change	**-6.3%**		**-4.5%**	
Woman/fashion/service				
Beauty Digest (6X)	—	—	59.3	27.6
Bride's Magazine (6X) A.	—	—	1,504.5	1,272.3
Cosmopolitan A.	140.5	119.5	1,325.9	1,328.0
Elle Magazine	65.2	69.9	1,078.1	989.0
Essence	78.5	72.6	523.7	536.0
Family Circle (17X) A.	98.7	78.7	969.8	812.4
Glamour	100.8	99.4	1,112.3	1,187.1
Good Housekeeping A.	104.6	113.0	850.0	937.5
Harper's Bazaar	55.1	53.8	689.5	782.5
Health	30.4	47.1	265.7	319.0
Ladies' Home Journal	92.1	85.6	730.2	679.0
Mademoiselle	84.6	68.0	933.1	930.2
McCall's	61.7	80.3	520.9	631.8
Military Lifestyle	44.6	50.1	333.0	323.6
Modern Bride (6X)	300.8	291.6	1,153.6	1,109.0
Ms.	29.8	99.8	218.2	312.4
New Woman	61.6	56.4	586.9	553.3
Parents Magazine A.	95.2	89.7	711.0	702.8
Redbook	78.2	77.0	662.7	654.6
Savvy	26.7	26.2	289.1	240.6
Self	71.2	62.6	685.2	661.9
Seventeen	52.8	80.2	716.1	763.2
Shape	69.7	67.2	497.1	494.6
Soap Opera Digest (26X)	16.7	19.6	160.4	143.4
Soap Opera Update	11.0	—	72.5	—
Teen Magazine	36.9	46.7	333.4	371.5
True Story A.	49.9	42.0	320.8	324.7
Vogue	113.3	130.2	1,566.7	1,558.5
Weight Watchers	30.3	32.0	235.2	220.0
Woman (10X)	42.5	36.0	218.6	169.0
Woman's Day (15X) A.	91.7	93.9	861.8	866.2
Workbasket	—	—	151.7	190.4
Working Mother	60.1	64.6	474.3	527.6
Working Woman	67.6	56.3	643.4	650.6
Total Group	**2,262.6**	**2,310.0**	**21,454.7**	**21,270.1**
% change	**-2.0%**		**0.9%**	
Youth				
Boys' Life	12.7	11.7	110.5	102.1
Campus Life (10X)	25.3	18.7	245.1	239.7
Total Group	**38.0**	**30.4**	**355.6**	**341.8**
% change	**25.1%**		**4.1%**	
Business/national				
Barron's	124.6	147.9	1,268.0	1,483.5
Black Enterprise	35.0	45.4	594.7	526.7
Business Week (52X) A.	277.1	257.3	2,347.8	2,383.9
Business Month	50.1	17.1	275.5	184.2
Financial World (26X)	28.5	42.6	388.6	424.2
Forbes (26X)	212.8	386.7	1,775.6	1,939.1
Fortune (26X)	139.4	125.5	1,575.3	1,496.1
Frequent Flyer	35.0	57.9	339.2	399.3
Futures	86.4	38.5	392.4	294.3
Inc. Magazine	114.5	57.9	633.3	607.4
Income Opportunities	100.1	90.7	580.9	502.6
Industry Week (25X) A.	58.2	50.7	542.0	514.4
Nation's Business (12X) A.	24.4	22.2	184.2	172.8
Venture	50.1	59.9	366.1	443.3
Total Group	**1,336.2**	**1,400.4**	**11,283.5**	**11,371.9**
% change	**-4.6%**		**-1.0%**	
Business/regional				
Advantage-Nashville's Bus. Mo.	—	—	—	—
Arizona Bus. Gazette (52X)	41.9	60.6	419.1	437.3
Baltimore Bus. Jrnl.	91.8	71.1	581.6	555.3
Boston Bus. Jrnl. (52X)	118.1	109.8	907.6	876.3
Bus. First of Buffalo	52.8	54.4	461.1	355.1
Bus. First of Columbus	104.1	78.6	615.8	588.2
Bus. Jrnl.-Milwaukee	129.5	113.6	927.8	831.5
Bus. Jrnl.-Sacramento	59.0	60.0	501.4	422.1
Bus. North Carolina	32.2	39.2	285.0	303.0
Capital Dist. Bus. Review (52X)	70.1	77.3	587.6	544.2
Caribbean Business	143.0	176.0	938.0	980.0
Corporate Rpt. Kansas City	23.1	27.2	135.3	150.8
Corporate Rpt. Minnesota	59.0	74.0	507.0	520.0
Crain's Chicago Bus. (52X)	108.5	125.0	1,011.0	998.0
Crain's Cleveland Bus. (52X)	60.6	41.2	459.7	399.3
Crain's Detroit Bus. (52X)	60.0	62.9	531.1	508.3
Crain's New York Bus. (52X)	31.0	28.0	340.0	249.0
Florida Trend (13X)	44.9	62.3	463.8	556.0
Georgia Trend	79.0	75.4	410.1	479.9
Grand Rapids Bus. Jrnl.	46.0	39.3	355.1	298.4
Hawaii Business	38.7	40.7	280.7	302.2
Houston Bus. Jrnl. (52X)	58.0	61.0	420.0	388.0
Indianapolis Bus. Jrnl. (52X)	164.8	138.8	1,751.4	941.5
Manhattan Inc.	27.9	39.3	406.5	487.9
New England Bus. (20X) A.	36.5	41.3	379.1	520.7
New Orleans City Bus.	32.7	57.3	320.0	362.6
Pacific Bus. News (52X)	107.0	116.6	724.5	798.3
Pittsburgh Bus. Times (52X)	63.5	107.1	661.1	819.1
Providence Bus. News	60.8	56.2	552.4	422.7
Regardie's/Washington	72.0	108.0	951.0	951.0
San Jose Bus. Jrnl.	—	—	—	—
South Florida Bus. Jrnl.	61.2	84.5	474.4	684.1
St. Louis Bus. Jrnl. (52X)	93.7	114.3	772.3	874.4
Texas Business	24.5	32.9	192.6	221.7
Warfield Monthly Baltimore	54.5	53.5	491.2	441.8
Total Group	**2,250.4**	**2,427.2**	**18,815.2**	**18,268.6**
% change	**-7.3%**		**3.0%**	
National Sunday mags				
Parade (52X)	60.6	38.0	387.5	336.6
USA Weekend (52X)	43.4	36.1	335.1	274.9
Vista Magazine	15.2	11.2	109.7	76.1
Total Group	**119.2**	**85.3**	**832.3**	**687.6**
% change	**39.7%**		**21.0%**	
Newspaper Sunday magazine				
Boston Globe	167.0	147.6	1,320.0	1,270.0
Chicago Tribune	77.7	86.2	716.9	730.9
Cleveland Plain Dealer	35.7	33.3	432.4	396.3
Columbus Dispatch	13.3	13.5	206.7	247.2
Detroit Free Press	32.1	25.5	344.8	339.6
Detroit News	44.0	44.0	390.0	461.0
L.A. Times	67.6	42.8	473.2	405.6
Louisville Courier-Jrnl.	19.0	28.0	223.0	350.0
New York Times Mag.	145.9	117.3	2,088.6	2,036.9
Philadelphia Inquirer	69.0	36.0	583.8	454.8
Seattle Times	60.0	36.0	458.0	376.0
St. Louis Post Dispatch	60.8	52.0	501.8	474.5
Toledo Blade Magazine	22.1	22.5	222.9	276.7
Washington Post	116.4	61.3	856.1	876.4
Total Group	**930.6**	**746.0**	**8,818.2**	**8,695.9**
% change	**24.7%**		**1.4%**	
Weeklies/bi-weeklies				
The Advocate (26X)	238.2	123.2	1,107.2	936.6
Army Times Military Group:				
Air Force Times (52X)	153.4	153.1	1,114.6	1,122.6
Army Times (52X)	143.0	154.2	1,064.0	1,102.4
Navy Times (52X)	164.5	166.8	1,221.3	1,223.3
The Blood-Horse (52X)	294.7	381.1	2,068.9	2,499.8
Capper's (26X)	17.6	15.2	155.6	188.7
Commonweal (22X)	3.4	3.5	43.8	57.1
Golf World (43X)	105.7	104.2	813.3	731.6
Grit (52X) A.	25.5	19.9	197.3	197.1
National Journal (50X)	74.1	59.0	504.0	459.5
National Review (25X)	23.8	36.2	235.9	220.9
New Republic (48X)	28.5	26.4	253.2	264.5
New York Magazine (50X)	81.0	104.7	1,589.8	1,602.8
New Yorker	84.8	107.4	1,186.9	1,247.3
Newsweek (52X) A.	119.9	121.3	1,302.1	1,377.9
People (51X)	199.9	206.2	1,917.1	1,867.6
Rolling Stone (25X)	106.7	133.7	991.4	867.9
Sporting News (52X)	42.3	46.6	330.8	349.1
Sports Illustrated (52X) A.	141.4	150.0	1,616.6	1,441.0
Time (52X) A.	128.9	131.7	1,333.3	1,317.1
Travelhost (52X) C.	3,618.0	3,581.0	21,640.0	21,336.0
TV Guide (52X) A.	194.	202.8	1,932.7	1,987.0
US Magazine (26X)	39.7	41.8	351.2	322.6
U.S. News & World Report (50X) A.	98.4	94.2	990.2	854.8
Total Group	**6,127.8**	**6,166.3**	**43,960.9**	**43,575.2**
% change	**-0.6%**		**0.9%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

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Advertising Age
Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Winski:
One adman's hell
in the bottle—P.46

GOP's Quayle quandary

What image now?

By STEVEN W. COLFORD

New Orleans—The controversy surrounding Republican vice presidential candidate Dan Quayle may force the party's image-makers to stress a regional strategy for George Bush's running mate rather than a strong national role.

This potential problem comes as both Republican and Democratic strategists gear up for possibly the nastiest political advertising in recent presidential campaign history.

Even without the extra ingredient of controversy surrounding Sen. Quayle, the contest between Vice President Bush and Democratic presidential nominee Michael Dukakis already had all the earmarks of a bruising battle.

"I think the campaign is going to be tough and feature a lot of comparisons," said Ed Ney, former chairman at Young & Rubicam and now serving as an advertising adviser to the Bush campaign.

Vice President George Bush celebrates with running mate Sen. Dan Quayle of Indiana before the controversy broke.

Political ad gusher already pumping in Texas—Page 68
Sen. Quayle's position on ad industry issues—Page 70

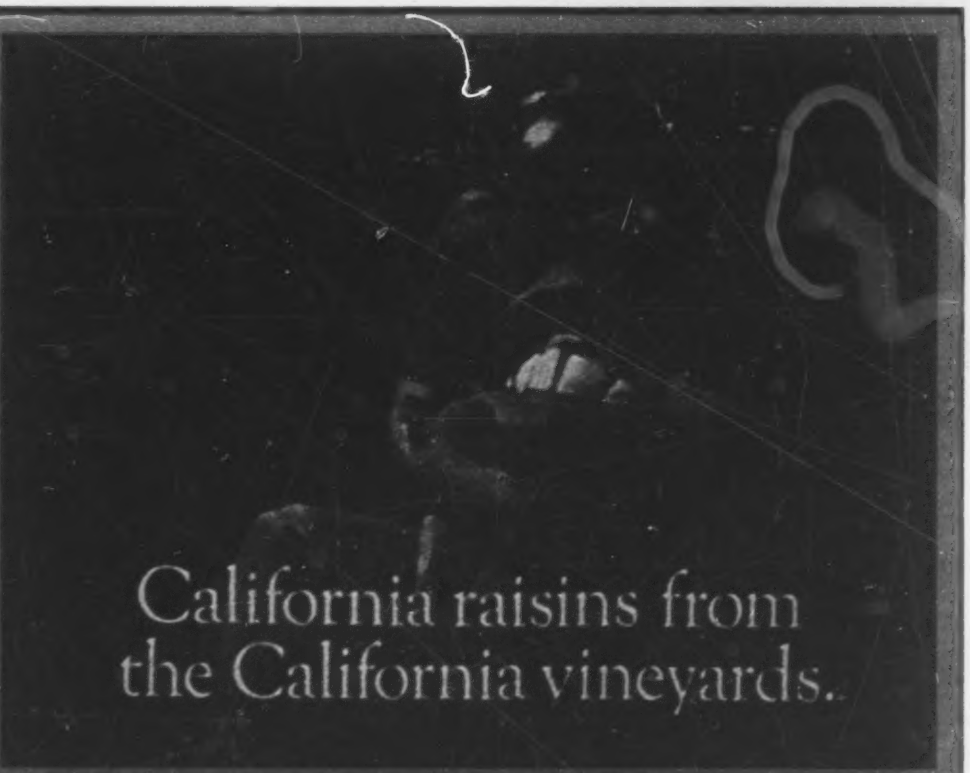
But political analysts agree that presidential candidate George Bush's advisers have lost a key option in their campaign arsenal because of questions about whether Sen. Quayle (R., Ind.) tried to avoid the Vietnam War by joining the National Guard.

Any thought of using the pro-military Quayle in a campaign emphasizing his belief in a "hawkish" U.S. military has been seriously wounded, these analysts say.

Hedrick Smith, former Moscow bureau chief for *The New York Times* and now a political analyst, believes the Bush campaign's ability to use Sen. Quayle as its military point man melted with the news that family influence secured a National Guard deferment for Sen. Quayle in 1969.

"The strategy of using him as a 'hawk' for George Bush just went right out the window," said a Republican media adviser who agreed to talk on condition of anonymity. But "he's still good from the standpoint of being young and

(Continued on Page 70)



Raisins on his mind

A Claymation rendition of Ray Charles, belting out a bluesy version of "I Heard It Through the Grapevine," finally hits TV late next month.

The newest Will Vinton Productions commercial, called "Raisin Ray," was originally intended to make its debut in March (AA, March 7) but was saved for use during the important fall selling season for raisins.

The California Raisin Advisory Board is boosting its 1988-89 advertising and promotional spending by 25% to an estimated $10 million; $8.5 million of that is earmarked for media ads.

In addition to TV, the board will run its first magazine ad, set for September women's service titles. "The California Raisins are cool, they're hip," said Bob Phinney, the board's director of advertising and promotion. "Print lets us show ways to use raisins without bastardizing the characters." Foote, Cone & Belding, San Francisco, is the agency.

The raisin characters currently are on a six-week national promotional tour that will end Sept. 22 in Los Angeles at a Ray Charles concert (see related photo on Page 58).

—Marcy Magiera

Media ties under fire from P&G

By MICHAEL VAN OS
and KEVIN COTE

Procter & Gamble Co. is questioning the centralized media-buying operations due to start this fall in Europe.

In the first sign that the giant marketer is concerned about consolidated media buying among competing agencies, P&G executives have asked its agencies planning to participate in a new media-buying consortium in the Netherlands to justify those moves.

P&G is asking the Dutch branches of D'Arcy Masius Benton & Bowles, Leo Burnett Co. and Saatchi & Saatchi to guarantee that confidential P&G information will stay confidential and to explain what advantages P&G will gain from the new setup.

So far, however, P&G isn't questioning Saatchi & Saatchi's plans to consolidate the media-buying operations of its three wholly owned agencies in the U.K.

At the same time, some European publishers are considering dealing with advertisers directly, bypassing the media-buying groups altogether.

Much of the attention is focusing on the Netherlands, where the

(Continued on Page 71)

Last Minute News

Long John Silver hooks up with Richards

Lexington, Ky.—Jerrico selected the Richards Group, Dallas, to succeed Foote, Cone & Belding, Chicago, on the $15 million creative account for Long John Silver's Seafood Shoppes.

Hawley Martin to buy competing shop

Richmond, Va.—Hawley Martin Partners, a new agency formed by Martin Agency founder David Martin, plans to buy Ford & Westbrook, one of the larger agencies here with billings of $35 million. HMP said the two agencies have agreed in principle to the combination, adding the deal will make it this city's second-largest agency, with billings exceeding $50 million. The Martin Agency has billings of $120 million. HMP was formed when Mr. Mar-

(Continued on Page 8)

New Sears theme touts value

Will specialization effort suffer?

By KATE FITZGERALD and DAVID SNYDER

Sears, Roebuck & Co., ending a pivotal summer of diversification, is about to introduce a new umbrella ad theme.

"Sears: Your money's worth and a whole lot more" soon will replace nationally the 5-year-old theme, "There's more for your life at Sears."

The No. 1 retailer has been testing the new line in newspaper ads in New York and Los Angeles (AA, May 16) and has used it in Canada since 1980.

Some industry observers said the implementation of this new mass-merchandiser positioning statement could undercut Sears' efforts to create specialized retailing departments with their own identities *(see related story on Page 50)*.

"Sears is having a hard time doing two major things at once," said Sid Doolittle, a partner at McMillan/Doolittle, a Chicago retail consultancy. "It needs to develop special and unique advertising for all of its new specialty areas—especially Brand Central and McKids—but instead it's going back to concentrate on its umbrella ad slogan.

"This is an Ogilvy & Mather [Sears' agency] problem as much as it is a Sears problem."

Still, Mr. Doolittle conceded the new theme is an improvement.

"Neither slogan says a whole lot; neither one makes a commitment," he said. "Sears is acknowledging that lower prices are more important with this slogan, but people are getting fed up with such advertising. They know it's a cliche, more than a guarantee of anything."

"The new slogan is more specific," said Paul Koenigsberg, VP-management strategy at Management Horizons, a consulting group in Columbus, Ohio. "It's evocative of general merchandise that's attractive on an everyday basis. Neither slogan says much, but the old slogan was really missing a why or a how. Even though this one is watered down, it's a much more powerful message."

Sources said the new theme will make its debut this fall, but neither Sears nor O&M would say when or how the new theme will appear.

Sears has been steadily cutting back its ad spending for the past few years, putting more of its budget into local newspaper advertising.

Although its TV spots are usually tagged with "There's more for your life at Sears," most of its print ads don't use the umbrella slogan.

The new slogan being integrated into ads by O&M is not a new one. "Your money's worth and a whole lot more" reportedly was developed eight years ago by the Toronto office of Foote, Cone & Belding for Sears' Canadian division.

Michael Bozic, chairman of Sears Merchandise Group, apparently liked that theme better. Mr. Bozic was head of Sears' Canada operations in 1984 and 1985 before he returned to Sears' headquarters in Chicago.

By adopting the new theme, Sears apparently hopes to show it can keep up with specialty merchandisers that emphasize price and value.

But the slogan also demonstrates Sears' dilemma in trying to be all things to all people through its department stores, while launching dozens of new specialty retailing departments.#

Mr. Snyder is an associate editor at Crain's Chicago Business, *a sister publication of* ADVERTISING AGE.

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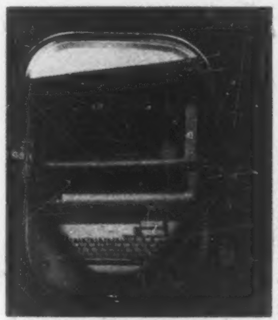

Alfred Gescheidt/© The Image Bank

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Kodak tries to pare its Olympic ad buy

By PATRICK McGEEHAN

Eastman Kodak Co. and other advertisers want to unload part of their Summer Olympic ad buys on NBC, but the network won't comply.

Kodak last week said it asked NBC to let it out of some Olympic time so it could shift ad spending to later in the year.

Sources said Coca-Cola Co. is among the other companies that have made similar requests of NBC.

Coca-Cola officials declined to comment.

Because NBC won't release Kodak, the marketer is looking to sell the time to another advertiser or swap it for time later in the fourth quarter.

Olympics '88

NBC-TV breaks new promos; Seagram's tie-in scores—P. 74

NBC is citing its revenue-sharing agreement with the Seoul Olympic Organizing Committee as the reason it won't let the companies out of their commitments, some of which were made as far back as 1986.

The network said its TV rights deal with the committee calls for NBC to share its ad revenues when sales reach certain levels.

Although NBC—which projects a large profit from the Games—doesn't expect to reach the first revenue-sharing trigger, the arrangement requires the network to try, said Bert Zeldin, VP-Olympic sales.

The first trigger is well over $600 million in ad sales. Last week, NBC had sold a little more than 95% of its Olympic inventory and was still about $100 million below that level.

"If we let somebody out, we have to report it to the Koreans," Mr. Zeldin said. "If somebody committed to something, especially on an exclusivity basis, and you let them out of it, you can't go to their competitors [as replacement advertisers] because [their] money's already spent."

Kodak, which bought category exclusivity on NBC for its film, batteries and Colorwatch film processing for an estimated $20 million, wanted out of several million dollars worth of Olympic time. The company is "rearranging our budgets," said Roger Morrison, Kodak's VP-media and communications policy.

Mr. Morrison said NBC's refusal was consistent with "what they have told us all along."

Kodak simply doesn't need as much network time in September and October as it has bought, he said.

J. Walter Thompson USA, New York, is the primary agency for Kodak products.#

National rollout seen

Michelob goes Dry

By IRA TEINOWITZ

Anheuser-Busch will spend heavily to establish Michelob Dry, a new beer it sees as an import fighter and a means of reviving its only flagging brand line.

The world's largest brewer hopes the excitement and publicity generated by the U.S. arrival of the tarter-tasting beer will give Michelob some of the same boost the Spuds MacKenzie character gave its Bud Light among young drinkers.

Four Japanese brewers have plans to bring dry beer brands to the U.S. (AA, Aug. 15). Since being introduced in Japan in March 1987, dry beers have grown to represent 39% of all Japanese beers sold.

A-B, the first major U.S. brewer to market a dry beer, will introduce Michelob Dry in five markets Sept. 1. National distribution will follow rather quickly, the brewer said.

The beer, packaged in long-neck bottles, will be distributed initially in Fresno and Santa Barbara, Calif.; Dayton, Ohio; Houston; and Tallahassee, Fla.

DDB Needham Worldwide, Chicago, which handles other Michelob brands, also has the Dry version.

Earlier this year, A-B halted most of its separate advertising for Michelob Light and said it would use the $32 million-plus in savings to

(Continued on Page 71)

Cal Cooler puts the heat on

New moves in weak market

By PATRICIA WINTERS
and MARCY MAGIERA

Brown-Forman Co.'s California Cooler hopes to light a match to the cooler market this fall with a line extension that's served hot.

The cooler market, and Cal Cooler, could use some warming up.

"The market definitely is down," said Gale Zelitsky, sales promotion president for the 305-unit Foremost liquor store chain. "The only thing I know is that Bartles & Jaymes, Seagram and Matilda Bay are selling. . . . and the rest are doing nothing."

The market was down about 2 million gallons from January through May, according to industry consultants Gomberg, Fredrikson & Associates. In 1987, the wine market was at 122 million gallons. For the four weeks ended June 18, the market was down 0.5% compared with year-ago sales, according to A.C. Nielsen Co.'s ScanTrak data.

The dogfight in the battle between Jos. E. Seagram & Sons and E&J Gallo Winery is reaching a new level, as analysts disagree on just who's leading the category: Gallo's Bartles & Jaymes or Seagram's Coolers.

In 1987, Seagram, with a 25% share, inched past Gallo's 24% to claim category leadership.

The July and August figures aren't in yet, and observers give mixed reports on the state of the brands.

The success of Miller Brewing Co.'s Matilda Bay has been a big surprise. Introduced a year ago when the market was going flat, the brand is now jockeying for position as the No. 4 cooler and is likely to edge out Canandaigua Wine Co.'s Sun Country wine cooler.

Gomberg Fredrikson said Matilda Bay had a 7% share at the end of May, and *Market Watch*, a trade magazine, estimated that sales of Matilda Bay will increase 233% this year, to 4 million 9-liter cases.

Beverly Jurkowski, public relations manager for Matilda Bay, attributed the brand's growth to its Australian ad theme, created by J. Walter Thompson USA, New York.

"Australian things are still a very hot fad and there is a desire to do things Australian," she said.

Matilda Bay will now have to battle California Cooler, the brand that originated the category but fell from leadership two years ago and has seen declining market share ever since.

Gomberg Fredrikson ranked California Cooler No. 3, with 12% of the market, though it has slipped from 18% in 1987 despite new packaging, a reformulation and a new flavor, Wild Cherry Splash.

"We're holding our own; we're not gaining, but we're not losing anymore than they [competitors] are," said Mimi Zinniel, California Cooler brand manager.

B-F will start shipping Spiced Apple at the end of September to capture fall and winter sales. Although the bulk of cooler sales are in summer, Ms. Zinniel said California Cooler sold as many coolers in November-December as it did in March-April.

The new flavor—California Cooler's sixth—can be consumed hot or cold and tastes like apple cider, she said. It will get radio and trade advertising and promotional support from Chiat/Day, San Francisco.

California Cooler's segmentation indicates where the market is heading.

Canandaigua, whose sales are said to be down dramatically again this year from its 1987 level of 5.7 million cases, is planning to introduce a low-calorie wine cooler sweetened with NutraSweet, for example.

Although the cooler market's key summer selling period is nearly over, industry observers are still disagreeing about category sales, which some say may be up slightly at best. Others, however, predict a decline of as much as 10% to 25%. *Market Watch* predicted a growth of 2% to 5%.

Eileen Fredrikson, Gomberg Fredrikson partner, said market shares for Bartles & Jaymes and Seagram's Coolers both were in the mid-30% range, "virtually neck-and-neck, with Gallo on top."

But Frank Walters, research director for M. Shanken Communications, which publishes *Market Watch*, disagreed. He said that while the leaders were virtually even, it was "too early to tell" how things will shake out by late summer.#

Ira Teinowitz in Chicago contributed to this story.

Avia ads say shoo to non-athletes

By MARCY MAGIERA

Avia Athletic Footwear doesn't want you to buy its shoes—unless you're a hard-core jock or want to be one.

Content to let parent Reebok International court the masses, Avia, a fast-growing No. 5 in the $3.1 billion branded athletic-shoe market, will try a little reverse psychology to boost its 4.9% market share.

"For Athletic Use Only" is the bold stamp that will appear on everything from ads to shoe boxes, apparel and the Avia corporate letterhead, starting in February.

Even the new Avia catalog is sealed with a bright red sticker warning: "If you're after frilly, faddish shoes, open someone else's catalog."

This may seem a foolish approach, considering that about 80% of the athletic shoes bought in the U.S. each year are used mainly for streetwear. But that's where the not-so-subtle psychology comes in.

Avia's banking on the fact that, human nature being what it is, people will yearn to buy the shoes just because you tell them not to.

The idea is that jocks will buy Avias because they're serious about sports and the shoes are serious sport shoes, and "wannabes" will buy Avias because jocks buy them.

That's "want-to-be." Someone who wants to be a jock, someone who dresses in workout gear and high-ticket athletic shoes, but doesn't sweat.

"It's the perfect strategy for our core customer [serious athletes], and, if executed correctly, it will be very effective with the non-core as well," said Avia VP-Marketing Jim Solomon.

The company next year will hike its marketing budget 42% to $34 million. About $20 million will go for the campaign.

Mr. Solomon declined to share specifics about creative for the effort, but he did say the company nixed a campaign showing fat, slovenly people as examples of who shouldn't buy Avias.

That campaign was created by Borders, Perrin & Norrander, Portland, Ore., as part of its winning pitch for the Avia business in April. The agency succeeded Ketchum Advertising, San Francisco.#

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New shop gets Godfather's

By SCOTT HUME

Godfather's Pizza quite literally selected a new agency last week as it assigned creative responsibility to Buckley/DeCerchio, a shop formed to take on the account.

Bryan Buckley and Tom DeCerchio leave the creative department of Chiat/Day, New York, to open their agency with a $6 million-to-$8 million account (though it'll work on a fee basis).

Evans/Kraft, Seattle, was assigned media buying. Both parts of the account previously were at Fallon McElligott, Minneapolis.

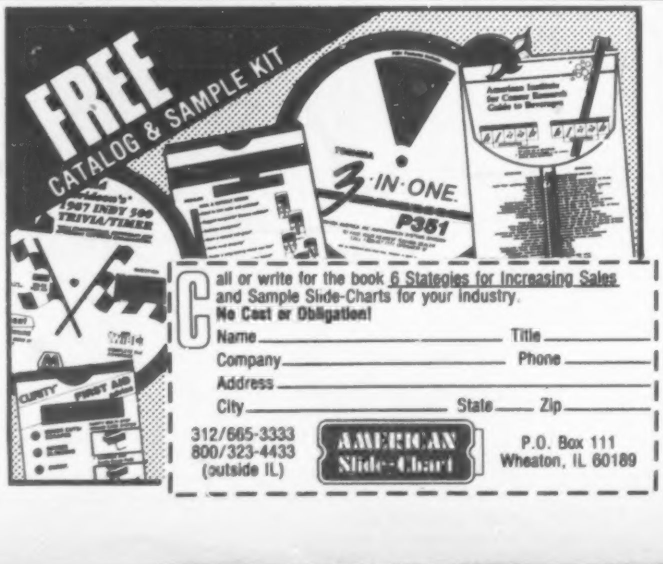
Mr. DeCerchio, 28, is no stranger to Godfather's, having served as copywriter on the account when it was handled by J. Walter Thompson USA, Chicago. Soon after he and Joe Sciarotta, his art director partner, jumped to W.B. Doner & Co., Southfield, Mich., Godfather's put the account up for review (AA, Dec. 7).

Earlier this year, Mr. DeCerchio joined Chiat/Day, where fellow copywriter Mr. Buckley, 24, had worked since 1986. Mr. Buckley began at Doyle Dane Bernbach, New York, in 1985, leaving there with Roy Grace to help create Grace & Rothschild.

"We talked with about three agencies, but Tommy did some work for us [at JWT] that was just outstanding," said Godfather's VP-Marketing Charles Henderson. "We've followed him and been interested in him since he left there."

Mr. Henderson said that though Godfather's approached Mr. DeCerchio about forming an agency to take on the account, the Omaha, Neb.-based pizza chain has no financial stake in Buckley/DeCerchio.

"We knew he was interested in maybe going out on his own, so we pursued it, and I think we'll both benefit," Mr. Henderson said. "We need advertising tightly focused on our main selling points of quality of taste. But since we're the No. 5 pizza chain, we also need something that's a little bit different, that's got an edge. Those are Tommy's strong points. And since we're their only client, we'll get all the attention."#



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CORRECTIONS & CLARIFICATIONS

- Heublein, not Jos. E. Seagram & Sons, established the Yakov Smirnoff 1-800 joke line (AA, Aug. 15, P. S-16).
- *Target Marketing*, a monthly business magazine that serves the direct-marketing industry, was incorrectly described when it was quoted in a story headlined "Whittle faces more school media" (AA, July 25, P. 22).
- In Maxwell's Market Shares for pet food (AA, Aug. 8, P. 29), the cat-food sales category showed columns incorrectly labeled as 1985 and 1986; the first column is 1986 sales and the second column 1987 sales. In the canned cat-food section, the correct 1987 sales figure for 9-Lives is $255.5 million.#

'Modern Maturity' wins top spot in circulation

By IRA TEINOWITZ

Modern Maturity has zoomed past *TV Guide* and *Reader's Digest* to become the largest paid-circulation magazine in the U.S.

It took the title with a circulation gain of more than 1 million subscribers this year, according to the latest Audit Bureau of Circulations FAS-FAX report.

The publication of the American Association of Retired Persons, whose subscription cost is included in AARP's $5 membership fee, saw circulation average 17,924,783 for the six months ended June 30, a 12.1% increase from a year earlier.

At the end of December, *Modern Maturity's* 16,734,801 circulation put it second, behind *TV Guide's* 16,939,260 circulation and just ahead of *Reader's Digest's* 16,566,650, and its growth was spawning imitators (AA, June 13).

Modern Maturity's rate base is 17.4 million now. Gail Schwandner, special assistant to the director of AARP's publications division, said the magazine will delay any increase in rate base till the start of 1989.

Reader's Digest's 0.7% circulation rise to 16,964,226, due to a 25% boost in single-copy sales, was enough to help the publication eclipse *TV Guide* for the first time in a year, the Audit Bureau reported.

TV Guide, being sold to Rupert Murdoch's News Corp. (AA, Aug. 15), saw circulation slide 2.1% to 16,917,545 as a 3% subscription increase was more than outweighed by a 7.6% drop in single-copy sales.

In January, *TV Guide* raised its cover price to 75¢ from 60¢. The magazine has a rate base of 16.4 million and will raise rates 5% effective with the Sept. 3 issue.

The Audit Bureau also reported spotty results for the Seven Sisters women's service magazines.

While Meredith Corp.'s *Better Homes & Gardens* and Hearst Corp.'s *Redbook* showed circulation gains, other magazines reported decreases. *Better Homes* rose 0.7% to 8,152,478, mostly due to a 6.6% increase in single-copy sales. *Redbook*, down 1.9% in subscriptions, was up 1.7% overall to 4,007,564 because of a 17.7% increase in single-copy sales.

But the New York Times Group's *Family Circle* saw circulation drop 1.6% overall to 5,900,794 as a hefty 131.4% increase in subscriptions was balanced by a 20.1% drop in single-copy sales. *Family Circle* is slated to raise its cover price from 99¢ to $1.09 on Oct. 11.

Charles Townsend, senior VP-publisher, said the single-copy decline was part of a conscious effort to provide a more consistent circulation and reduce sharp swings. *Family Circle* cut its rate base last fall to 6 million, then to 5.7 million in January. The magazine will cut its rate base to 5.5 million effective in January but keep its current rates, effectively increasing its cost per thousand.

McCall's, which saw the biggest circulation decline among the Seven Sisters—a drop of 3.8% to 5,146,554—lost both single-copy sales and subscriptions. The changes resulted from an increase in subscription rates and *McCall's* desire to move closer to its 5 million rate base, said Nancy Joseph, circulation general manager.

Woman's Day showed a 2.4% drop in circulation overall to 5,138,280, despite a 40.8% increase in subscriptions.

Hearst's *Good Housekeeping* dropped 2.9% to 5,027,865. Single-copy sales dropped 10%, more than offsetting a 0.5% subscription increase. Similarly, Meredith's *Ladies' Home Journal* dropped 0.6% to 5,013,761 as a 0.4% increase in subscriptions was offset by a 4.6% decline in single-copy sales.

Other women's magazines also reported spotty results. *Cosmopolitan's* circulation rose 5.2% to 3,013,759 as both subscriptions and single-copy sales went up. But *Glamour* saw circulation decline 5.2% to 2,130,148.

On the men's side, *Playboy* saw circulation fall 7.3% to 3,405,786 as a 32.2% drop in single-copy sales more than balanced a circulation increase. Magazine officials, however, said record sales of a Vanna White pictorial in the May 1987 issue may have accounted for the differences. *Penthouse* saw circulation drop 8.8% to 2,053,080, led by a 9.3% decline in single-copy sales.

The latest report had good news for the news magazines, with *Time*, *Newsweek* and *U.S. News & World Report* all reporting circulation increases. *Time* was up 0.8% to 4,737,912 despite a 7% decline in newsstand sales. *Newsweek* grew 4.2% to 3,315,369 as both newsstand sales and subscriptions increased. *U.S. News* reported a 0.6% increase to 2,365,930 as subscriptions and single-copy sales also rose.

Time Inc.'s other publications also did well. *Life* reported what may be its strongest subscription circulation since the 1950s, with subscriptions increasing 18.1% to nearly 1.2 million and circulation advancing 10.8% to 1,866,042. *People* increased 13.3% to 3,277,839. Supermarket tabloids *National Enquirer* and *Star* both showed circulation dropping, with the *Enquirer* down 3.5% and the *Star* down 3.2%.

The report traditionally ignores Sunday magazines such as *Parade*, distributed free with newspapers. *Parade's* weekly circulation is put at 32,648,000.#

Top 25 consumer magazines

Publication	Avg. circ. 1st six months of '88	% change
Modern Maturity	17,924,783	+12.1%
Reader's Digest	16,964,226	+0.7
TV Guide	16,917,545	−2.1
National Geographic	10,516,837	+0.5
Better Homes & Gardens	8,152,478	+0.7
Family Circle	5,900,794	−1.6
McCall's	5,146,554	−3.8
Woman's Day	5,138,280	−2.4
Good Housekeeping	5,027,865	−2.9
Ladies' Home Journal	5,013,761	−0.6
Time	4,737,912	+0.8
Guideposts	4,371,861	+0.8
National Enquirer	4,303,631	−3.5
Redbook	4,007,564	+1.7
Star	3,623,058	−3.2
Sports Illustrated	3,438,998	+9.2
Playboy	3,405,786	−7.3
Newsweek	3,315,369	+4.2
People	3,277,839	+13.3
Cosmopolitan	3,013,759	+5.2
Prevention	2,975,149	+4.2
Scholastic	2,845,464	−0.4
American Legion	2,728,543	+0.6
U.S. News & World Report	2,365,930	+0.6
Southern Living	2,281,707	−0.1

Source: Audit Bureau of Circulations.

Murdoch faces 'TV Guide' ad battle

By IRA TEINOWITZ

If some of the nation's largest newspapers have their way, Rupert Murdoch will be buying a *TV Guide* that faces increased competition for the ad dollars of the broadcast networks and program suppliers.

Tribune Media Services last week announced it will join Western States Associates to create TV Week Network and sell space in 33 newspaper TV magazines.

In so doing, Tribune Media made little secret that cutting into *TV Guide's* ad revenues from program suppliers is the venture's main goal.

"We want to provide an alternative to *TV Guide*," said Robert Reed, president of Tribune Media Services, a unit of Tribune Co. "Our mission from the newspapers is that they want us to go after broadcast category advertising, the networks, cable networks and syndicators.

"We estimate that there is $65 million to $70 million [in broadcast advertising] in *TV Guide* and none of that money is spent in newspapers at the national level."

The 33 newspapers in 28 markets include Tribune Co.'s *Chicago Tribune*, *New York Daily News*, *Orlando* (Fla.) *Sentinel* and *Fort Lauderdale* (Fla.) *Sun-Sentinel*. Among the other papers are the *Los Angeles Times*, *Philadelphia Inquirer*, *Boston Globe*, *Minneapolis Star-Tribune* and *Detroit News*, as well as papers in Houston; Dallas; San Francisco; San Jose, Calif.; St. Louis; Kansas City, Mo.; and Cincinnati.

Mr. Reed said TV Week Network will provide a central buying and billing source for advertisers.

He estimated 50% of the TV households are in the top 28 markets and that newspapers reach about 40% of the households, against much less for *TV Guide*.

TV Week Network will charge $70,000 for a page ad in the papers and plans to sell only b&w advertising. The network won't pitch package-goods marketers. That "is out of our purview and range of responsibilities," he said.

Mr. Reed said the network has been under consideration for more than a year and suggested the announcement's timing, less than a week after Mr. Murdoch's News Corp. announced plans to spend $3 billion to buy Triangle Publications, publisher of *TV Guide*, was coincidental.

The original announcement had been delayed by the Writers Guild of America strike.

Martin Singerman, president of News America Publishing, said through a spokesman that the newspaper TV magazines don't match up to the editorial or circulation quality of *TV Guide*.

He said *TV Guide* offers longer descriptions of programs, better quality paper, color advertising and a readership that's paying money specifically to see the magazine.

There's no guarantee that newspaper buyers actually read the paper's TV magazine, he said.

The announcement of the competition was the second piece of bad news for Mr. Murdoch last week.

New Audit Bureau of Circulations figures show *TV Guide*, which raised its cover price in January from 60¢ to 75¢, declined 2.1% in U.S. circulation during the first half of the year, dropping to third place *(see related story above)*.

TV Guide's ad pages were down 2.6% during the first six months of 1988, compared with a year earlier, though revenues rose 1.9%, according to the Publishers Information Bureau.

TV Week Network, which will start selling advertising immediately, will use five standardized formats, depending on a magazine's size. It will also offer advertisers the opportunity of buying just the Nielsen Market Research overnight markets or other combinations.#

FLEETOWNER
FLEETOWNER
SMALL FLEET EDITION

Fleet Owner offers advertisers a unique concept in media selection—the total truck fleet market delivered in two separate editions.

McGraw Hill

Greyhound takes lead in ad productivity

By R. CRAIG ENDICOTT

Greyhound Corp. outsprinted Capital Cities/ABC to claim the top spot in advertising productivity growth among leading national advertisers for the first quarter of 1988.

The consumer products marketer pushed its ad productivity to $102.74, up 33.2% from the first quarter of 1987. That percentage growth outdistanced Cap Cities/-ABC, which recorded a 31.8% growth in ad productivity.

Ad productivity, a critical measurement in determining the effectiveness of a marketing strategy, is derived from U.S. revenues generated by $1 of advertising.

This quarterly tabulation involves the monitoring of leading advertisers' sales and media advertising figures by ADVERTISING AGE. The first report in this new series appeared in the May 23 issue.

This time, Greyhound and Cap Cities/ABC emerged from a field narrowed to 15 contenders, each of which produced year-to-year gains in three criteria—measured media advertising, U.S. sales and U.S. revenues per $1 of advertising or ad productivity.

Only those with growth in all three criteria qualify for the top spot. The company with the biggest percentage gain in advertising productivity is crowned the winner.

Greyhound's ad productivity growth was largely sales-driven as the company posted U.S. revenues of $755.6 million, a 37.6% increase over first quarter 1987.

The company experienced growth in virtually all divisions, but first-quarter sales also benefited from the November acquisitions of Dobbs International Services, an in-flight catering company, and Dobbs House airport concessions, as well as the midyear 1987 buyout of North American Transit, the bus division of General Motors Corp.

Advertising from the 10 monitored media in this report increased 3.3% at Greyhound, which spent more than 80% of its measured media on its Dial Corp. lineup of toiletries and household products. That lineup includes Dial and Tone soaps, Purex and Brillo soap pads.

Also, Dial has acquired the household products business of U.S. Borax & Chemical Corp., marketer of Borateem dry bleach, Boraxo powdered hand soap and 20 Mule Team Borax.

Six of the 18 segments categorizing the 100 companies surveyed—chemicals & petroleum; retail; soaps & cleaners; wine, beer & liquor; tobacco; and miscellaneous—recorded gains in media advertising, U.S. sales and ad productivity over the year-earlier period when totals of their components were averaged.

Soaps & cleaners, a category highly influenced by Greyhound, netted an average $39.14 in ad productivity for the first quarter, a 13.4% gain over the year-earlier quarter that gave it the largest increase among categories.

Two other participants in that category, Clorox Co. and Colgate-Palmolive Co., each met with declines in ad productivity between the two quarters, while a third, Procter & Gamble Co., showed an ad productivity gain of 1.5%.

Airlines had the greatest positive percentage swing of 29.5% in ad productivity in the comparable quarters, a gain influenced by a 17% dip in advertising over the prior-year period.

Trans World Airlines was the only participant in the category to register a gain in advertising, while all but UAL Corp. showed growth in U.S. sales.

Greyhound also was one of 57

(Continued on Page 38)

Revenues per $1 in advertising expenditures for 100 leading national advertisers

		U.S. 1st qtr. ad spending		U.S. 1st qtr. sales		1st qtr. sales per $1 advertising		
Primary business	**Advertiser**	**1988**	**1987**	**1988**	**1987**	**1988**	**1987**	**% chg.**
AIRLINES	Texas Air Corp.	$19,996	$29,013	$2,126,191	$2,040,201	$106.33	$70.32	51.2%
	Delta Air Lines	16,529	18,319	1,623,721	1,380,257	98.23	75.35	30.4%
	UAL Corp.	21,135	30,607	1,680,148	1,898,422	79.50	62.03	28.2%
	AMR Corp.	29,692	34,594	1,768,294	1,358,402	59.55	39.27	51.7%
	Trans World Airlines	15,235	11,042	603,668	540,543	39.62	48.95	-19.1%
AUTOMOTIVE	Ford Motor Co.	96,867	99,323	16,580,000	14,480,000	167.50	145.79	14.9%
	General Motors Corp.	215,235	165,758	23,533,825	23,226,241	109.34	140.12	-22.0%
	Chrysler Corp.	163,559	120,851	7,015,190	5,486,390	42.89	45.40	-5.5%
CHEMICALS & PETROLEUM	E.I. du Pont de Nemours & Co.	23,894	18,697	5,514,480	4,918,320	230.79	263.06	-12.3%
	Mobil Corp.	22,255	20,828	5,116,360	4,321,600	229.90	207.49	10.8%
	Monsanto Co.	12,333	14,089	1,425,090	1,250,220	115.55	88.74	30.2%
	Dow Chemical Co.	29,695	25,247	1,831,260	1,386,900	61.67	54.93	12.3%
	American Cyanamid Co.	13,637	14,503	758,010	669,306	55.58	46.15	20.4%
ENTERTAINMENT & MEDIA	Gulf & Western	12,868	8,430	1,053,928	932,386	81.90	110.60	-25.9%
	Capital Cities/ABC	17,873	17,529	1,288,807	959,201	72.11	54.72	31.8%
	CBS Inc.	15,745	13,517	643,800	634,839	40.89	46.96	-12.9%
	MCA Inc.	18,640	3,516	482,858	421,245	25.90	119.80	-78.4%
	Time Inc.	51,567	46,528	1,011,750	892,050	19.62	19.17	2.3%
	Walt Disney Co.	38,262	20,924	743,543	677,824	19.43	32.39	-40.0%
	Warner Communications	19,554	11,465	311,443	283,841	15.93	24.76	-35.7%
FOOD	Borden Inc.	7,624	5,345	1,297,872	1,157,052	170.23	216.47	-21.4%
	Castle & Cooke	2,964	3,076	398,665	293,747	134.53	95.50	40.9%
	IC Industries	12,178	12,361	890,000	801,445	73.08	64.84	12.7%
	Geo. A. Hormel & Co.	8,362	10,111	535,729	556,944	64.07	55.08	16.3%
	Sara Lee Corp.	34,937	24,914	2,110,550	1,907,400	60.41	76.56	-21.1%
	Ralston Purina Co.	32,786	43,167	1,269,730	1,226,380	38.73	28.41	36.3%
	Kraft Inc.	62,922	44,353	2,137,760	1,840,640	33.97	41.50	-18.1%
	RJR Nabisco	116,455	103,044	3,800,000	3,500,000	32.63	33.97	-3.9%
	Philip Morris Cos.	189,078	202,825	4,992,840	4,522,260	26.41	22.30	18.4%
	Quaker Oats Co.	39,465	28,274	981,412	816,067	24.87	28.86	-13.8%
	Pillsbury Co.	55,654	49,621	1,346,130	1,374,210	24.19	27.69	-12.7%
	Campbell Soup Co.	48,417	39,719	990,068	925,206	20.45	23.29	-12.2%
	Hershey Foods Corp.	30,290	24,156	617,459	590,249	20.38	24.43	-16.6%
	CPC International	20,007	10,492	400,451	443,392	20.02	42.26	-52.6%
	H.J. Heinz Co.	42,059	26,685	822,550	735,287	19.56	27.55	-29.0%
	General Mills	88,767	65,406	1,357,078	1,232,622	15.29	18.85	-18.9%
	Kellogg Co.	87,587	58,091	700,264	609,280	8.00	10.49	-23.8%
	Wm. Wrigley Jr. Co.	26,145	21,849	152,884	130,913	5.85	5.99	-2.4%
MISCELLANEOUS	General Electric Co.	29,665	33,065	7,257,250	7,566,650	244.64	228.84	6.9%
	Goodyear Tire & Rubber Co.	7,314	8,109	1,500,000	1,322,000	205.09	163.03	25.8%
	Whirlpool Corp.	10,428	10,439	991,230	903,340	95.06	86.54	9.8%
	American Express Co.	46,453	36,910	4,374,000	3,321,000	94.16	89.98	4.6%
	Kimberly-Clark Corp.	13,028	14,342	905,800	828,240	69.53	57.75	20.4%
OFFICE EQUIPMENT	Xerox Corp.	9,272	2,753	2,368,100	2,406,600	255.42	874.30	-70.8%
	IBM Corp.	25,048	13,312	5,757,010	5,233,690	229.84	393.16	-41.5%
	Hewlett-Packard Co.	6,358	3,965	1,347,840	1,089,180	212.01	274.68	-22.8%
	Apple Computer	16,651	4,164	641,728	425,722	38.54	102.23	-62.3%
PHARMACEUTICALS	Pfizer Inc.	12,989	14,503	713,845	615,780	54.96	42.46	29.4%
	SmithKline Beckman Corp.	14,742	5,666	805,543	695,356	54.64	122.73	-55.5%
	Johnson & Johnson	55,807	68,190	1,317,270	1,129,170	23.60	16.56	42.5%
	Carter-Wallace	4,497	4,481	99,371	94,347	22.10	21.06	4.9%
	Bristol-Myers Co.	55,992	49,708	1,094,391	970,481	19.55	19.52	0.1%
	American Home Products	63,822	64,582	1,059,465	967,019	16.60	14.97	10.9%
	Schering-Plough Corp.	34,783	30,539	406,350	370,602	11.68	12.14	-3.7%
	Warner-Lambert Co.	54,365	53,434	519,609	454,617	9.56	8.51	12.3%
PHOTOGRAPHY	Polaroid Corp.	2,062	50	241,959	224,849	117.35	4,479.06	-97.4%
	Eastman Kodak Co.	57,432	49,839	2,529,508	2,017,952	44.04	40.49	8.8%
RESTAURANTS/FAST FOOD	McDonald's Corp.	79,746	82,213	2,533,992	2,306,864	31.78	28.06	13.2%
	Jerrico	6,324	6,134	154,562	147,940	24.44	24.12	1.3%
	Wendy's International	16,409	12,516	248,543	251,440	15.15	20.09	-24.6%
RETAIL	Wal-Mart Stores	3,549	4,132	4,308,140	3,230,588	1,213.87	781.88	55.2%
	Kroger Co.	13,239	15,243	4,316,000	3,956,000	326.01	259.53	25.6%
	American Stores	12,880	10,135	3,598,887	3,447,278	279.42	340.13	-17.8%
	Dayton Hudson Corp.	16,653	12,160	2,543,500	2,153,100	152.73	177.07	-13.7%
	K mart Corp.	40,604	24,656	5,841,800	5,594,400	143.87	226.90	-36.6%
	Sears, Roebuck & Co.	84,942	78,576	12,160,000	10,479,500	143.16	133.37	7.3%
	J.C. Penney Co.	21,486	25,577	3,047,040	3,095,040	141.82	121.01	17.2%
	Lucky Stores	12,870	8,075	1,630,176	1,754,100	126.67	217.24	-41.7%
	VF Corp.	5,642	5,285	554,196	540,778	98.22	102.32	-4.0%
	May Department Stores Co.	36,562	37,268	2,279,000	2,340,000	62.33	62.79	-0.7%
	Tandy Corp.	14,936	16,595	827,401	766,054	55.40	46.16	20.0%
SOAPS & CLEANERS	Greyhound Corp.	7,354	7,120	755,563	549,170	102.74	77.13	33.2%
	Clorox Co.	16,446	13,923	325,535	295,882	19.79	21.25	-6.9%
	Colgate-Palmolive Co.	37,632	26,109	725,000	655,000	19.27	25.09	-23.2%
	Procter & Gamble Co.	217,336	191,612	3,207,600	2,786,520	14.76	14.54	1.5%
SOFT DRINKS	Pepsico Inc.	114,374	99,982	2,235,900	1,974,900	19.55	19.75	-1.0%
	Coca-Cola Co.	60,879	43,442	878,900	728,500	14.44	16.77	-13.9%
TELEPHONE	Southwestern Bell Corp.	4,517	3,574	2,000,000	1,880,000	442.82	526.07	-15.8%
	GTE Corp.	9,057	6,998	3,705,000	3,515,000	409.07	502.28	-18.6%
	ITT Corp.	11,034	10,874	3,800,000	3,420,000	344.38	314.51	9.5%
	Ameritech	7,464	7,921	2,416,100	2,300,500	323.70	290.44	11.4%
	BellSouth	9,735	8,987	3,130,000	2,946,900	321.53	327.91	-1.9%
	Bell Atlantic Corp.	10,095	13,122	2,500,000	2,464,800	247.65	187.84	31.8%
	Pacific Telesis Group	9,361	7,743	2,308,000	2,133,000	246.56	275.49	-10.5%
	Nynex Corp.	18,364	10,136	3,070,700	2,891,400	167.22	285.27	-41.4%
	American Telephone & Telegraph Co.	86,948	62,320	8,098,530	7,877,370	93.14	126.40	-26.3%
	MCI Communications Corp.	14,306	7,214	1,131,000	955,000	79.06	132.38	-40.3%
	US Sprint Communications	12,908	9,925	759,474	615,051	58.84	61.97	-5.0%
TOBACCO	Loews Corp.	14,852	12,417	2,496,942	2,100,998	168.13	169.20	-0.6%
	American Brands	11,560	11,693	1,015,000	770,000	87.80	65.85	33.3%
TOILETRIES	Avon Products	7,501	5,605	370,600	318,300	49.41	56.79	-13.0%
	Gillette Co.	19,296	20,160	352,209	297,219	18.25	14.74	23.8%
	Alberto-Culver Co.	11,624	7,431	118,376	97,300	10.18	13.09	-22.2%
	Noxell Corp.	23,048	28,094	124,609	114,469	5.41	4.07	32.7%
TOYS	Mattel Inc.	5,910	6,333	88,662	99,546	15.00	15.72	-4.6%
	Hasbro Inc.	18,608	15,237	209,006	203,880	11.23	13.38	-16.1%
WINE, BEER & LIQUOR	Seagram Co. Ltd.	13,028	12,918	496,504	441,013	38.11	34.14	11.6%
	Brown-Forman Co.	9,305	10,239	350,090	346,338	37.62	33.83	11.2%
	Anheuser-Busch Cos.	92,729	81,500	2,260,000	2,110,000	24.37	25.89	-5.9%
	Adolph Coors Co.	27,391	20,217	287,133	266,879	10.48	13.20	-20.6%

NOTES: Dollars are in thousands except revenues per $1 in ad spending which are in real dollars. Sources: First-quarter ad spending from Broadcast Advertisers Reports/Leading National Advertisers and Radio Expenditure Reports. Figures include magazine and newspaper spending from Publishers Information Bureau and Media Records as reported by LNA; spot TV, network TV, syndicated TV, cable TV networks and network radio spending as reported by BAR; outdoor spending as reported by LNA; and spot radio spending as reported by Radio Expenditure Reports. Revenues are for U.S. sales only and are AA estimates based on worldwide first quarter (calendar) revenues and annual U.S. revenues as a percent of worldwide revenues. (See story.)

AA chart: Kevin Brown. Sales data compiled by Norma Green.

Counting on ethnic agencies

Census bureau aims to fill gaps

By JANET MEYERS

WASHINGTON—The U.S. Bureau of the Census is the latest government advertiser to use targeted, regionalized advertising and promotion to get its message across.

For the 1990 census, the bureau for the first time has hired black and Hispanic ad agencies (AA, Aug. 8), stepped up its local corporate sponsorship programs and adopted the non-traditional communications practices the U.S. Immigration & Naturalization Service used in its recent amnesty program.

The census bureau plans to spend $73 million on advertising and promotion for the 1990 census, more than triple its 1980 spending of $21 million.

That spending includes salaries of full and part-time regional promotion staff, who will solicit corporate sponsorships for poster contests and parades to encourage people to return census forms.

The Advertising Council again will be used for a public service campaign, with national creative work by Ogilvy & Mather, New York.

The national campaign will use the theme "Put yourself in the picture."

Mingo Group and Castor Spanish International will create ads targeting black and Hispanic audiences.

The census bureau is looking for an Asian agency to reach Oriental residents, primarily in the West.

The problem is that ethnic groups are less likely to send in their census forms, said Peter Bounpane, a census assistant director. More than 5% of blacks and Hispanics were overlooked in 1980, compared with 1% of the general population.

Advertising by O&M and Mingo was recently tested in St. Louis.

The campaign targeted at blacks is a mini-music video, featuring a cameo appearance by singer Al Green. The theme is "Stand right up for who you are."

The Hispanic ads are still being developed. The bulk of the ads are expected to be released in January 1990.

The bureau will devote more funds this time to local promotion, said Mr. Bounpane, spending about $52 million on grass-roots activities, almost four times the 1980 census' $14 million.

Local promotion was critical for the INS, which found that its national ad campaign failed to reach illegal aliens who might qualify for citizenship.

The INS switched its tactics after several months and showed more success by staging local parades, stuffing tortilla packages and taking other non-traditional approaches.

Mr. Bounpane hopes similar methods will work for the census. He believes ethnics who might be wary of filling out government papers can be convinced they won't be harmed by supplying information.#

Greyhound ads most productive

(Continued from Page 30)

companies to increase advertising from fourth quarter 1987 to first quarter 1988, though that number might have been less had national newspaper spending been available for these companies in the fourth quarter. It's included only in first-quarter figures.

Greyhound also was one of only 41 companies that recorded sales growth in the consecutive periods. Typically, first-quarter sales don't match the holiday-infused totals of the fourth quarter.

Wal-Mart Stores hit the highest growth in ad productivity and Polaroid Corp. hit the lowest.

Wal-Mart grew 55.2% in the year-to-year period, to $1,213.87 per $1 in advertising, reflecting a 33% increase in U.S. sales, but a 14.1% decrease in advertising kept it from reaching the final round of contenders.

Polaroid, fending off a takeover attempt, dropped 97.2% in ad productivity as sales increased 7.6% and advertising grew to $2.1 million from a mere $50,000.

Polaroid traditionally spends little in the first quarter, but its first quarter 1987 totals were affected further by the court-ordered departure of Eastman Kodak Co. from the instant camera business, making Polaroid the lone player in the market.

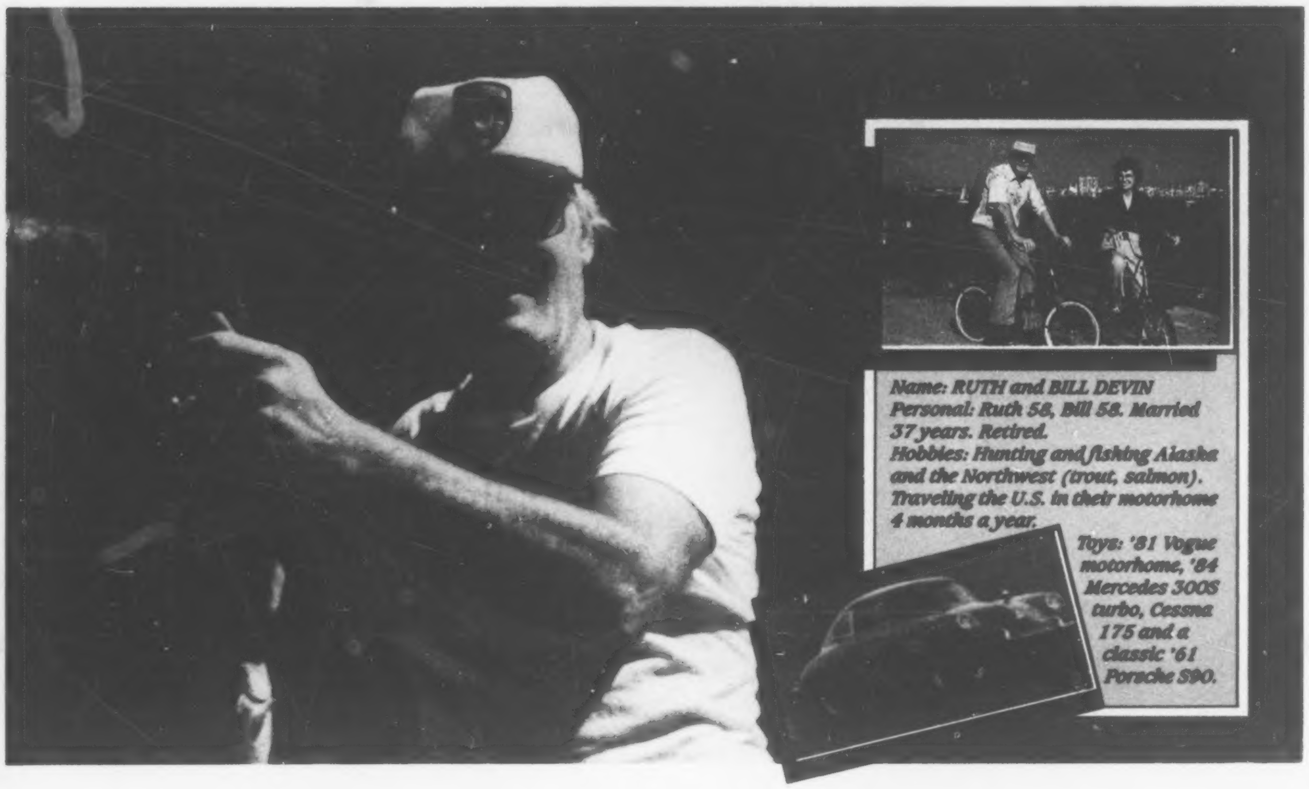
AD AGE's measurement is designed to be a window to a marketer's ad spending efficiency tracked over time.

Also, an advertiser's ability to sustain this movement in ratio-building over time helps demonstrate efficiency in media spending methods.

AD AGE's measurement is the flip side of advertising as a percentage of sales—the industry's standard measuring tool reflecting annual budget allocations.

The sales-per-$1-advertising index is able to pick up sudden swings in sales, media advertising, special promotions, seasonality of spending, year-to-year fluctuations and quarterly cumulatives—all of which lead to the annualized A/S ratio that depicts the company's advertising-to-sales journey for the year.

Companies charted in this quarterly report are among AA's 200 leading national advertisers and are both public and U.S.-based. Quarterly periods approximate a January-March time frame.#



Name: RUTH and BILL DEVIN
Personal: Ruth 58, Bill 58. Married 37 years. Retired.
Hobbies: Hunting and fishing Alaska and the Northwest (trout, salmon). Traveling the U.S. in their motorhome 4 months a year.
Toys: '81 Vogue motorhome, '84 Mercedes 300S turbo, Cessna 175 and a classic '61 Porsche S90.

We Have 1.5 Million Readers Who Are Hooked On Sports.

(And that's no fish story!)

The man who travels the continent just to hunt and fish the perfect spot, pilots his own Cessna, and raced his '61 Porsche in a PCA Autocross Competition at 47, isn't about to hang it up at 58.

That's why Bill Devin and his wife, Ruth, are two of our 1.5 million *Trailer Life/MotorHome* seniors you should be talking to. Not just because they're members of the most prosperous senior market in history. But also because they've enjoyed years of prosperity, activity and fun. And they don't intend to stop.

Because RVing is the heart of our audience's lifestyle, they're naturally hooked on sports. 75% own fishing equipment. 31% own golf equipment. 29% own outboard motors. Nearly half own some type of boat.

As the dominant magazines in the RV field, our *Trailer Life/MotorHome* combination can deliver you the senior you want. The active, affluent senior who can afford to spend as much as $250,000+ on an RV.

If your product belongs outdoors, it belongs in our magazines. Where you can reach the active, affluent senior who lives the outdoor life. For more information on why our market and our magazines are right for your message, call Jim Mac. (219) 295-7820, Elkhart, IN.

MOTORHOME
TRAILER LIFE
FISHING SPECIAL

Trailer Life/MotorHome
The active senior travels with us.

Source: 1987 Trailer Life/MotorHome Subscriber Study conducted by John Schug Media Research

If the client only knew . . .

DATA BANK — Computers

Treat the client right

Personal computer ad agencies and the machines they use

Agency, location	Client	Approximate number of PCs in use IBMs	Macintoshes	Compaqs	Commodores	Ataris	AT&Ts
BBDO Worldwide, New York	Apple Computer	14	700	0	0	0	0
Chiat/Day, Venice, Calif.	Apple Computer (1/81-5/86)	5	400	0	0	0	0
DDB Needham Retail, San Francisco [1]	Atari Corp.	0	6	0	0	1	0
Ogilvy & Mather, New York	AT&T	13	100	5	0	0	250
Griffin Bacal, New York [2]	Commodore Computer	1	0	3	23	0	0
Ogilvy & Mather, Houston	Compaq	1	1	30	0	0	0
Leo Burnett, Chicago	Hewlett-Packard	NA	NA	NA	NA	NA	NA
Lord, Geller, Federico & Einstein, New York	IBM (pending review)	180	1	0	0	0	0

Source: Advertising Age survey.
Notes: NA indicates data not available. [1] DDB Needham Retail is the agency of record for games only. Atari handles computer advertising in-house. Also, figures given are for DDB Needham Retail's San Francisco office only. [2] Commodore computers listed include 16 PCs and 7 Amigas.

Research by Alan Brody

Agencies try to use the products they tout for clients. But often it's not possible to get results without sitting down at a computer made by—gasp—the competition.

At Lord Geller Federico Einstein, IBM's agency of record that is embroiled in a dispute over the account with breakaway shop Lord Einstein O'Neill & Partners, a peculiar legacy remains of their past together.

LGFE has more than 180 IBM PCs. And it houses a Macintosh.

According to sources at the agency, LGFE maintains an electronic publishing center that was established in the days when Art Einstein, a former agency principal, took a keen interest in the emerging desktop publishing phenomenon. Because IBM in those days had no graphical interface and offered no desktop publishing solution, he helped choose a Macintosh and LaserWriter, the basic tools required to participate in the "revolution."

When Aldus PageMaker became available for the PC, LGFE began using IBMs. But even with Art Einstein having left the agency, they haven't been able to get rid of the Macintosh.

It remains in the agency with a photocopied IBM logo covering the rainbow Apple. Because IBM's laser printer, the Personal Pageprinter, doesn't work with the IBM AT the agency uses for desktop publishing, staffers have found a machine that does: the Apple LaserWriter that Mr. Einstein brought into the agency.

But LGFE is not alone. No agency interviewed has been able to maintain brand purity when it comes to its clients' computers.

When BBDO began purchasing microcomputers it almost seemed as if it anticipated its next client, Apple Computer, which was then at Chiat/Day. "Before we pitched Apple we had over 120 Macintoshes," says Damian Pezzano, director of the computer systems department. The act of faith paid off when BBDO won the account; the agency now has more than quadrupled the number of Macs in the agency.

BBDO has not only networked its Macs within each agency, but by using a mainframe and an outside satellite-based system, Macs are also networked internationally.

"You can send anything," says Mr. Pezzano, referring to electronic mail messages, copy

(Continued on Page S-18)

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Welcome to 'Blue Blood Estates'

By Len Strazewski

Clever names and clear graphics may help sell a system, but nothing succeeds like success in convincing doubters.

At Perpetual Savings Bank in Alexandria, Va., even the crustiest low-tech branch managers are taking notice of the value of computerized market data, according to Research Manager Daniel Dudley.

The network of 73 branch savings & loans in the Washington, Maryland and Virginia areas has been using Claritas' PRIZM for more than two years—with outstanding results, Mr. Dudley says.

One direct-mail campaign for a single branch drew $15.5 million in new deposits in six weeks, he says, with a response rate many times the company average. The 14,000-piece mailing generated a 7% overall response rate and from affluent, older investors, a target group chosen from PRIZM data files, the response rate topped 14%.

"Our usual overall response rate for a campaign like this is 1% or 2%," Mr. Dudley says. "With results like that, even managers who have doubted the value of computerized market research . . . take notice."

As a result, Mr. Dudley says his office has been swamped with calls for data for new branch campaigns; even senior bank managers have started to use PRIZM in strategic planning.

Perpetual also uses PRIZM to help target media. Mr. Dudley wouldn't reveal the bank's advertising budget, but he claims the overall spending is much less than similar-sized competitors because of the way PRIZM data is used to target prime markets, particularly through direct-mail campaigns.

"We keep track of our aided and unaided awareness with regular surveys, and since we've been using PRIZM as part of our advertising and media buying, our unaided awareness levels have been growing dramatically—without much of an increase in spending," he says.

In the last two years, overall unaided awareness has grown from 3% to 10%, he says.

At Claritas, marketer of the popular PRIZM lifestyle cluster data base, understandable personal computer software has become a major priority.

"We want to be click-friendly," explains President Bruce Carroll, referring to the click made by a computer "mouse," which allows users to point directly to functions outlined on a computer screen. Claritas' Compass software—introduced in June—allows users to access geographic market data by pointing at any area on a computer-generated map. By defining small areas, users can access data that is more focused and segmented, Mr. Carroll says.

The PRIZM data base has also been designed for easier understanding, Mr. Carroll notes. Instead of labeling lifestyle clusters with age, sex or income demographics, Claritas uses catchy nicknames such as "Blue Blood Estates," "Furs and Station Wagons," "Bohemian Mix," "Norma Rae-ville" and other labels.

The nicknames, Mr. Carroll says, help express what the data reveals, rather than burdening the user with numbers that that may confuse executives. "Our goal is to take market information out of the classroom and get it into the streets where it can be used," he says.

Len Strazewski is a Chicago-based writer and frequent contributor to Special Report.

If the client only knew . . .

(Continued from Page S-2)

or digitized graphics images. Staffers have even used the Macs as interfaces to the agency management software that runs on IBM mainframes. The agency has more than 700 Macs nationally plus 500 overseas, as well as 14 IBMs and PC compatibles, a testament perhaps to its client's commitment to connectivity.

Initially, says Mr. Pezzano, the Macs "got into the account department much more quickly than in the creative. There has been some resistance in the creative. But the younger people have been more willing, and color has made a big difference." Now there are many people in the agency doing layouts and desktop presentations. BBDO creative staffers have moved extensively into animatics using VideoWorks by MacroMind Inc. and Dimensions by Visual Information.

Ogilvy & Mather uses its clients' machines but has two different computer clients at two different locations.

The New York office has the AT&T account and uses 250 AT&T 6300s, 100 Macs, 13 IBM PCs and 5 Compaq computers.

In the Houston office, where O&M handles the Compaq computer account, the proportions are reversed and Compaq is the machine of choice.

When Chiat/Day lost the Apple account it hung onto its Macintoshes. The agency even has a Macintosh manager, Cliff Hughes, who says Chiat/Day has more than 400 Macintoshes and about seven IBM PCs worldwide. Most of the machines were bought during the heyday of the Apple account.

Locking into a particular manufacturer's equipment is described as a being part of the "installed base." Once a company is outfitted with a significant amount of one system it becomes too expensive to switch and the only real choice is to add machines from the original manufacturer.

On the other hand, it is never easy to describe Macs in traditional computer terms and it may be that Chiat/Day really did like the client's product.

"We think the Macs are wonderful," says one Chiat/Day insider. "We wouldn't be able to get along without them."

—Alan Brody

IBM nibbles at creatives

(Continued from Page S-1)

pany selling to agencies like DDB and Ogilvy & Mather," says Bruce Jacquemard, product marketing manager. Largely in government and accounting, only 5% of their business is with agencies and they reach them through general ads for Legend software.

Like other hardware vendors, IBM does not have exclusive ads for agencies. But IBM will use ads and direct mail in a fall seminar for an estimated 300 senior ad agency executives. Titled "An Executive Advertising Conference" and held at IBM's Madison Avenue office, the session will include McCann-Erickson's CEO Bob James speaking on, "Technology: Key to the Advertising Agency of the 1990s."

Agency management and a simulation of creatives at work will be showcased.

So far, manufacturers of IBM compatible computers including Compaq and Hewlett-Packard have not targeted the ad agency market directly.

A new area complementing page layout is desktop presentations, which Apple's Mr. Mowery says "may ultimately be bigger." Sales of presentation software have risen from 125,000 units on the IBM and 50,000 on Apple in 1985 to 250,000 and 120,000 respectively in 1988. In 1989 sales are expected to grow 20% for IBM and 50% for Apple.

Steve Jobs, the former driving force behind Apple, is readying NeXT, a workstation for academia, but ad people, among them Jordan McGrath Case & Taylor's VP-Creative Director Peter Farrago, believe, "I fully expect he is going to bring out a new creative tool."

Associate editor Kevin Brown coordinated this report on Computers.

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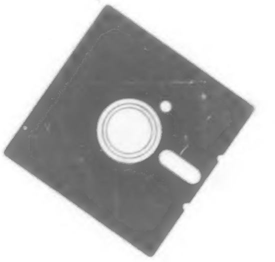

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Last Minute News

GF gets sweetener patent

RYE BROOK, N.Y.—General Foods has been awarded a patent on two new low-calorie sweeteners that can be used in powdered desserts, dairy products, canned goods or for tabletop. The sweeteners, which are at least 2,000 times sweeter than sugar, will be tested further internally before being submitted for Food & Drug Administration approval. Separately, GF is testing Kool Shots, a liquid concentrate form of Kool-Aid, in undisclosed markets. The product is a presweetened liquid packaged in plastic squeezable pouches shaped like Kool-Aid's Pitcherman character. Grey Advertising, New York, is agency of record for Kool-Aid.

Hotel mulls Martin shops, others

WASHINGTON—Marriott's Residence Inn, an all-suite hotel chain, is reviewing its $1.5 million account and considering Hawley Martin Partners and the Martin Agency, both Richmond, Va.; McKinney & Silver, Raleigh, N.C.; and Rosenthal, Greene & Campbell, Bethesda, Md. The Richards Group, Dallas, previously handled. With the pitch, David Martin, now senior partner at Hawley, is competing with the agency he founded *(see earlier story on Page 6)*.

Chex finds mate at Avrett Free

ST. LOUIS—Ralston Purina selected Avrett, Free & Ginsberg to succeed Wells, Rich, Greene, both New York, on its $10 million Corn, Rice and Wheat Chex account. A

(Continued on Page 8)

● Ad Age's Creative Workshop —see coverage on P. 49, 56, 60

Price hikes loom for TV's hot :15s

Mini-ads becoming 'monster issue'

By VERNE GAY

NEW YORK—The Big 3 TV networks, hurt by a crushing demand for 15-second ad units, want to charge advertisers more for the short spots.

The simmering controversy over 15-second commercials involves more than pricing, notably clutter and product protection. "I think this will be the monster issue of the year," said Jerry Dominus, VP-sales at CBS.

ABC will test the waters for a price hike this fall by seeking "premiums" for :15s bought in the baseball championship playoffs, "NFL Monday Night Football" and, possibly, the Academy Awards telecast.

Sources said ABC would use these events as "litmus tests" to see whether price hikes could be sought elsewhere.

The popular 15-second format is now priced at half the cost of a :30.

In explaining the nets' position, one TV executive said, "Basically, people talk about :15s like they should be 60% the cost of a :30, or even have a 20% premium. But maybe the marketplace won't be able to handle that. So maybe [the cost increase] will be set at 53% or 54% [of the cost of a :30].

"You can't do things too quickly," he added.

NBC executives couldn't be reached for comment on their position on this issue.

CBS is debating whether to ease its restrictions on use of the short format. Each network currently allows only two 15-second spots per commercial cluster, or pod, to prevent clutter and ensure product protection.

But the huge demand for :15s in all dayparts has forced a re-evaluation of this policy.

CBS has warned advertisers it will reach saturation levels for :15s in prime time during this fall season, telling advertisers in a letter last month that it may have to "modify our policies."

CBS specifically noted it was having trouble maintaining product protection in the pods. The network limits two :15s or one split 30 to both a 90-second and a 120-second pod, so there are never more than five commercial messages in a pod.

But CBS said many advertisers that had bought :30s were asking for their unit to be split into :15s and not giving them enough advance warning to insure product protection.

That's a key reason for the network's policy review, and sources said the result could be either more :15s

(Continued on Page 62)

Magazine ad rates headed for big increase—Page 3

HOT STUFF

BURGERS GO HOME
Let's knock burgers on
BURGER BOYCOTT
BURGER BOYCOTT
H

Residents of tiny Hope, Ind., explain why they boycotted burgers in favor of Arby's roast beef in new commercials from W.B. Doner & Co., Baltimore. *(See story on P. 59.)*

Anheuser-Busch's Spuds MacKenzie will try pole vaulting in a Bud Light spot airing on NBC's Olympic broadcast next month. DDB Needham Worldwide, Chicago, handles.

Mercury ads take new shape for '89

By PATRICIA STRNAD

BOSTON—Ford Motor Co.'s Lincoln-Mercury division is dropping its 3-year-old ad theme for Mercury, "The shape you want to be in," and replacing it next month with an all-new campaign.

"Where comfort and control are one" is the new theme and it reflects the upscale division's new strategy of emphasizing comfort, control and handling.

Executives said those were the attributes cited most often by focus groups when asked what they liked most about Mercury cars.

The previous advertising campaign was part of L-M's strategy to be known as the leader in auto design. But "so many other car companies are starting to [talk about] shape," said DeWayne Lancaster, L-M's general marketing manager, "we didn't have the cornerstone on shape anymore."

His comments were made last week at a national preview of Ford Motor Co.'s entire 1989 model lineup, where company executives said they have set ambitious sales goals for next year.

To meet its goal, the Ford Division is relying on past strategies and its long-running ad theme.

The flagship car's new advertising breaks little ground strategically and creatively while continuing the well-known themes, "Have you driven a Ford . . . lately?" and "The best-built American cars, eight years running."

The former is "the most recognized theme line in the industry," said Philip Novell, general marketing manager at Ford Division. "If we changed it, our dealers would lynch us."

J. Walter Thompson USA, Detroit, handles the Ford Division; Young & Rubicam, New York, handles Lincoln-Mercury.

Lincoln's "What a luxury car should be" theme is continuing. Pro golfer Jack Nicklaus, Lincoln's new spokesman (AA, Aug. 1), appears in spots for the Town Car and Continental.

Mr. Lancaster said the new focus for Mercury is a "natural evolution" and not due to dealer dissatisfaction.

Last year's effort featured New Age music and cars in motion against a roadless, unpopulated background.

The 1989 Mercury commercials are dominated by instrumental, symphonic music that's sometimes majestic and other times fast-paced and peppy.

TV spots feature drivers or passengers of Mercury models looking wide-eyed at the sun and a full moon, which appear in the sky side by side. The sun and moon start to move toward one another until eventually they eclipse, forming the Mercury logo.

"We were looking for visuals that would imply comfort and control," Mr. Lancaster said. Y&R "came up with the sun and moon, the sun being hot and controlled, the moon being soft, warm and comfortable."

L-M's Merkur Scorpio is getting most of the ad support for Merkur-branded cars in 1989, Mr. Lancaster said. The theme for Merkur is "German performance you can be comfortable with."

Ross Roberts, VP-general manager of L-M, projected that Scorpio sales will reach 12,000 units in 1989, up 19% from this year.

L-M projected total 1989 sales of 717,000 units, which would give it about 7% of the U.S. auto market. L-M's market share in

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Dems' dilemma: Should they take shots at Quayle?

By STEVEN W. COLFORD

WASHINGTON—A top media adviser to Democratic presidential candidate Michael Dukakis says there may be hay to be made from ads targeting Republican vice presidential candidate Dan Quayle.

"Quayle's problems certainly have opened up other possibilities for advertising by the Mike Dukakis campaign," said Dan Payne, president of Payne & Co., Boston, whose ads helped the Massachusetts governor win the presidential nomination. "And I've got some of those ideas," he said, chuckling aloud at the prospects.

There's also the possibility that some liberal groups not directly linked to the Dukakis campaign or the Democratic Party might go after Sen. Quayle and his record, just as conservative groups have spent millions for barbed, frequently effective TV spots aimed at liberals.

Mr. Payne thinks Sen. Quayle's problems will hamper the Republicans' campaign advertising.

"They now have to be sensitive to how they use Quayle," he said. "If he continues to be in the forefront with the press for another three or four weeks . . . then they have to decide whether to go with a Bush-Quayle logo or just 'Bush for president.' "

Mr. Payne even conjectured on the possibility of some image-mending ads by the Republicans.

"The vice president is not usually a major part of [advertising] budgeting for a campaign," he said.

"But if they try anything with Quayle, the ad ends up being bigger news than a spot for George Bush. Everyone will pick it over to determine the meaning, to figure out the damage control."

Sig Rogich, advertising director for the Bush campaign, declined to comment on the possible impact of anti-Quayle ads by the Democrats or on the likelihood of using advertising to try to bolster Sen. Quayle.

But another Bush campaign insider, speaking anonymously, said the Indiana senator's problems—his National Guard service during the Vietnam War and his 1980 stay in Florida with a group of people that included Washington lobbyist Paula

(Continued on Page 61)

Saatchi stock woes may pare pay hikes

By JON LAFAYETTE

NEW YORK—Managers of Saatchi & Saatchi's agencies are under intensified pressure to increase profits—and may be holding 1989 salary increases down to a minumum to do so.

This comes just as the Saatchi holding company prepares for its fiscal 1989 budget meetings next month.

Senior agency executives denied they had been ordered to squeeze raises to as low as 3%, but they acknowledged the holding company is taking a much closer look at salaries than in the past.

Saatchi's deflated stock price is the main reason for possible tight salary guidelines and other cost-cutting moves.

The price of Saatchi's common stock has fallen from more than $30 a share just before the Oct. 19, 1987, stock market plunge to $18⅜ last Friday.

The falling stock price impedes Saatchi's acquisition strategy because the company prefers to raise money by selling stock rather than borrowing (AA, Aug. 1).

The low stock price also makes managers' stock options fall in value and raises the possibility of a takeover.

One way to boost the stock price is to improve operating margins by controlling costs, and an agency's biggest cost is salaries.

Roy Warman and Terry Bannister,

(Continued on Page 62)

Pepsi sends Coke to mat on recall

By SCOTT HUME

"Ladies and gentlemen, we have a decision," as the ring announcers say. And the winners are . . . Diet Pepsi and its commercial presenters, heavyweight champion Mike Tyson and his wife, Robin Givens.

PepsiCo and Coca-Cola USA went into the advertising ring in June and July, each claiming that its diet cola was preferred in national taste tests.

The challenges coincided with the June 27 heavyweight boxing title fight between undefeated champion Mike Tyson and Michael Spinks.

For several days before the fight, Pepsi-Cola, via BBDO Worldwide, New York, aired a series of teaser spots for Diet Pepsi suggesting something monumental was coming.

The night before the fight—billed as a bout that would decide who was the top fighter "Once and for all"—Pepsi ran a spot featuring Mr. Tyson, in which it claimed Diet Pepsi was the people's choice. PepsiCo sponsored the closed-circuit telecast of the fight.

Coca-Cola, meanwhile, was running its own TV and print campaign, from Lintas:New York, claiming that its tests gave the taste crown to Diet Coke.

The fight lasted 91 seconds—three times longer than both soft-drink marketers' TV commercials—with Mr. Tyson the winner by a knockout.

And the July AdWatch figures on consumer top-of-mind advertising recall give Diet Pepsi the victory by a knockout, too.

Diet Pepsi advertising ranked among the 10 best recalled last month, taking the No. 7 slot. It was the first time Pepsi's diet brand has made the top 10 list.

Diet Coke's advertising didn't garner a single vote from the 1,000 adults who were asked to name the first advertising that came to mind from all they had seen, heard or read in the previous 30 days.

Regular Pepsi rode the coattails of its diet brand back into the No. 1 spot among the top 10, though Coca-Cola/Coke (which had held the top spot in the June survey) missed tying for the top spot by only a single vote.

When respondents were asked which soft-drink advertising came to mind first, the order of finish was the same.

Pepsi's advertising won that fight, coming to mind first for 36.7% of the sample. Advertising for Coca-Cola/Coke was No. 2 with a 27.6% share of first mentions.

Diet Pepsi, which hadn't even placed among the top 5 in the soft-drink category the previous month, was third in the July survey, with 6.7% of first responses, followed by Diet Coke's 4.3% share. 7UP was fifth with 3.3%.

Although Diet Coke was the top-selling low-calorie cola as of the end of 1987 (with a 7.7% share of the total soft-drink market vs. Diet Pepsi's 4.8%), Diet Pepsi advertising last month won the recall round, and that can have significant impact on the outcome of the fight.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that comes to mind first both overall and in specific product categories. Last month, 1,000 people were polled by phone.

Another close and closely watched fight has been going on for months between computer giants IBM Corp. and Apple Computer.

Apple has had a hold on the top spot in the computer category since the June 1987 survey, at times leading by as many as 16 percentage points. It didn't relinquish the top spot last month, but the gap between the leaders was very slim.

Apple's advertising was recalled first by 24.1% of the sample and IBM's by 22.3%. Compaq Computer Corp. was third with 1.9%.

The gap was closed not by IBM gaining in recall (its share of first mentions was 22% in June) but through a 2.6-point drop in recall of Apple's advertising from its 26.7% share in June.

Also worth noting is the 15.8% share of first mentions in the wine and wine cooler category garnered by E&J Gallo Winery's Bartles & Jaymes cooler. That's its highest share in the past 12 months.

Gallo wines ranked second with a 9.3% share; Banfi Vintners' Riunite was third with 7.1%.#

For more information, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in July

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 7/88	6/88	Advertiser	Agency
1	2	Pepsi-Cola	BBDO Worldwide
2	1	Coca-Cola	McCann-Erickson
3	6	California raisins	Foote, Cone & Belding
4	5	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
5	4	McDonald's	Leo Burnett USA
6	3	Ford	J. Walter Thompson USA
7	—	Diet Pepsi	BBDO Worldwide
8	—	Tide	Saatchi & Saatchi DFS Compton
9*	7	Chevrolet	Lintas:Campbell-Ewald
9*	9	Miller	J. Walter Thompson USA/Backer Spielvogel Bates

* Indicates a tie.

Gillette returns to fray with push for Silkience

By PAT SLOAN

Gillette Co. is going back on the marketing offensive, planning a $20 million relaunch of Silkience shampoos and conditioners and considering a national rollout of Myoko skincare products.

The company's burst of marketing activity follows months of fending off a takeover, a battle that last week culminated in a share repurchase agreement with Coniston Partners, a New York investment house.

Silkience, unadvertised for the past two years, will get $12 million in advertising starting in January, said Kathy Donald, product manager.

She said 80% of that will go for TV and 20% to print. Another $8 million will go into consumer promotions.

N W Ayer has the task of rebuilding the brand; the last ad effort for Silkience was from Young & Rubicam.

Silkience had more than a 4% share in 1981 but, with the launch of such brands as Finesse from Helene Curtis Industries, it had fallen to 1.6% for shampoos and 2.8% for conditioners by the end of 1987.

No theme has been set for the campaign, said Jim Haag, management supervisor at Ayer.

The plans for Myoko, a joint venture with Japan's Shiseido Cosmetics, are less clear.

Gillette hasn't revealed its intentions for the brand, which has been testing in Boston since last winter (AA, Feb. 22). But sources say Myoko is slated for an expanded test market later this year and, if all goes well, a national launch in 1989.

Last week, Gillette moved Myoko to Ingalls, Quinn & Johnson, Boston. Hill, Holliday, Connors, Cosmopulos had resigned the business due to a conflict with Revlon Group.

Myoko is a 10-item line of moisturizing, cleansing and purifying products priced between $7 and $12. It's sold with the help of in-store computers.

That Gillette would soon return to business as usual was hinted at earlier this year when the company boosted ad spending for its antiperspirant/deodorant brands by 50%, to $30 million. It added line extensions Dry Idea for Men and Right Guard Sport at that time.

Dry Idea's share has since risen from 6.5% to 7.2%, according to Salomon Bros. figures, while Right Guard's share remains stable at 5.9%.

Gillette has been under significant competitive pressure in the antiperspirant/deodorant category, particularly from Mennen Co.

Mennen now is going after Gillette with this fall's $30 million launch of Mennen Speed Spray, the company's first aerosol, a market segment that Gillette has traditionally dominated.#

Paws for a treat

Just how far will a dog—or 75 dogs—go to get a Jerky Treat? In the first of two 15-second TV spots breaking today, one dog scales a building, a la Batman, when his mistress entices him with a Jerky Treat. In the second commercial, 75 canines arrive on the doorstep after a man waves a Jerky Treat in front of a fan. Leo Burnett USA, Chicago, created the spots for Star-Kist Foods.

J&J introduces Tylenol 'gelcap'

By PATRICIA WINTERS

Johnson & Johnson, faced with increased competition and slow growth for its key Tylenol brand, is introducing a "gelcap" version that follows years of research for a suitable replacement for once-popular capsules.

Most over-the-counter drug companies took capsule products off the market after a series of tampering incidents, starting with the Tylenol poisoning deaths in 1982.

Tylenol gelcaps are oval-shape pills with a gelatin coating. The key product benefit, said a spokeswoman for J&J's McNeil Consumer Products Co. subsidiary, is that the new product is easier to swallow since a "gelcap" is 33% smaller than a capsule.

That claim is featured in a 30-second TV spot for the gelcaps featuring soap opera star Susan Sullivan.

But a product attribute not advertised is that the gelcaps are one piece, making tampering difficult. Capsules came in two pieces.

"McNeil is by far and away the trend-setter—they are the Procter & Gamble of analgesics," said Gary Frauenhofer, a health & beauty aids retail executive in upstate New York. "If these gelcaps take off, everyone will follow."

McNeil has been researching easier-to-swallow pills since the elimination of capsules.

"This came out of ongoing research into what consumers want," the spokeswoman said. "There are people who like gelatin coating."

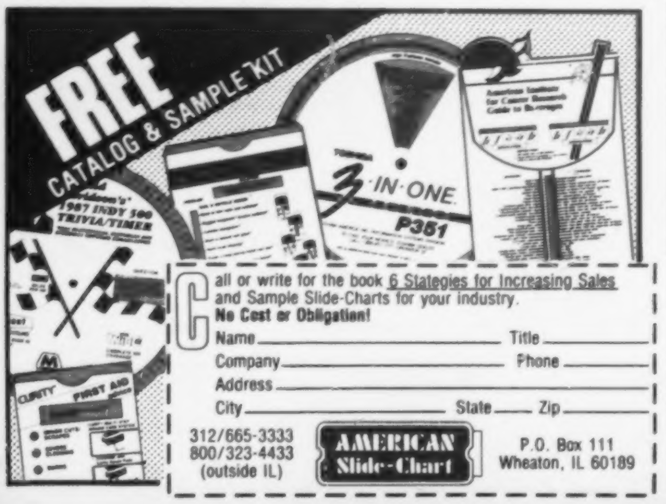
Besides TV, Tylenol gelcaps are backed by print ads, coupons and sampling.

The campaign is separate from regular Tylenol advertising.

Last year, McNeil spent about $55 million in media advertising. Saatchi & Saatchi DFS Compton, New York, handles Tylenol consumer advertising; Kallir, Philips, Ross handles advertising to medical professionals.

Jim Callandrillo, project manager

(Continued on Page 61)



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Thai ad growth is soaring along with economy

By JOYCE RAINAT

BANGKOK—Thailand's advertising industry is expected to set new records this year, with ad spending rising as much as 20% to $300 million.

"The Thai economy is booming, and the advertising industry is the first to notice the upswing," said Rudiger Reinecke, managing director of DDB Needham Worldwide's office here. He predicts his agency's billings will rise as much as 50% to $15 million this year.

Thailand is quickly joining the ranks of other fast-growing Asian ad markets such as Taiwan, where ad spending is expected to increase 20% to 30% this year.

Thai consumers are benefiting from the country's emergence as an export base for hard-pressed Japanese, Taiwanese, South Korean and Hong Kong manufacturers facing rising costs at home.

The boom follows serious cutbacks in 1986 and the first part of 1987, when lower commodity prices and reduced consumer buying power prompted key advertisers to cut back or delay product introductions, said Kamthorn Kamolvarinthip, chairman of Lintas:Thailand.

Among brands whose ad spending has rebounded are several from Colgate-Palmolive Co., including Fab detergent, with spending for the first six months of this year at $900,000, up 102% from the same period in 1987. Fab is the No. 2 brand in ad spending in Thailand for the first half of '88, according to Data Bank Media Focus Co.

Other brands boosting ad spending this year are Premier Marketing's energy drinks, Krating Dang, up 122%, and the M-100 line, up 158%. Energy drinks, which contain large amounts of caffeine and sugar, are popular here.

About 60% of the increased spending at agencies is coming from existing clients, with the rest attributed to new business.

Unlike other quickly growing Asian countries opening to foreign investment, major Thai agencies have had affiliations with multinationals going as far back as 1965, when McCann-Erickson entered through a joint venture. Most other U.S. agencies came in during the 1970s, when U.S. businesses were exempted from the 49% foreign ownership restrictions.

However, U.S. agencies are still linking up with Thai shops. Earlier this year, Foote, Cone & Belding opened FCB Impact Thailand, which offers sales promotion, direct marketing and other below-the-line services. FCB also owns 30% of Prakit & FCB, the No. 7 agency.

Earlier this year, Saatchi & Saatchi Advertising ended its affiliation with Spa Advertising and opened a new shop with Loxley Group, in which Saatchi holds 49%. The agency is called Saatchi & Saatchi Advertising. Loxley's previous partner was Backer Spielvogel Bates.

Saatchi removed Backer and became Loxley's partner because the Bangkok agency was handling more Saatchi clients—including Procter & Gamble Co., Tambrands, Jos. E. Seagram & Sons and Mars Inc.—than BSB clients.

The new Saatchi agency bought direct-marketing company PMS and renamed it Saatchi & Saatchi Direct in May.

Spa Advertising, the largest independent Thai agency, reportedly may link with N W Ayer. James Foley, Ayer's New York-based senior VP-managing director/Asia-Pacific and Latin America, said he recently met with two Thai agencies to become "familiar" with them but wouldn't disclose names.#

Top 10 brands in ad spending in Thailand, Jan.-June '88

Brand	Marketer	$ in thousands	% increase over Jan.-June '87
Krating energy drink	Premier Marketing	1,056.9	122%
Fab detergent	Colgate-Palmolive	936.0	102
Colgate toothpaste	Colgate-Palmolive	928.2	-4
Palmolive soap	Colgate-Palmolive	912.6	14
Breeze detergent	Unilever	807.3	41
Thai International Airline	Government airline	768.3	40
Lipovitan-D energy drink	Premier Marketing	766.3	39
Coca-Cola	Thai Pure Drinks	768.3	37
Pepsi-Cola	Serm Suk	729.3	55
M-100/M-150 energy drink	Premier Marketing	713.7	158

Source: Data Bank Media Focus Co.

World News Roundup

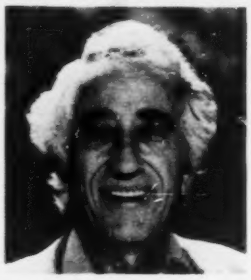
(Continued from Page 3)

up in the air, less than a month before the Games begin. A high court judge ruled last month that Asia Television couldn't have exclusive rights but would have to share them with its rival, Television Broadcasts.

OFFENBACH, WEST GERMANY—**PepsiCo** here launched new Mirinda fruit juice, with less sugar content and vitamin B enriched, with a heavy print campaign through Michael Conrad & Leo Burnett.

OSAKA, JAPAN—**Original New York Seltzer** is rolling out its soft drinks in Japan, under an agreement with Suntory here.

HONG KONG—**Harper's Bazaar** will launch a Chinese-language edition here next month with an initial 20,000 circulation.



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Net sports keeping advertiser interest

Despite ratings decline, TV spot time still rising

By Richard Tedesco

Network audiences for some sports are dropping, but ad revenues are showing dramatic increases.

In a recent A.C. Nielsen Co. study, the average audience percentage for mainstream sports—including professional football, college football and college basketball—slipped in the past five years.

During the same period, the cost of 30-second spots for nearly all the major sports rose significantly, with baseball and pro basketball showing the biggest gains.

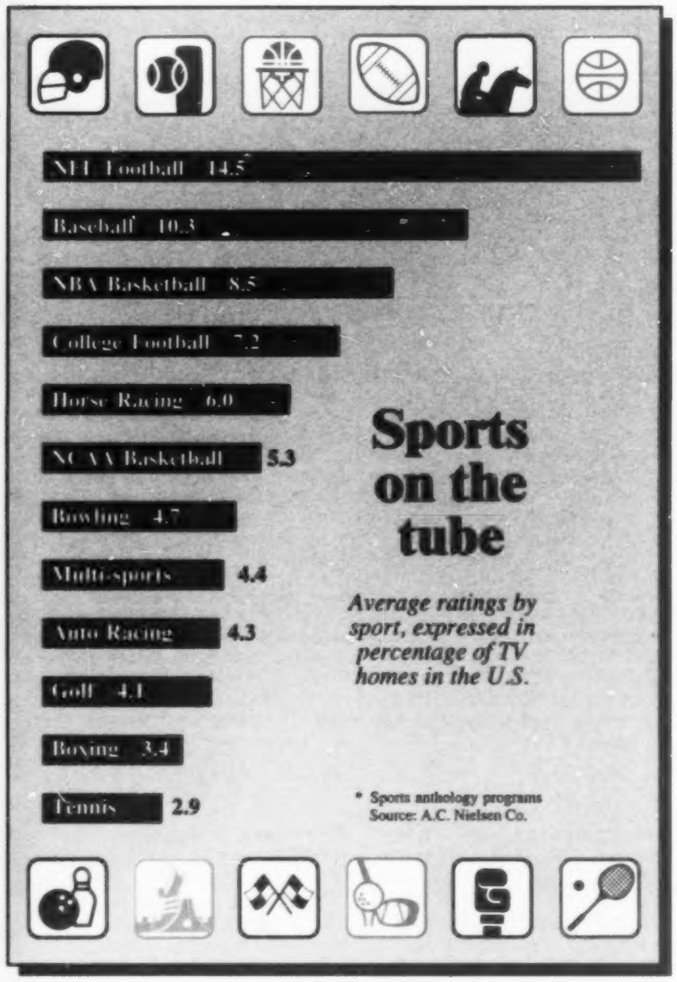
For baseball, network audiences rose to an average 10.3 rating in 1987 from 9.7 in 1983. At the same time, the average cost of TV baseball advertising jumped 44.7% to $80,000 per spot.

Average audience ratings for National Basketball Association games grew to 8.5 from 7.6, while the cost of a 30-second spots for those games rose 66.1% to $54,300.

The TV spot in greatest demand is still the National Football League, where commercial costs rose 5.2% to $128,600.

However, pro football might have fumbled away some of its audience in those five years, from a 15.8 average rating in 1983 to a 14.5 in 1987's strike-plagued campaign. ■ AA

Richard Tedesco is a New York-based reporter for Electronic Media, *a sister publication of* ADVERTISING AGE.



Sports on the tube

Average ratings by sport, expressed in percentage of TV homes in the U.S.

* Sports anthology programs
Source: A.C. Nielsen Co.

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MARKETING TO HISPANICS

Perspectivas

(Continued from Page 42)

groups showed that these consumers wanted to save time cooking, but also serve authentic, nourishing cuisine," Mr. Basmeson said.

He hopes the mix, which costs slightly more than the average 60¢ seasoning packet, will garner a 10% to 15% market share 12 months from now in the rollout markets. "We're really looking to expand the category by bringing Mexican-Americans into it for the first time," Mr. Basmeson said.

Outlets in other markets already have made product requests, and distribution will expand to meet demand, although efforts will focus on the initial roll-out markets. "All locations are possibilities as long as they get Hispanic retail traffic," he said.

The share goals are not unrealistic, Mr. Basmeson said. "So few brands advertise to Hispanics it makes the brand pool surprisingly small. Where there is a niche, we will look to get some equity."

PRINT MONITOR

INSERT PROGRAM FOCUSES ON DATA

Hispanic Interactive Advertising and NovaCom have created a Spanish-language version of NovaCom's TalkBack America, a magazine-insert program that offers consumers a sweepstakes entry in exchange for their opinions of products and advertising.

"It's a focus group through the media," said Anuca Valverde, HIA's senior VP-general manager. Reader involvement in the survey also heightens awareness of ads and products, she said.

The Spanish-language component, called *Opine y Gane* (talk back and win), will run quarterly in newspaper inserts. *Vista*, the Hispanic-oriented, English-language newspaper supplement and 17 Spanish-language dailies and weeklies will be used. "*Vista* is a bit more upscale, and the others allow us strong penetration into the middle of Hispanic communities," said Ms. Valverde.

HIA explored mailing out its own piece or taking part in Donnelley Marketing's Carol Wright Hispanic co-op mailings. The former was too expensive; the latter posed conflict problems because both it and *Opine y Gane* promise category exclusivity, she said.

TV spots announcing the program and participating newspapers and advertisers will air on **Telemundo Group** affiliates the week before each drop.

HIA is targeting a 2 million circulation. The program will cost a minimum of $70,000 per advertiser.

More redeeming qualities

Coupon redemption among U.S. Hispanics

Households	88%
Heavy redeemers*	66
At supermarkets	84
At drug stores	34

*Three or more redemptions weekly per household

Source: Donnelley Marketing

- ***LatinFinance***, itself financed by **Euromoney Publications PLC**, will debut in October. It claims to be the only English-language financial magazine exclusively covering Latin American capital markets and targets international bankers and senior executives.

Initial paid and controlled circulation is 5,500. A b&w page ad costs $3,450; $4,500 for color.

The first issue will carry 100 pages, 30 of which are ads. **Merrill Lynch** and **Chase Manhattan** already have signed yearly advertising contracts. Ten issues will be produced annually.

The publication fills a hole, said Lee Rafkin, marketing director. "This is just another thing that confirms that Miami is the offshore financial capital of South America."

STATION BREAKS

NEWS SERVICES WIRED FOR DEBUT

The caliber of Spanish-language news coverage inexorably changes in three days. On Sept. 1, Univisa's Galavision will begin accepting advertising and switch to a news/talk format (AA, June 27).

But Galavision will be sole occupant of its niche only for two months. Spanish Television News Network is targeting Nov. 1 as the date it will launch its ad-supported Spanish-language news service in U.S. and Latin American markets.

News programming attracts very high ratings, said Nancy Tellet, media director at Conill Advertising. "People simply have taken the cue that maybe all-news is what to put out there."

STNN currently is blitzing cable systems in counties with Hispanic populations. Efforts will focus on the top 35 U.S. Hispanic markets, and STNN hopes for penetration of 1 million U.S. households, said Sherman Wildman, STNN investor and marketing consultant.

Starrett Berry, Galavision's VP-general manager, said the market may not support two news-based services. Cable systems' channel capacity is extremely limited, he said.

"We're seeing some problems already in major markets with two over-the-air Spanish-language TV stations. There has been enough resistance to carrying even a third that I think it would be almost impossible," Mr. Berry said.

STNN originally assumed systems in major Hispanic markets had Hispanic programming, "and that is not true," Mr. Wildman said.

Ms. Tellet said it is uncertain whether the market will support both news services, however. "It's a question of supply and demand." Demand for Spanish-language programming has gone up sharply, but the supply has risen accordingly.

To differentiate itself from Galavision, STNN will focus more on news and less on talk/information. Galavision will feature 20 minutes of news with 40 minutes of talk/information. STNN will feature all news with talk/information programming inserted on a strip basis.

STNN also will pay systems 7.5¢ per subscriber, while Galavision currently charges systems an average 15¢ per subscriber to carry its programming. Galavision currently has 800,000 households subscribing and 300 affiliates; it expects 1 million subscribers by October.

The major battle will be for ad revenue, however, where STNN will compete not only with Galavision but also with Univision and Telemundo Group. Like Galavision, STNN will pursue Hispanic market TV advertisers first, but Mr. Wildman added the news format has more "upscale appeal, business appeal than the entertainment networks."

STNN currently is negotiating with two major ad reps that would act as its U.S. sales and marketing arm.

PRODUCT AND ACCOUNT ACTIVITY

- **Colgate-Palmolive Co.**, New York, today breaks "*Colgate realiza sus suenos*," its first national sweepstakes via TV spots on **Univision** stations and radio. A 3 million-home coupon effort via **Carol Wright Hispanic** breaks Sept. 12. Also supporting are in-store activities at small independents and major retailers, such as **K mart Corp.**, **Southland Corp.**, **F.W. Woolworth Co.** and **Zayre Corp.** outlets with heavy concentrations of Hispanic customers. **Publicidad Siboney**, New York, handles.

Colgate
REALIZ
SUS SUEÑ

The promotion was tested in five markets last year, attracting 125,000 entries and a 91% proof of purchase redemption. The company hopes the national effort will net 400,000 responses.

Siboney also is coordinating a repeat installment of Somers, N.Y.-based **Pepsi-Cola USA's** "*Casa de sus suenos*" sweepstakes promotion, which offers $150,000 toward a home purchase (AA, Dec. 28).

- **Univision Network**, New York, has assigned **Alan Steff & Associates**, New York, to handle trade advertising on a project basis.
- **California C.J.**, Los Angeles, to **Hispanic Group**, Culver City, Calif., as first agency of record. Efforts will concentrate on rollout markets in California and New York.
- **Jordan Marsh** is breaking first-time Spanish-language radio spots in the Miami market next month; **IAC Advertising**, Miami, handles. According to **Strategy Research Corp.**, 4.9% of south Florida Hispanics patronize Jordan Marsh, while 16.4% shop at competitor **Burdines** most frequently.
- **Carnation Co.**'s Friskies PetCare division broke TV and print ads for its Fancy Feast brand in Miami, marking the first cat food to advertise to the U.S. Hispanic market. The effort includes "The 'Fancy' Cat of Miami," a contest and sweepstakes promotion. **Lintas:Latina**, Miami, handles.
- **GTE California**, Thousand Oaks, Calif., to **Sosa & Associates**, San Antonio, as first Hispanic agency of record. Although a budget has not been set, Tom Leweck, GTE's director-public affairs, said a multi-media campaign is a certainty.
- **Telecommunications Inc.** to **Solis Group**, both Denver, for Hispanic marketing assignments in Colorado and Texas markets. The Solis Group also picked up additional general-market assignments for **U.S. West**, Denver.
- **Brown-Forman Beverage Co.**, Louisville, Ky., next month in San Antonio breaks its first Hispanic market TV and radio spots for California Cooler via **La Agencia de Orci y Asociados**, Los Angeles. La Agencia also handled San Francisco-based **Hills Bros.'** first Hispanic market radio spots, placed this month.
- **Levi Strauss & Co.**, San Francisco, broke first time Hispanic spots via **Mendoza, Dillon & Asociados**, Newport Beach, Calif., in Chicago and California and Texas markets.
- **Whataburger Inc.**, Corpus Christi, Texas, has hired **Martinez & Associates**, Dallas, to create radio and TV spots using its general-market theme of "Looks like a Whataburger day." Martinez also was named agency of record for **Americana Mexicana Construtora Internacional**, a Mazatlan, Mexico-based construction company. The $800,000 account includes English, Spanish and Chinese spots and collateral material. The agency also handled Dallas **Univision** affiliate **KUVN-TV**'s debut, running local English and Spanish ads.
- **Fisher-Price**, East Aurora, N.Y., to **Conill Advertising**, New York, as first Hispanic agency of record.

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Eveready rollouts come to light

By JULIE LIESSE ERICKSON

Eveready Battery Co. is restaging its lighting products nationally and moving into 10 states with a new line of home security products called Eversafe.

This is Eveready's first foray into the home security market. Its line includes a smoke detector; a portable intrusion alarm that can be attached to any door or window; and a small transmitter used to turn on lights by remote control.

First off the boards nationally, however, is the estimated $10 million campaign supporting the revamped flashlight/lantern line. Each product is designed to meet specific uses, such as for autos, road emergencies and home workshops.

Chiat/Day, Venice, Calif., is handling the campaign, having been given the assignment earlier this year. William Esty Co., New York, previously was agency of record.

Media advertising, including TV and print, starts in November. A 10-page insert is planned for national magazines.

The Eversafe products will be supported in the initial marketing area—representing about 25% of the U.S., mostly in the Midwest—with a TV and print campaign from Eveready's primary agency, DDB Needham Worldwide, Chicago.

Eveready, a Ralston Purina Co. unit, hopes to roll out the products nationally next year, with $15 million to $20 million in media support. "When Eveready does anything these days, it starts out at that level," said one Ralston agency source.

"These moves reflect Ralston's reasons for buying Eveready in the first place," the executive said. "They saw a strong brand name that could be leveraged across a lot of different product categories."

Eveready apparently expects that consumers buying flashlights and security devices will cross over and buy its batteries.

The company has struggled in the battery market, experiencing share drops during the past year in a bitter battle with Duracell and Rayovac Corp. (AA, July 11).

Lighting products, a $400 million category, represent the largest group of battery-operated devices.

Another purpose behind the aggressive new-product plans: providing extra opportunities for profits and merchandising at the retail level.

The six lighting-product lines offer a total of nine new items: two Trusty Light flashlights for general household use; two Foreman flashlights for home workshops; Road Beam flashlights for car use; Handy Lights penlights to carry in purses or briefcases; Explorer flashlights and lanterns, weatherproofed for outdoor use; and DLX premium flashlights.

"I think you have to be careful with new products in this area," said one industry executive. "You'd better have a reason for each new product."

DLX flashlights are described by Eveready as offering "the ultimate in flashlight form and function," made of "rich" black plastic and shining "three times brighter than an ordinary flashlight."#

Hot :15s

(Continued from Page 1)

per pod or higher prices to lessen demand.

Many advertisers have substantially cut their daytime TV spending by using :15s and put the savings into other network dayparts or even syndication TV.

In the recently concluded upfront—or advance—sales market for 1988-89 daytime slots, advertisers spent $200 million less than last year, a drop of about 20%. As a result, daytime prices plummeted 15%.

Daytime also suffers from a lack of general advertiser interest. "Dayparts go in and out of fashion," said Dennis Liebowitz, an analyst with Donaldson, Lufkin & Jenrette. "Currently, daytime viewers are considered declasse."

The nets originally resisted standalone :15s, fearing they'd add to clutter and create an inventory glut. But then they saw a silver lining: The unit could draw in smaller advertisers. CBS was the first to accept standalone :15s (AA, Aug. 19, 1985).

Many people now believe the networks bungled the new unit when they priced it at half of the cost of a :30.

The shorter, cheaper format proved a boon not only for smaller advertisers but for the huge package-good marketers, which found they could receive the same network rating levels with :15s that they got with :30s and at half the cost.

Advertisers such as Block Drug Co. now use :15s almost exclusively; Lever Bros. uses :15s for one-third of all its TV commercials.

"They're a bargain in anybody's book," said one agency executive.

"It's important for us to use :15s in order to compete. It would be inappropriate for restrictive efforts to be taken [by the networks] that would be unfair to smaller advertisers," said Avrum Gelier, director of marketing services at Block Drug. "They [:15s] have allowed us to do things we couldn't do in recent years, like putting money in prime time for certain brands."

Large TV advertisers are expected to battle the "premiums" as well.

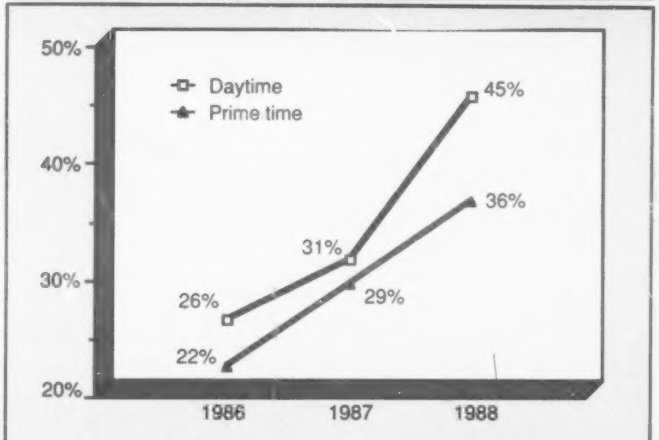
"It will never happen," said Bill Hadlock, exec VP-director of media services at Leo Burnett USA, Chicago. He said the networks will change their "arbitrary rules," meaning he thinks they'll add more :15s to the pods.

But one TV executive said some major advertisers want limits, so commercial clutter doesn't worsen. "We're stuck in the middle," he said.

"If the networks continue to restrict usage," said Robert Bolte, director of media services at Clorox Co., "then you'll see premiums. . . . If they relax those limits, you won't see that happen.

"What the networks eventually do is anybody's guess. But my feeling is there is a general concern that the commercial environment has been deteriorating and that the networks need to do something to cut back on clutter. If I'm correct, they will not break down barriers and *will* pass along premiums."#

Growth of 15-second spots*



*Each figure represents the percentage 15-second spots represent in the daypart's total commercial inventory during the second week in March of each year. *Source*: Television Bureau of Advertising

ABC, CBS ready for prime time

By VERNE GAY

New York—ABC and CBS are putting the finishing touches on their new fall prime-time schedules (AA, Aug. 22).

The schedules, disrupted by the 22-week-long Writers Guild of America strike, will be on the air by the end of November. NBC previously announced all of its shows will make their debuts by Nov. 29.

ABC last week disclosed premiere dates for new episodes of seven new and returning series, including "Wonder Years" and "Hooperman," which will both kick off their new seasons Nov. 30. But the network still is without starting dates for five serials, including "Moonlighting" and "thirtysomething."

New episodes of "Dynasty" will premiere Nov. 3, while a new series called "Knightwatch" comes out Nov. 10. New episodes of "MacGyver" will premiere Nov. 14, and "China Beach," a returning series, kicks off Nov. 30. "Murphy's Law," a new series, starts Dec. 3.

ABC's other series awaiting starting dates: "A Fine Romance," "The Saturday Mystery Movie" and "Heartbeat."

CBS earlier said 17 of its 24 scheduled series, most of them an hour long, will start by Oct. 31.

A few key half-hour shows, including the new "Dick Van Dyke" and "Mary Tyler Moore" shows, will start Oct. 26. "Dirty Dancing," a brand-new Saturday evening series, premieres Oct. 29.

CBS also said "Newhart" and "Coming of Age," both Monday night shows, will start Oct. 31. "Murphy Brown" and "Designing Women" both have Nov. 14 start dates, while "Close to Home," a new Saturday show, premieres Nov. 5. In addition, "TV 101" will start Nov. 29; "Beauty & the Beast," Nov. 18; and "Falcon Crest," Oct. 28.

The only show without a start date is "Tour of Duty." But starting Oct. 8, CBS will run new episodes of "Simon & Simon" in "Tour's" Saturday berth.

CBS also said "Frank's Place," a half-hour returning comedy series, is in production and will appear after the first of the year.#

Ford ads

(Continued from Page 2)

1987 was 6.3% and is expected to tally in at 6.7% this year. It expects to reach unit sales of 629,000 in 1988.

For 1989, Ford Division advertising continues to emphasize quality, design leadership and product benefits.

As in 1988, new spots laud the automaker's successes in recent years under the "Winning the world over" theme.

A brand spot positions the Ford Escort, Taurus Wagon and F-Series truck as the best-selling car, wagon and truck in the world.

Voice-over says Ford is "America's most successful car company."

Teaser spots for the redesigned 1989 Ford Thunderbird and Mercury Cougar will break in November during ABC-TV's miniseries "War and Remembrance," of which Ford Motor Co. will be the exclusive automotive sponsor.

A new Cougar spot includes an adaptation of the song "Take My Breath Away," from the movie "Top Gun."

The commercial shows a sequence of frames moving across the TV screen like a film running through a projector, but there is live action in each individual frame.

Shots of a Cougar on the road are interspersed with slice-of-life vignettes and the sun and moon image.

Ford Division likely will outsell General Motors Corp.'s Chevrolet division in 1988 in both cars and trucks for the first time in about 30 years, said Thomas Wagner, VP-general manager of Ford Division. Ford outsold Chevrolet in combined car and truck sales last year by 177,000 units.

Ford Division is aiming for 1989 sales of 1.6 million cars and 1.6 million trucks, up from an expected 1.5 million cars and 1.5 million trucks this year, Mr. Novell said.

That would give it about 16% of the car market in 1989, up from its current 15.2%, and 31% of the truck market, up from 29.2% now.

Ford Division will maintain its ad spending levels, estimated at $310 million for 1988.

L-M, which spent an estimated $135 million this model year, hasn't set 1989 budgets yet, Mr. Lancaster said.#

Saatch.

(Continued from Page '

two British executives who were named the holding company's joint directors of operations earlier this year, "are advertising people" and expected to take tough, independent looks at the salary line, said other Saatchi agency executives.

That contrasts, sources say, with Saatchi & Saatchi Communications division Chairman-CEO Victor Millar, who previously had been a consultant—not an adman—and was not as skillful at spotting salary fat.

Even if Messrs. Warman and Bannister don't order agencies to limit salary increases, they'd be sure to question especially large raises.

"They'll advise you and give you guidelines, especially if they think one part of a budget is out of line," a Saatchi executive said.

Another Saatchi executive said, "I think this is an important year [for the holding company] because there's no acquisition growth."

"They think their stock price is low, and they are very frustrated by it," said Andrew Wallach, stock analyst at Drexel Burnham Lambert.

Though Saatchi will try to wring more profits out of its agencies, analysts doubted those efforts would have much impact on share price.

"The operating results are fine. You can always squeeze out a little more, but their margins already are significantly higher than the rest of the advertising industry," said James Dougherty, an analyst at County Securities USA.

"They are so big they can't grow faster than the industry they're in," Mr. Wallach added.

One reason for Saatchi's sagging stock price is the unpredictability of management on strategy issues, Mr. Dougherty said.

Saatchi's attempt to acquire a British bank a year ago "is still a real concern," he said. He added that Wall Street also wants to be sure the company doesn't plan to issue more paper that will dilute earnings.

Mr. Dougherty said Saatchi's advertising earnings will also get a boost from the lower costs realized because of Saatchi & Saatchi DFS Compton's move to its new headquarters in New York.#

IBM pitch

(Continued from Page 8)

and Director of Account Management Peter Rosow.

At Grey, the IBM team was headed by Exec VP-Administration Robert Berenson, with Chairman-President Edward Meyer and Exec VP-Creative Services Richard M. Karp.

Lintas' team included Chairman-CEO William Weithas, Lintas:New York Chairman-CEO Spencer Plavoukos, President-Director Creative Services Frank DeVito, Exec VP Steve Norcia and Exec VP-Director Media Services Louis Schultz.

WRG's presentation was led by Vice Chairman-Corporate Creative Director Charles Moss, Vice Chairman-Chief Creative Officer Mary Moore, Chairman Ken Olshan and President Richard Hopple.

Lord Geller's presentation was led by President William Wardell and included Tim Elliott, chief operating officer; Agi Clark, exec VP-managing director of creative services; and Gene Federico, vice chairman.

At Lord Einstein, Exec VP-General Manager C. Ray Freeman, Exec VP-Creative Director Kevin O'Neill and Vice-Chairman Edward Yaconetti helped lead the pitch.#

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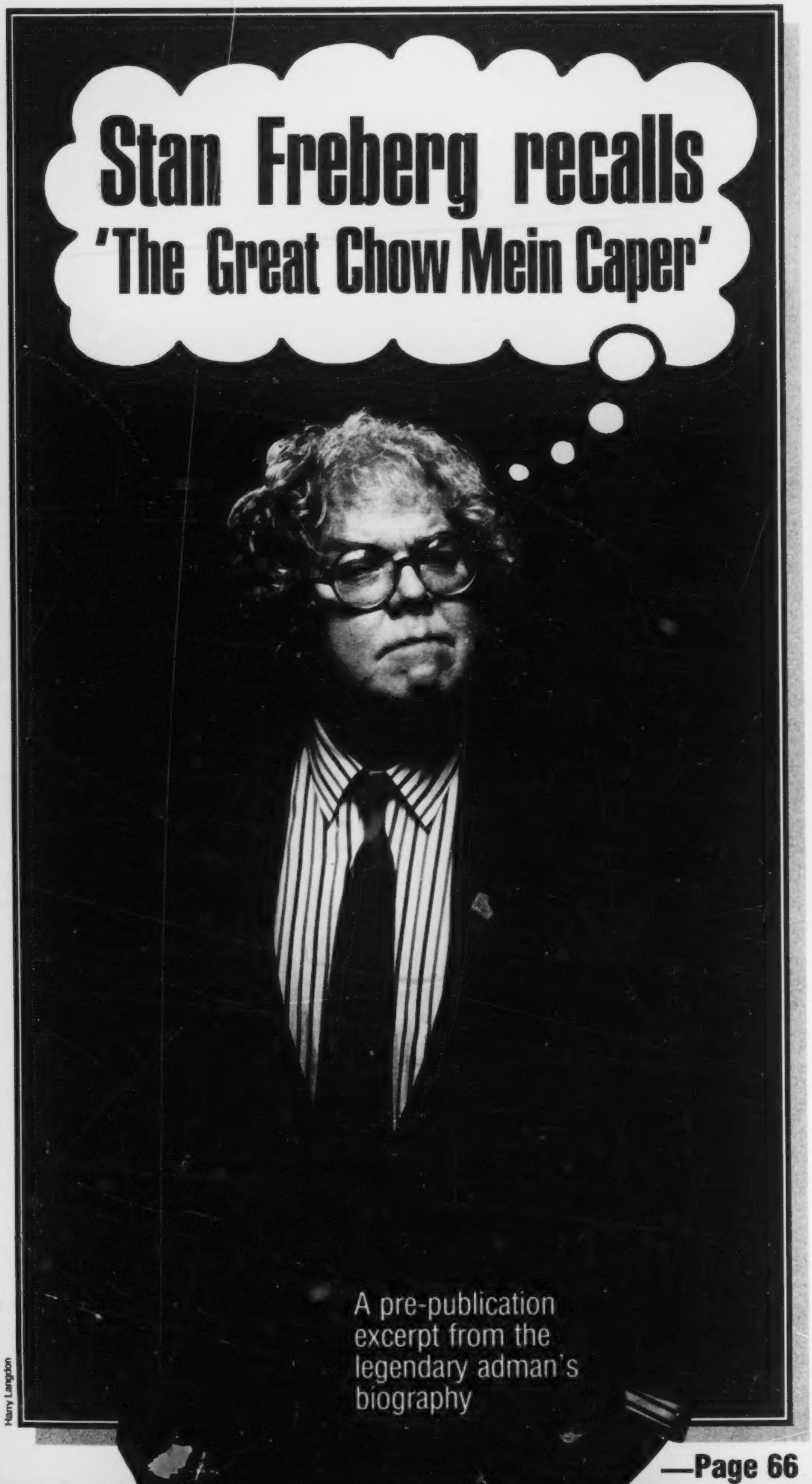
NEWSPAPER

September 12, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.



Stan Freberg recalls 'The Great Chow Mein Caper'

A pre-publication excerpt from the legendary adman's biography

Harry Langdon

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American Air books new regionalized ad strategy

By JENNIFER LAWRENCE

FORT WORTH, TEXAS—American Airlines is taking the wraps off a new regional marketing strategy, making it the first national carrier to develop distinctly separate campaigns in various areas of the country.

While a number of major package-goods marketers have turned to regionalized marketing, until now the big national airlines have relied on national ad campaigns and themes, sometimes tailored to local markets.

Those secondary drives typically are used to push price and destination.

But American is the first to address specific regional goals with full-fledged campaigns using separate creative executions.

Bozell, Jacobs, Kenyon & Eckhardt has created two new campaigns not linked creatively to the carrier's umbrella "on-time" image effort.

The first, which began Sept. 8 in Los Angeles and San Francisco and will expand to other West Coast markets, includes three 10-second TV spots showing laid-back California scenes of

(Continued on Page 114)

Backer takes top ad agency spot in Europe

An Advertising Age roundup

An ADVERTISING AGE survey of 17 countries indicates Backer Spielvogel Bates Worldwide has moved into the No. 1 position in Europe.

That's critical for the agency business, because Europe is becoming the world's fastest-growing region for advertising.

The AD AGE survey also shows that the top 10 multinational agency networks in Europe each increased gross income by an average 40% in 1987, bolstered by strong local currencies and buoyant ad spending.

With $248.2 million in 1987 gross income, largely due to the addition of Dorland U.K. to the network, Backer has taken the lead from its sister agency, Saatchi & Saatchi Advertising Worldwide.

Backer's jump moves Saatchi & Saatchi Advertising down to the No. 2 position in Europe but, importantly, gives parent Saatchi & Saatchi Co. the top two networks in the region.

Without Dorland, Backer would have held the No. 5

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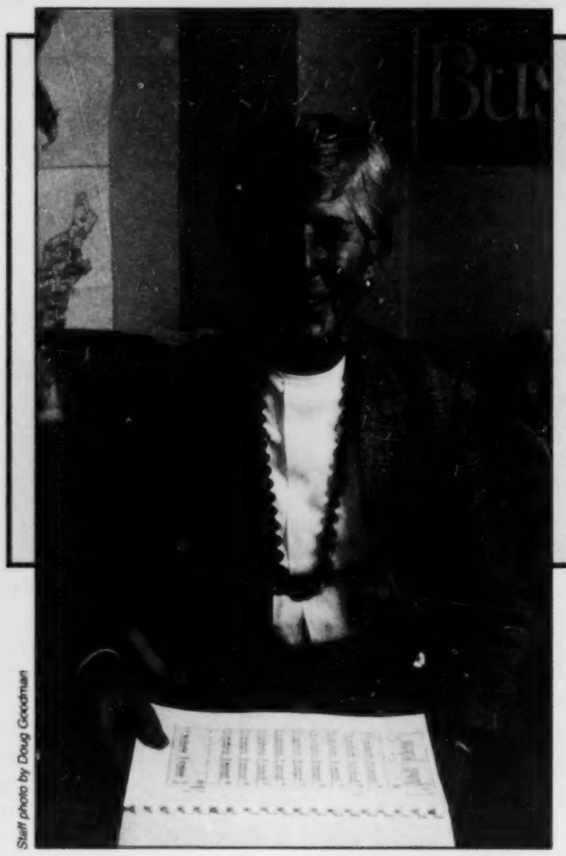
How Jesse Jackson's campaign took its first steps into advertising—Page 18



Staff photo by Doug Goodman

Bush media buyer sees a bumper crop of ads

By STEVEN W. COLFORD

New York—On Election Day, Farrell Media President Cathy Farrell loses all her clients.

Perhaps she can take some solace from the fact that, later that same day, she finds out whether all her efforts between now and then were successful.

Ms. Farrell is the media buyer for Republican presidential nominee George Bush, and she foresees for this fall the most heavily advertised race for the White House in recent memory.

What's driving the potential explosion in advertising is the confluence of three factors: two relatively undefined candidates; increased importance of regional strategies; and more political ad time being bought at the lowest unit rate.

Ms. Farrell isn't fazed. Her 1½-year-old buying outfit may bill an estimated $60 million or more this year—all from political candidates and issues.

Politics is the one and only business of this woman who says she began her career "in the mailroom at Ted Bates more years ago than you'd believe."

Working now from a nondescript office in Manhattan, Ms. Farrell and 22 employees will spend most of their

(Continued on Page 107)

Cathy Farrell expects to keep very busy this election year.

September 12, 1988

Advertising Age®

Crain's International Newspaper of Marketing

Let Olympi-ads begin!

NBC's $550M in sales shatters TV ad records

An Advertising Age roundup

The biggest event in the history of TV advertising begins this Friday.

As an ad generator, the XXIV Olympiad is unparalleled: NBC-TV has sold $550 million in commercial time on the 17 days of broadcasting from Seoul.

That's at least $100 million more than ABC's ad revenue total for the 1984 Summer Games in Los Angeles. The biggest football Super Bowl ever, last year's Super Bowl XXII, pulled in about $50 million for ABC.

There will be roughly 30 hours of advertising during the 179½-hour Olympics telecast starting Sept. 16, or up to 3,500 30-second spots.

Prime-time :30s are going for as much as $330,000. More than 100 advertisers have purchased time—some spending up to $50 million, some as little as $500,000.

The on-screen advertising battles could be as interesting as those on the field.

Visa International and American Express Co. will spar over whose credit card can actually be used at the Olympics (Visa at the Olympic Village, but AmEx throughout Seoul). AT&T Co. and US Sprint will go head-to-head in long-distance campaigns, and Anheuser-Busch and Miller Brewing Co. will unwrap special ad executions.

General Motors Corp.'s Oldsmobile Division and the Beef Industry Council are kicking off important new campaigns on the telecast *(see stories on Page 3)*. GTE Corp., Eastman Kodak Co., Xerox Corp. and Metropolitan Life Insurance Co. will use the games to spotlight new creative, too.

Although there will be several head-on marketing battles, NBC sold many of its largest Olympic advertisers on an exclusive or partly exclusive basis.

Some advertisers bought chunks of time to block out key competitors or to at least limit the number of competitors that could advertise on the Games.

NBC sold 15 such "exclusive" positions, where the size of the deal depended on the size of the category. GM spent about $40 million to achieve exclusivity, but Reebok International spent only $6 million for athletic-shoe exclusivity.

Other marketers that preferred exclusive buys: Hyundai Motor America and American Isuzu Motors, for imported cars; Jos. E. Seagram & Sons for wine coolers; Quaker Oats Co.'s Gatorade for isotonic drinks; Coca-Cola Co. for soft drinks; Johnson & Johnson for analgesics; Kodak for film;

(Continued on Page 112)

Country singer Reba McIntire and TV star Timothy Busfield are featured in a new $30 million campaign from the Beef Industry Council, breaking on the Summer Olympics *(see story on Page 3)*.

Last Minute News

Polaroid taps BBDO for new film account

Cambridge, Mass.—Polaroid named BBDO Worldwide, New York, to handle its new $15 million conventional-film account. BBDO already is the agency for Polaroid's instant cameras and films. Separately, Shamrock Holdings, which has made an offer of $42 per share, or $2.76 billion, for Polaroid said that if its bid is successful it will drop plans to market conventional film.

Bauer plans new women's monthly

New York—Bauer Publishing will launch *First for Women*, a woman's service magazine, next year with a $15 million network TV campaign via Laurence, Charles, Free & Lawson. Bauer, publisher of *Woman's World*, said the new monthly will be sold only at newsstands. Seven million copies of the March 1989 issue will be on sale Jan. 30, making the launch the biggest ever in terms of distribution and ad support. Triangle Publications, which already distributes *TV Guide*, *Reader's Digest*, *Soap Opera Digest*, *Newsweek* and other magazines, will distribute *First*. Aimed at women 18 to 49 years old, *First's* debut

(Continued on Page 8)

Agency cuts staff by one-third

Ax falls at Lord Geller

**By GARY LEVIN
and JON LAFAYETTE**

New York—The other shoe dropped at Lord, Geller, Federico, Einstein Sept. 9 when the agency laid off about a third of its staff.

The dismissal of 90 people came one week after losing IBM Corp.'s $138 million account to Lintas:Worldwide and Wells, Rich, Greene.

Employees were contacted by top executives and individual department heads about the massive cutbacks, which take effect immediately.

"The quicker we do it, the better it is for the people that we do it to," said Tim Elliott, chief operating officer at Lord Geller. "But we've done it so we can continue to serve our existing clients, including IBM, and to pitch new business. We haven't cut it to the bone."

IBM may turn media buying over to Lintas—Page 2

Lord Geller will continue handling IBM work for "a short transition period," an IBM spokeswoman said.

The account represents about 60% of Lord Geller's total billings; after IBM work is completed, billings will tumble to an estimated $40 million from a high last year of $220 million.

Mr. Elliott refused to disclose names of the laid-off executives. "We didn't say to ourselves, 'Who worked on IBM, and we should let those people go.' " Rather, a broad base of senior and junior-level staffers in all departments were dismissed.

But sources indicated the ax fell

(Continued on Page 8)

Lintas may win IBM media buys

By JON LAFAYETTE

New York—Lintas:Worldwide has the inside track on picking up broadcast buying for IBM Corp.'s $138 million advertising account, sources report.

IBM recently split its account between Lintas and Wells, Rich, Greene after dumping its beleaguered incumbents, Lord, Geller, Federico, Einstein and Lord Einstein O'Neill & Partners (AA, Sept. 5).

IBM didn't indicate buying responsibilities but is expected to consolidate broadcast buying at one of the two.

Lintas handles $500 million in network time for its clients, including all sports buys for General Motors Corp.

WRG handles $200 million in network TV buying, including corporate campaign assignments for Ford Motor Co. and ITT Corp.

IBM is an important sports advertiser, and the clout an agency like Lintas would bring to the party could save money for the computer giant.

If WRG doesn't get any broadcast buying, it could get a print buying assignment, sources said.

Although an IBM spokeswoman indicated the company has no timetable for making a decision on media buying, agency executives indicated the topic would be discussed at a series of meetings this week.

Media buying wasn't a factor in the agencies' three-hour presentations to IBM last month, agency executives said.

"IBM has a lot of spending and needs a lot of coordination," said one source familiar with Big Blue's media-buying operations. "Planning could be split up, and the agencies could have some say in which programs or magazines they are in. But buying will probably be centralized."

Centralized buying is generally more efficient and easier to monitor.

According to Leading National Advertisers, IBM spent $53.7 million on network TV, more than half of its $97.5 million in measured media. LNA doesn't measure newspaper advertising or ads in computer magazines.

Agency clout hasn't been a major issue in the past for IBM, which has done very well for itself by cherry-picking programming events, especially expensive, high-gloss, made-for-TV shows.

In that arena, "IBM, in and of itself, is clout," said one media executive. In addition to a willingness to pay the freight for premium programming, the IBM name means "quality and prestige.

"The networks let them know when they have a property IBM might be interested in. It's not a matter of knowing the marketplace; the marketplace comes to them."

Most of Big Blue's buying has been handled by John Curran, senior VP-director network radio/TV programming at Lord Geller—which was never a giant agency.

"Curran has an incredible reputation in the marketplace as one of the best negotiators," a former colleague said.

Mr. Curran moved to Lord Geller from Doyle Dane Bernbach in 1986 when the IBM account left DDB, and he'd planned to move to Lord Einstein, the breakaway agency formed by senior Lord Geller executives in March.

He stayed at Lord Geller because Lord Einstein was enjoined by a court order from hiring Lord Geller employees.

Last week, Mr. Curran said he expected to discuss his relationship with IBM with company executives. "We're going to talk," he said. "Things are still very up in the air."

To keep Mr. Curran's services, IBM would either have to hire him as a consultant or persuade one of its agencies to hire him. Sources at both Lintas and WRG indicated that they wouldn't oppose hiring him if that was what

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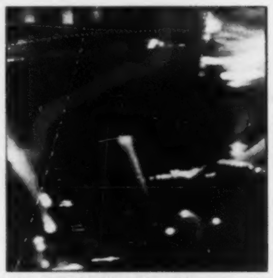

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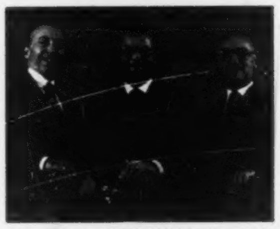

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Proposals to tax ads in 2 Southern states reignite controversy

By STEVEN W. COLFORD

The ad tax is trying a comeback.

Alabama has become the latest state to show an interest in taxing advertising, although Arkansas poses the more immediate threat.

An Arkansas tax commission is expected to hear testimony Sept. 16 on a recommendation to repeal the sales tax exemption that now applies to advertising (AA, Sept. 5).

Bill Lawson, chairman of the Arkansas Advertising Federation, believes the commission won't tax advertising directly but eventually will recommend removing the exemptions from virtually all businesses.

States periodically have looked at ad taxes despite the national embarrassment that befell Florida last year when it unsuccessfully tried to impose a sales and use tax on ads.

The American Advertising Federation, American Association of Advertising Agencies and Association of National Advertisers plan to present anti-tax testimony at the hearing in Little Rock, Ark.

Although the commission isn't expected to vote on exemption proposals within the month, Mr. Lawson predicts there will be a real fight on this issue down the road when Gov. Bill Clinton, a past proponent of taxing ads, incorporates commission recommendations into his own 1989 tax-raising proposals.

"I wouldn't be surprised if there eventually is a bill to tax advertising, but its serious consideration will depend on whether it can get the support of the governor and key legislators," Mr. Lawson said.

"I don't think the Legislature would ever impose a tax on advertising," he added. "I think they understand its implications and impact on the ad industry . . . and know that it doesn't make political sense."

Mr. Lawson is public relations manager for Arkansas Blue Cross & Blue Shield.

In Alabama, the call for an ad tax is being championed by Rep. Dwight Faulk, a Democrat.

The Alabama Legislature currently is winding up a special session, and a House committee was scheduled to consider this week a proposal from Rep. Faulk to extend the state's 5% sales and use tax to ad sales.

"I know there may be some problems implementing something like this, but this bill will let us see what the gist of the idea is," said Rep. Faulk, who's scheduled to leave office in January to become a probate judge. "But the politicians are scared of an ad bill [because] the media are key to them when they run for office."

Rep. Faulk said he believes his legislation "is not going anywhere" for lack of legislative support.#

DDB, Dai-Ichi forming new agency venture

By GARY LEVIN

New York—DDB Needham Worldwide and Tokyo's Dai-Ichi Kikaku plan to announce next week the formation of a joint venture agency network in the U.S. and Japan, sources say.

This major expansion of an existing affiliation agreement, in which each agency already owns a small stake in the other, will result in creation of a third agency with offices in New York, Los Angeles and several Japanese cities.

Dai-Ichi is Japan's fourth-largest agency with 1987 billings of $837 million. DDB Needham, a unit of Omnicom Group, billed nearly $2.6 billion last year.

The move is patterned after HDM—a similar venture by Dentsu, Young & Rubicam and France's Havas—and Lintas:Hakuhodo, a U.S./Japanese joint venture.

The new venture will be funded equally by the two agencies and won't affect current equity relationships.

Sources say the venture is designed to give Dai-Ichi's clients better expansion capabilities in the U.S., while offering DDB Needham's U.S. clients a stronger base of operations in Japan. The separate venture could help avoid conflicts that might arise if Needham and Dai-Ichi handled each other's business in their respective markets.#

Networks hit for ad clearance cuts

By RICHARD L. GORDON

The presidents of two national advertising associations have sharply attacked the Big 3 TV networks' latest cutbacks in their commercials clearance departments.

NBC last month revamped its broadcast standards department, cutting the number of professionals assigned to commercials clearance. CBS reduced staffing in its advertising standards unit more than a year ago.

ABC, which made cutbacks over the past two years, is expected to make more trims this year.

The network staff units review tens of thousands of commercials a year and are a major cog in the ad industry's self-regulation system.

In separate letters to the chairmen of NBC, CBS and ABC, American Association of Advertising Agencies President Leonard S. Matthews and Association of National Advertisers President DeWitt F. Helm Jr. denounced the "virtual elimination" and "continuing diminution" of the networks' broadcast standards process.

"We have long argued against government intrusion because the advertising and broadcast industries were doing such a good job policing themselves," Mr. Matthews wrote. "However, diminution of the self-regulatory process can only weaken the entire broadcast/advertising industry position and will invite government regulation to fill the void."

The staff cutbacks "play into the hands of our critics and adversaries and the would-be 'do-gooders,' " Mr. Helm wrote, "and provide them with the ammunition they need to maintain that government regulations must be enacted to fill the void in protecting the marketplace, and only after great criticism of and costs to the industry."

The ANA board is expected to review the situation when it meets this week.

American Advertising Federation President Howard Bell said AAF, which includes the networks as members, hasn't taken any formal position, but he "hopes nothing is done to weaken the self-regulation of advertising."

The Four A's and ANA letters followed NBC's reorganization of its 60-person broadcast standards department into what's expected eventually to be a 20-person "program marketing and administration" unit dealing with programming matters and an eight-person advertising standards unit.

Only three commercials editors are now assigned directly to pre-clearing commercials, down from five. Several years ago there were eight.

NBC "intends to maintain the same level of quality service. These are our clients, these advertisers," said Rick Gitter, VP-advertising standards.

"I appreciate their concern," Mr. Gitter said of the association letters. "The very clear intention here—and the intention of the company—with regard to advertising standards is to continue to perform the function."

ABC, in a response to the Four A's letter last week, said "the essential activities supporting our responsibility and accountability as broadcasters remain a corporate commitment."

Staff cutbacks that swept through CBS more than a year ago cut in half its program practices department, which includes the ad review unit.

Beyond the ad clearance units' role as important standard setters for national TV advertising, their smooth operation is vital for the day-to-day functioning of advertisers and agencies.

About 50,000 scripts and storyboards are submitted for review by the networks every year.

Delays in the review and approval of network commercials could easily upset ad timetables and marketing strategies.

"We don't have any less need now that they have less staff," said Carla Michelotti, senior VP-associate general counsel at Leo Burnett Co., Chicago. "We work on very short timetables. We trust services will continue."

Advertisers also take complaints about competitors' advertising to the networks under "challenge" procedures.

NBC said some 65 to 85 challenges are reviewed every year.#

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Champion seeks shop

TOLEDO, OHIO—Champion Spark Plug Co.'s switch to regional advertising is behind the search for a new agency for its $9.5 million account.

Champion and Scali, McCabe, Sloves, New York, agreed to end their two-year relationship as part of the marketer's new strategy to concentrate on market-by-market, rather than national, advertising, said George Braatz, Champion's manager of corporate communications.

The company, which markets Champion and Anco automotive products, recently named 13 regional marketing specialists in 13 geographic divisions nationwide. Now the marketer is looking for an agency with regional offices and capabilities that's based closer to its headquarters here.

It's too early to say how Champion's ad budget will be affected, Mr. Braatz said, adding that the company will continue to do some national advertising.#

CORRECTIONS & CLARIFICATIONS

- Gunder & Associates, Dublin, Ohio, is the agency assigned to White Castle System's children's marketing program and, as such, produced its children's Castle Meal premium commercial (AA, Aug. 29, P. 56). Lord, Sullivan & Yoder, Columbus, which was erroneously credited, handles White Castle's adult restaurant advertising.
- Regarding AA's "Beverage Marketing Special Report," Aug. 15: "Top U.S. beer brands" and "Top imported beers" listed in the Data Bank charts (P. S-6) should be footnoted: 1987 national grocery store market projections that don't include bar or liquor store sales. Also, charts on beverage advertising (S-6, S-13) should read ($ in thousands), not ($ in millions). The figure for bottled water spot TV advertising is $11.8 million; network spending is NA.#

After buying binge, what?

Flurry of acquisitions leads to owners asking how to best use sales promotion capabilities; the answer, it seems, is to involve shops from the very beginning

By Scott Hume

Sales promotion is destined to become either marketing's Pet Rock or its gemstone.

Suddenly everybody wants a sales promotion agency—they're small, they're cute, they're relatively inexpensive. But the tough part is figuring out what to do with sales promotion capabilities once you have them.

Estimates vary on the dollars spent annually on trade and consumer sales promotion, but there is no disagreement that promotion's share of total marketing now is 60% to advertising's 40%, when the opposite was the case less than a decade ago. And the gap between the disciplines is expected to widen before it closes.

Manufacturers' increasing needs for local and regional marketing strategies and tactics that can produce short-term sales boosts are fueling promotion's rapid growth and media advertising's stagnation. Understandably, that has elicited some cockiness on the part of some execs on the non-media side of the fence.

Says John Kawula, president of the Point-of-Purchase Advertising Institute, "Except for Ginsu knives and Rosemary Clooney records, sales occur within a retail store, not in front of a TV set or by flipping through the pages of a magazine."

But sales promotion's popularity comes as it faces some tough choices. It has outgrown its genesis as a supplier of novelty items and corrugated cardboard displays. The business' future lies in providing marketing strategy—involvement with clients from the start—rather than in being called in later to implement pre-selected tactics.

As a result sales promotion increasingly will overlap advertising agencies' role with clients as well as eat away at advertising's share of budgets.

"To some extent, ad agencies are buying promotion agencies under an 'Eat or be eaten' threat," says one top sales promotion executive. "Advertising wants sales promotion, needs sales promotion but also fears sales promotion's growth."

How sales promotion and other non-media marketing communications are merged with traditional advertising may determine the structural makeup of ad agencies into the next century.

American ad agencies, many of which realized too late promotion's importance, may be missing the boat again.

Under the American plan of action, sales promotion is one of several "secondary" marketing services—along with direct marketing, public relations, Hispanic marketing, product design and others—that advertising agencies maintain as tactical arrows within their quivers. When needed, these units are called forward.

Several British companies are pursuing a different course that may prove the wisest, equally integrating all services under a broad marketing-communications umbrella. The key concept is synergy rather than separatism.

American ad agency executives have never understood sales promotion and still undervalue it, charge critics on both sides of the Atlantic. That's why some of the top sales promoters here now report to London-based bosses.

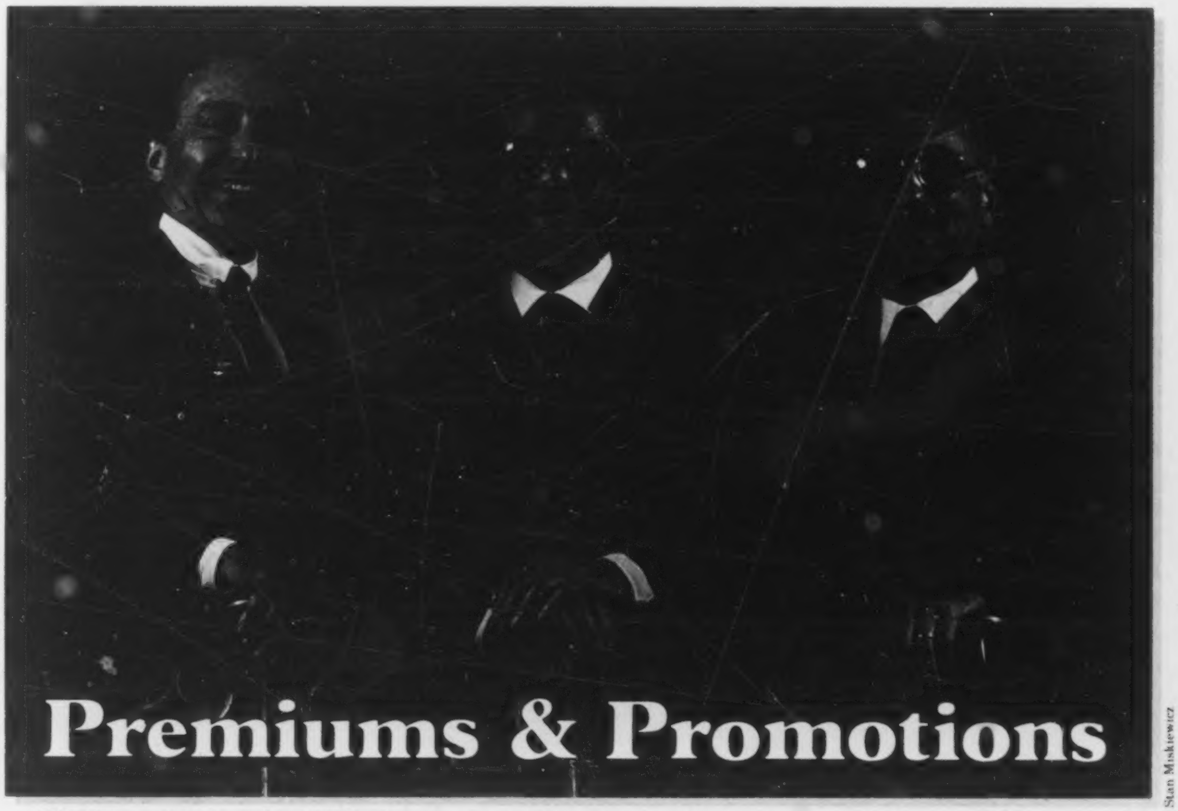
"In the U.K., the promotion business is about five years ahead of the U.S. in all respects," Joseph Flanagan, president of the Impact agency and the Council of Sales Promotion Agencies, conceded in a recent speech. "As evidence of this, client/sales promotion agency relationships have matured to the level that seven promotion

(Continued on Page S-2)

Promotion masters see field grow to maturity

A discussion with Davidson, Frankel and Robinson

By Norma Green



Stan Miskiewicz

Bill Robinson, Bud Frankel and Bill Davidson run three different types of sales promotion companies but come from the same roots.

If a Chicago School of Sales Promotion exists, Bill Davidson, Bud Frankel and Bill Robinson are its founding faculty.

The three sales promotion company heads worked together at Kling Studios and at William A. Robinson Inc. in the industry's formative days, and still get together at periodic "mafia dinners" initiated by Mr. Robinson.

They represent three different types of sales promotion companies found in the marketplace: Mr. Frankel heads the largest independent promotion agency in the U.S. with 280 persons in three offices; Mr. Robinson just sold his 50-person two-office agency to Ketchum Communications, and Mr. Davidson runs a 25-person independent shop.

Recently, they got together for a wide-ranging discussion concerning the evolution and future of sales promotion.

One heck of a living

AA: How did you first discover the field of sales promotion?

Davidson: I first heard of it after I had come from an ad agency. I think my first question to Bill was, "Are you really able to make a living doing it?" I guess we're still trying to find the answer to that one.

But we were truly in the infancy of it. I don't think the sales promotion agency existed at that time [the 1950s].

Robinson: No, I don't think so. It was really collateral material business when we started out.

Davidson: A lot of printers and art studios hired copywriters and they'd become instant sales promotion firms. But, the true sales promotion agency as we know it today, was a response to the professionalization of marketing in the schools. And I think it raised the level of marketing and promotion generally.

Frankel: The M.B.A.s started to ask questions that we were never asked before.

Davidson: Certainly Bill and I first found this with Procter & Gamble.

Robinson: The other thing that was happening was printers used to hire artists to make sketches to sell printing and we came along and said, "Let's start doing some planning or let's not give the sketches away." We started digging in our heels and said, "Hey, we ought to get paid for these ideas."

Davidson: That's when they [ideas] began to be called concepts. I think we give them much more care and thinking today than we did in those days.

At that time, we gave a great deal of thought to display designs and the cutting of cardboard and the shaping of motors. The linkage of displays was perhaps every bit as important as the objectives and strategies then.

Frankel: The client was very specific about what they wanted and you just had to fill in the blanks. We were a reactive, service-oriented creative

(Continued on Page S-4)

Norma Green is a frequent contributor to ADVERTISING AGE *Profiles Issues.*

After buying binge, what?

(Continued from Page S-1)

agencies are now publicly held and traded on the London Stock Exchange."

These British companies, which one U.S. agency exec not so affectionately collectively calls "the Alphabet Group," also have been actively acquiring CSPA member agencies.

KLP Group has snapped up Comart Associates, ranked second among U.S. full-service promotion agencies by ADVERTISING AGE (AA, April 4), as well as direct marketer Metro Seliger Industries, and market researcher Field Research Corp.

WPP Group, already the owner of J. Walter Thompson, acquired ninth-ranked Einson Freeman.

Not to be outdone, FKB Group bought a four-pack of U.S. promotion shops: No. 6-ranked QLM Associates; No. 13 Focus Marketing; No. 27 Hermann Group, and unranked Saugatuck Group.

Some agencies that went the

(Continued on Page S-4)

DATA BANK

The feeding frenzy continues

Sales promotion agency acquisitions

Acquired shop, location	Buyer	1987 gross revenues ($000,000)	Transaction date
Einson Freeman, Paramus, N.J.	WPP Group	$6.3	May 1988
William A. Robinson Inc., Chicago	Ketchum Communications	3.3	May 1988
Saugatuck Group, Westport, Conn.	FKB Group	4.2	March 1988
Focus Marketing, Norwalk, Conn.	FKB Group	4.1	March 1988
Hermann Group, St. Louis	FKB Group	1.6	March 1988
QLM Associates, Princeton, N.J.	FKB Group	7.2	March 1988
Morton Goldberg, New York	Scali McCabe Sloves	N A	Dec. 1987
Thomson-Leeds Co., New York	Ogilvy Group	3.7	Nov. 1987
Alert Marketing, Waterbury, Conn.	Ogilvy Group	2.7	Nov. 1987
U.S. Concepts, New York	Howard Marlboro Group	2.0	Sept. 1987
Hammond & Lalli Associates, Port Chester, N.Y.	DelWilber & Associates	1.5	July 1987
Jerry Moss Inc., New York	Kettering Industries	3.1	July 1987
Comart Associates, New York	KLP Group	12.9	June 1987
Joseph Potocki & Associates, Edison, N.J.	Clarke Hooper	10.0	June 1987

Source: ADVERTISING AGE

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Masters of promotion

(Continued from Page S-1)

business.

Robinson: When there began to be a sense of parity among products, either the clients or we began to realize that paper cardboard premium displays could be tiebreakers for the sales organizations. If we came up with stuffed animals and buttons and whistles, a sales organization could go out and sell merchandise where before they didn't have much to talk about.

Frankel: Today, the display fixture is part of the deal the trade expects. The things we were doing in those days were breakthrough. Today, it's just standard stuff.

Robinson: Looking backwards, the '60s was a decade of hard goods and we've taken much of our growth from that. In the '70s, we found a lot more package goods. As the '80s approached most of us saw that high technology and service industries would dominate much of the growth.

Our companies tried to look ahead in terms of these categories. Certainly individual areas like auto, liquor or fragrances and, of course, fast-service restaurants, have always been interesting areas.

Fast food and 1992

AA: What about the '90s?

Davidson: I think package goods are still viable, and fast-food restaurants.

Robinson: We've looked ahead at industries that have been deregulated—the financial area, transportation. When they were regulated, they weren't marketers and today they're spending so much. High tech areas will continue to grow.

Frankel: I think the organizations we have built in the past will not succeed in the '90s. We've got to better integrate the disciplines required to do an intelligent marketing job.

One of the keys to our success is that budgets have moved from an extreme of 90% advertising and 10% non-media to 65%-35% with non-media leading the way. Marketing management is looking at the outside services that they're buying. And they weren't looking at them before.

In years past, they'd have a $4 million ad budget and a $6 million trade and promotion budget. They'd hire the world's largest agency to handle the $4 million but the $6 million was relegated to three assistant brand managers and they said, "This is wrong. We need professional help."

Davidson: There is a breakdown taking place now through regionalization, the growth of local marketing, target marketing. You have to wonder about the difficulty of maintaining a broad national image in the face of fragmentation as the regions take more power.

That's quite a challenge for both the agency of the future and the marketer.

Frankel: All the things Bill is saying are true and that's generating a graying of divisions and disciplines. Advertising agencies are buying up the PR, promotion, direct response, audio-visual and design firms and they're trying to put it all together. The good news is that they've been unsuccessful. The bad news is that they're going to figure it out.

Robinson: Since the advertising agencies have the most to lose, they are the most

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Binge

(Continued from Page S-2)

acquisition route several years ago now are beginning to combine their non-media marketing agencies.

Young & Rubicam, one of the pioneers and still the epitome of the "American Plan" approach to marketing communications, moved in August to consolidate its various independent holdings. The huge, as yet unnamed, unit includes merchandising/sales promotion agencies Rogers Merchandising and Cato Johnson/Y&R, as well as design companies CYB and Beautiful!, Paris; Krown, which develops TV and movie promotion, and Y&R Retail.

The problem, say critics of the separate-but-equal approach, is that no matter how you play with the lines of command, as long as sales promotion and direct-marketing functions operate as separate, subservient profit centers, true integration with advertising operations will never occur.

One of those critics is Bud Frankel, chairman of Frankel & Co., Chicago, the largest full-service promotion agency in the U.S.

He has been courted by almost every top agency in the world but has resisted merger and buyout overtures because "when I ask what it is that *they* are bringing to the party, their answer is always 'Money.' And that's not enough. What's needed is a new structure.

"Agencies want sales promotion units so they can parade them in new-business pitches. But as it stands now, the management rep heading an account at an advertising agency has to be crazy to recommend that a client take part of his budget to the sales promotion unit, even if the agency owns it. That's money out of his bonus going out the door," Mr. Frankel says.

"I'm not saying that the British approach is necessarily better," he added. "Perhaps there needs to be a completely new way to thoroughly integrate all marketing communications into a more equitable structure."

KLP Group has positioned it-highly motivated to keep in step.

Frankel: Marketers look at all their audiences and they break it down—consumer, trade, distributors, sales forces, etc.—and they are refocusing on the needs of their business rather than just historically putting budgets in place. That's motivating the ad agencies to chase the disciplines because they, too, are recognizing this.

Robinson: Agencies are not only looking for the synergy of services, they're looking for lost revenue.

Davidson: I think the current move toward mergers has the most to do with the value of the dollar because a great deal of internationalization is taking place. The client is getting the short end of this.

Globalization, internalization is certainly coming, regardless of the value of the dollar. The global community is here.

Frankel: And in 1992, it will be here in spades.

Davidson: You're talking about the European community and the dropping of trade barriers. The opportunities over the next 20 years for exposure into Europe are great. The opening of the European community and greater access into Eastern Europe will provide the people who follow us over the next 10 or 20 years with marvelous opportunities.

Frankel: Wait a moment. The assumption is that we're not going to be around for the next 10 or 20 years. We better be part of it because there's too much damn excitement to walk away now.

The future is still ill defined. We don't know whether the influence is going to come from the client, ad agencies, organizations like ours, the Brits, the French, Japanese. All I know is that it must be client-centered.

Chicago and service

AA: Do you see yourselves as part of a Chicago School of Promotion?

Frankel: I really do. I don't see the kind of depth and kind of disciplines coming from organizations outside of Chicago.

Davidson: Perhaps the Chicago-based agencies seem to exhibit more creativity. A more earthy form of creativity, perhaps . . . maybe it's our Midwestern character.

Frankel: It's not a Chicago issue, it's an industry issue. Where's the quality? Where is the depth? Where is the commitment? I see it in Chicago-based agencies where I don't see it in other places.

Robinson: Well, this is one of the few places where we disagree.

I think this was probably true 10 years ago. It was much less true five years ago. When you start looking at the pockets of expertise in Westport, Conn., New Jersey, and even New York and now in Southern California, I know there are some formidable competitors in those markets today.

Davidson: We've always had the feeling that the Westport agencies were more concerned with number crunching, even more than they were with the entire problem.

Once they'd developed the path of recommendations they thought the client should follow they frequently left the rest of it to the clients. In fact, we made that one of the things that differentiates our agency from the agencies in the East particularly.

Robinson: I think that's true of many of them. But more and more today, there are real full-service marketing communications and promotion agencies on the East Coast and the West Coast. ■

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self as one of the most aggressive architects of a multinational organization that its executives believe is both more equitable and more in tune with the future. Its main difference is that it so far has no advertising "mass" at its core.

"What we're pursuing are really two separate strategies," says KLP CEO Gerry Postelthwaite. "One is geographic, creating or acquiring creative promotional agencies in New York, Chicago, San Francisco, Atlanta, Boston and Canada.

"The other is structural. We want that national network to encompass the entire range of response communications so that we can build total programs for clients.

"And we can do this without the central ad agency [that Saatchi & Saatchi or WPP Group have]," he says. "I think we may have to develop competence in the field of media, and we could do that through acquisition of a media-buying service perhaps. But I don't think we need to move into traditional media advertising."

That confidence in KLP's ability to grow without relying on advertising comes in part, he says, from the differences between the U.K. and U.S. advertising industries.

"The concept of the full-service promotion agency developed faster in the U.K. because fewer manufacturers had in-house capabilities as they do here," he said. "That accelerated development in the 1970s and allowed sales promotion to gain more importance."

One other difference will grow increasingly important in coming years.

"I think the British style not only is to accentuate the synergies that can exist between sales promotion and direct marketing, say, but between countries as well. I think we're taking a more global approach to networking marketing services companies," Mr. Postelthwaite says.

"The U.S. is bigger than Europe now, but after 1992 when all the marketing borders [separating European nations] disappear, that simply won't be true. A lot is going to change when that happens, and I think the strategy we're pursuing takes that into account." ■

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Belgium	44	6	76.3	86.7	86	Audi
Denmark	44	6	68.6	72.5	57	Mazda
Finland	45	6	71.7	72.8	100	Mercedes
France	46	8	72.9	80.8	68	Renault
West Germany	46	6	105.1	116.6	82	Mercedes
Greece	47	9	27.6	29.8	75	Honda
Italy	44	5	74.0	79.1	70	Alfa
Luxembourg	42	6	85.4	88.7	88	Audi
Netherlands	42	8	79.0	83.6	100	Ford
Norway	45	5	65.6	68.9	100	Ford
Portugal	46	5	24.9	25.9	84	Alfa Romeo
Spain	45	8	64.6	69.7	50	N/A
Sweden	44	6	63.8	69.0	100	Volvo
Switzerland	43	6	120.8	136.9	60	Audi
U.K.	44	5	63.5	68.6	88	Ford

*Based on exchange rates for January 1988

**Base salary plus bonus

Source: Wyatt Co.'s 1988 Top Management Remuneration Study.

Diet soft-drink war invades So. Korea

By OLES GADACZ

SEOUL—It's not on the list of official events, but the race to grab a chunk of South Korea's diet cola market may be as exciting as the high jump at the Summer Olympics.

Coca-Cola Co. and Pepsi-Cola International are gearing up for the first battle between diet drinks in South Korea. Coca-Cola is introducing Diet Coke as the Games start Sept. 17; Pepsi introduced Diet Pepsi earlier this year.

Neither company is devoting big money solely in the diet segment, expected to be only 1% of the $555 million soft-drink market this year.

"Koreans don't really have weight problems. [Diet drinks] will take some time to develop," said Pepsi-Cola International's Kim Dong-Soo, regional director for East Asia.

Coca-Cola, which entered Korea in 1968, outsells rival Pepsi by more than 5-to-1. Coca-Cola holds about 85% of the South Korean cola category and Pepsi about 14%.

Oricom handles Coca-Cola's $3.5 million 1988 ad budget. Coca-Cola, which generally uses print and sales promotion, began stepping up TV spots last month and will run spots through this month.

As an official worldwide Olympic sponsor, the company will operate vending machines and run 115 food and beverage concessions in the Olympic venues.

Coca-Cola is supplying free soft drinks to the athletes, journalists, members of Olympic committees and other accredited attendees totaling about 120,000.

Also, the marketer is sponsoring two pin trading centers at two major Olympic venues and holding a local Olympic pin design contest, said Lee Yong-Il, Coca-Cola's manager for Olympic operations.

To counter Coca-Cola's Olympic sponsorship, "we have to use ambush strategies," Pepsi's Mr. Kim said.

Free Pepsi and Diet Pepsi will be offered to patrons of selected restaurants, including PepsiCo-owned Pizza Hut, on days when the South Korean team wins gold medals. Pepsi will give away 50,000 sun visors with its logo to spectators watching the marathon, cycling and other events.

On a 45-inch TV screen inside the Lotte shopping center—Seoul's largest—Pepsi will show videotaped highlights of the Games and U.S. Pepsi spots, including commercials featuring Michael Jackson.

Diet Pepsi was launched April 10 with the support of a one-month $70,000 print and direct-marketing campaign.

It's targeting "opinion leaders" in "prestige outlets"—hotels and supermarkets in affluent neighorhoods, Mr. Kim said. Daehong Advertising handles.#

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Who's on top in Europe

Rank	Network	1987 European gross income	% change over '86	European billings '87	% change over '86	'87 European gross income as % worldwide	'87 European billings as % worldwide	Network's top European office in '87 billings	Office billings % European network
1.	Backer Spielvogel Bates	$248,231	37.8%	$1,457,960	31.2%	41.3%	35.8%	Dorland Advertising, London	22.7%
2.	Saatchi & Saatchi Adv.	229,602	27.3	1,553,141	28.7	33.1	33.7	Saatchi & Saatchi UK, London	49.1
3.	Ogilvy & Mather	218,164	40.2	1,355,713	36.6	41.3	37.0	Ogilvy Group Holdings, London	30.6
4.	McCann-Erickson	215,051	45.3	1,434,397	45.3	42.0	41.9	McCann-Erickson U.K., London	24.1
5.	Young & Rubicam	201,222	34.1	1,342,627	33.8	27.4	27.3	Young & Rubicam Holdings, London	23.2
6.	Lintas:Worldwide	186,274	49.9	1,242,441	40.0	44.6	44.5	Lintas:Germany, Hamburg/Frankfurt	23.7
7.	J. Walter Thompson Co.	174,580	19.3	1,163,452	19.7	36.1	36.1	J. Walter Thompson Co., London	33.0
8.	BBDO Worldwide	171,412	38.4	1,160,153	38.7	31.9	31.7	Team/BBDO Group, Duesseldorf	25.9
9.	Grey Advertising	151,414	55.2	1,021,986	59.2	41.0	41.5	Grey Ltd., London	35.9
10.	HDM	116,584	42.6	818,628	45.7	57.3	59.3	HDM France, Neuilly	48.6

Figures are in thousands of dollars. *Source:* ADVERTISING AGE.

Backer takes lead in Europe

(Continued from Cover)

position. The London office of Dorland was combined with Backer—forming BSB/Dorland—in March 1988. Most of Dorland's offices in Europe became part of the Backer network in 1987, say Saatchi officials, though competing agencies dispute this claim.

The No. 2 network had 1987 gross income of $229.6 million but a below-average increase of 27.3%.

The fastest-growing network in 1987 was No. 9 Grey Advertising, with a 55.2% increase in gross income to $151.4 million in Europe.

J. Walter Thompson Co.'s 19.3% income growth was the slowest.

Without the boost of the average 15% weakening of the dollar against European currencies, which benefits agencies when European earnings are converted to dollars, JWT would barely have grown in 1987.

In local currency, JWT's billings dropped by 11% in West Germany and by 28% in the Netherlands.

On a network-by-network basis:

- Backer is strongest in Scandinavia, accounting for more than 30% of its European billings, and Germany. The German figures were boosted by Scholz & Friends. The Hamburg agency, majority-owned by Backer, is responsible for almost two-thirds of Backer's German billings.

The three-agency Grupo Bates is No. 1 in Spain but suffered staff and client defections this year from its Grupo Alas.

Backer is weakest in Italy, where it's No. 22. The U.K. agency, once expected to close down, will rank near the top in the U.K. in 1988 because of the Dorland combination.

- Saatchi & Saatchi Advertising's strategy of buying top local creative agencies to spearhead growth has been most successful in Italy, Spain and the Netherlands, where S&S offices are in the top 10 and heading for the top five.

Saatchi is benefiting from a trend toward awarding business on a European basis, often run out of London, such as Gillette Co.'s $30 million Natrel deodorant launch and Johnson & Johnson's $25 million Silhouette sanitary protection brand introduction.

Saatchi led new-business winnings in the U.K. Saatchi added new business totaling $254.4 million in the first six months of '88, compared to $266.3 million for all of 1987 and $231.4 million in 1986.

"To be strong in Europe, you've got to be mega in the U.K.," said Andy Fraser, Saatchi's worldwide new business director.

- Ogilvy & Mather's gain of the $100 million, nine-country Ford Motor Co. business lost by JWT helped its position. O&M has carved out leadership in planning and buying new media. O&M handles new media buying for Unilever, American Express Co. and PepsiCo.

The network's gross income grew most in Portugal (more than 100%), Italy (49.1%) and the Netherlands (48%). O&M's creative profile is highest in the U.K., where it was the only U.S.-owned agency to rank among the top 10 winners of creative awards in 1987.

- McCann-Erickson agencies rank in the top 10 in 12 of 15 European markets, second only to another Interpublic Group of Cos. shop, Lintas:Worldwide.

McCann ranks No. 1 in Italy and Portugal, No. 2 in Spain and Belgium and No. 3 in Germany, despite the loss of the $40 million General Motors Corp. account to sister agency Lowe International in 1986.

McCann's London office mainly wins the U.K. portion of multinational business already handled by McCann in other countries. The network's continental offices are more successful at winning business locally.

- Young & Rubicam agencies rank in the top 10 in 12 of 15 European countries in gross income. Growth was especially strong in Germany (39.6%), Spain (63.2%) and Italy (47.2%).

Y&R has a reputation for winning new business locally rather than relying on accounts from its international network.

- Lintas:Worldwide ranks in the top 10 everywhere except the U.K. and Sweden. Strongest growth was in the Netherlands (97%), Italy (73.8%) and Portugal (78.5%).

Lintas' major problem is its weak U.K. agency, ranked No. 16. The London office is on a perennial hunt for a strong managing director and creative director and has looked for agencies to buy to improve its U.K. operation. Lintas:U.K. lost business last year from three different subsidiaries of Unilever, Lintas' largest client worldwide.

- In the No. 7 slot, JWT is struggling to regain billings after losing $100 million of Ford business and Richardson-Vicks business in Germany, France and other markets. Ford's refusal to allow JWT to seek another car account leaves a gap in JWT's client list.

While JWT's 1987 gross income in Germany grew by 7.9% in dollars, it fell by 11% in local currency. Hardest hit was the Netherlands, with a 12.5% drop in gross income in dollars. The U.K. office continues to be JWT's main strength and gained $90 million in net new business last year. Another $100 million is expected this year. For the first time, JWT appointed a European new-business director to oversee new business activity for the region.

WPP Group-owned JWT's new fill-in strategy is to buy local agencies and combine them with JWT in the markets where JWT is weakest. The acquisition of Dutch agency PPGH in June should put JWT/-PPGH in second place in the Netherlands in 1988. Belgian, Austrian and Scandinavian markets, where JWT ranks between No. 10 and No. 27, are in line for acquisitions.

- BBDO Worldwide ranks No. 1 in Germany, Switzerland and the Netherlands, with the combined three accounting for 48% of BBDO's European income.

BBDO is weakest in the U.K., where the agency ranks No. 39 and grew by only 10.3% last year, and in France, where BBDO ranks No. 21 but grew by 56.3%. BBDO is expected to lose its No. 1 slot in Germany to Lintas in 1988 because of BBDO's sale this year of Imparc to D'Arcy Masius Benton & Bowles. Imparc bills about $40 million.

- Grey ranks among the top 10 agencies in only four markets: the U.K., Germany, Denmark and Sweden. Grey grew fastest in the U.K. (82.8%), France (74%), the Netherlands (73.1%) and Italy (70%).

The network's rapid growth came from account gains, especially in the U.K. and Germany, acquisitions in the U.K. and Spain and setting up direct marketing, sales promotion and PR agencies.

- The billings of HDM, jointly owned by France's Havas, Japan's Dentsu and the U.S.' Young & Rubicam, are more heavily concentrated in one country than any other network except Saatchi.

HDM France contributed 48.8% of HDM's European billings in 1987. HDM makes the top 10 in only four countries, ranking No. 4 in France, No. 6 in Belgium, No. 7 in Switzerland and No. 8 in Spain. Fastest growing markets by gross income were France (57.6%), Spain (44%), Italy (42%) and Switzerland (36.4%).#

This story was written by Laurel Wentz in London with contributions from Kevin Brown and Ilse Cermak in Chicago, Dagmar Mussey in Duesseldorf and Marina Specht in Madrid.

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All tressed up for the camera

Debutante and aspiring actress Cornelia Guest graces an outdoor and print campaign breaking this month for haircare products marketer Oggi International. Ms. Guest—whose first motion picture, entitled "Second Sight," will be released this fall—is the first celebrity to appear in Oggi's year-old campaign featuring nude models. David/Scott Advertising, Los Angeles, handles.

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Last Minute News

Weller leaves Riney for Bush

WASHINGTON—Jim Weller, senior VP-executive creative director at Hal Riney & Partners, Los Angeles, is leaving to join the ad team of Vice President George Bush. Jim Travis, president of Riney's New York office, said Mr. Weller quit to join the Republican presidential campaign after being denied a leave of absence. Messrs. Weller, Riney and Travis all worked on the "Tuesday Team" that created advertising for President Reagan in 1984.

Goodby sells stake to Boase

SAN FRANCISCO—Goodby, Berlin & Silverstein has sold a 37.5% interest to Boase Massimi Pollitt, London, for an initial payment of $1.5 million. Any future payments would depend on whether BMP exercises an option to buy an additional stake later. BMP also owns Ammirati & Puris, New York.

Campbell axes soup theme

CAMDEN, N.J.—Campbell Soup Co. is abandoning its "Soup is good food" ad theme to bring back "M'm m'm good" in red-and-white soup advertising breaking this fall. The ads include network TV and print. Campbell, which has said it's returning to the basics in its 1989 marketing plan, said it will also revive the Campbell Kids in new TV spots this fall

(Continued on Page 8)

WSJ's bullish bet

Paper goes to three sections on Oct. 3

By PATRICK REILLY

NEW YORK—*The Wall Street Journal* will embark on one of the biggest gambles in its nearly 100-year history when it unveils a new third section on Oct. 3.

A prototype of the newly reorganized paper shown to ADVERTISING AGE by *WSJ* executives and Norman Pearlstine, the paper's managing editor, reveals that the addition of the third section is part of a subtle though substantial redesign of virtually every part of the nation's largest daily newspaper.

The changes, which create a second section carrying the name "Marketplace" and a third titled "Money & Markets," are part of a long-range plan spearheaded by Mr. Pearlstine to expand *WSJ's* readership by offering increased coverage of professions, such as law and media, and of areas not extensively covered by the paper, such as growing companies, entrepreneurs and high technology.

"We are really expanding the concept of what business news is," Mr. Pearlstine said.

While a three-section *WSJ* has been generally well-received by ad agency executives, some have reservations about reader reaction.

"The open question is how readers will respond. When you go to three sections, there is more to read. Readers are going to either shift time to reading *WSJ* from other publications or add more time to their reading day. But no one knows what they will do," said Michael Drexler, exec VP-national media director at Bozell, Jacobs, Kenyon & Eckhardt.

WSJ executives are aware that readers already are deluged with material. "We don't want the reader to feel there is too much to read," Mr. Pearlstine said. "We want to make the *Journal* easier to read."

"I think the *Journal* has become a chore to read," said Bruce Thorp, media analyst at PNC Financial Corp. The Dow Jones & Co. newspaper went from one section to two in June 1980.

"There is so much good stuff in there," he added. "Not that you need to know it, but it's such enticing reporting [that] it catches your eye. That becomes a time burden."

Another question is the wisdom of making the move during a particularly soft period for financial advertising.

Although the paper's restructuring will offer immediate attractions to advertisers, *WSJ* has suffered substantial losses in its ad linage—and circulation—following the Oct. 19 stock market plunge.

For the six months ended June 30, *WSJ* officials said, circulation was down

(Continued on Page 94)

Burger King plays $140M promo game

By SCOTT HUME

Burger King Corp. is trying for the first time to beat archrival McDonald's at its own game.

The No. 2 hamburger chain plans one of its most ambitious national promotions, a heavily advertised combination instant-win and game-piece effort based on the venerable board game of checkers.

The promotion is expected to start Sept. 30, just as McDonald's Corp. is wrapping up its "When the U.S. Wins, You Win" Olympics promotion.

With a total prize value of $140 million, Burger King's promotional event will be its largest ever.

Sources estimate the chain will put $30 million in ad support behind the game, including a heavy round of network TV spots from N W Ayer. Einson Freeman, Paramus, N.J., created the promotion.

Burger King had hoped to run Checkers earlier in the year, but a combination of the revival of McDonald's Monopoly game in April and a reported inability to convince franchisees to approve the game forced the delay until fall (AA, April 4).

The new promotion couldn't come at a more opportune time for New York-based Ayer, Burger King's beleaguered national ad agency.

Philip Smith, new chairman-ceo of Pillsbury Co., Burger King's parent, last week promised that shareholders will see more effective advertising from the chain this fall *(see related story on Page 93)*.

The Checkers promotion is Burger King's chance to prove to its uneasy franchise owners, wary parent company, doubting securities analysts and frustrated consumers that it can do a professional job in the marketing arena.

Burger King currently is resisting the idea of totally regionalized marketing through regional agencies, a strategy that would hurt Ayer.

If Checkers is a hit, it's a victory for centralized, national marketing—and Ayer.

Burger King officials declined to discuss the promotion, which they intend to announce at a news conference in Miami on Sept. 26 (AA, Sept. 5).

In many ways, the Checkers game mirrors McDonald's Monopoly II promotion from earlier this

(Continued on Page 94)

WHAT NEXT, RON?

Cosby, Reagan, Hope top celeb survey

By SCOTT HUME

Another career awaits President Ronald Reagan when he relinquishes the free world's top job in January. And it's a line of work he's already had a fair amount of experience and success in: celebrity spokesman.

That may sound farfetched, but one Hollywood "celebrity broker" said he already has three firm offers for the president's future services in advertising.

Although he's not even out of office yet, President Reagan was runner-up to comedian Bill Cosby in a survey in which adults nationwide were asked to name the person they considered the best celebrity spokesman.

The survey was conducted for ADVERTISING AGE by the SRI Research Center, Lincoln, Neb.

As the pitchman for Coca-Cola, Kodak film and processing, and Jell-O pudding and frozen desserts, Mr. Cosby certainly is among the most visible of celebrity presenters (though sportscaster John Madden is coming on strong, as if another of those clunky championship rings were going to be awarded to the person logging the most airtime).

Products aside, A.C. Nielsen Co. TV ratings attest to the fact Mr. Cosby also is one of the most pop-

(Continued on Page 98)

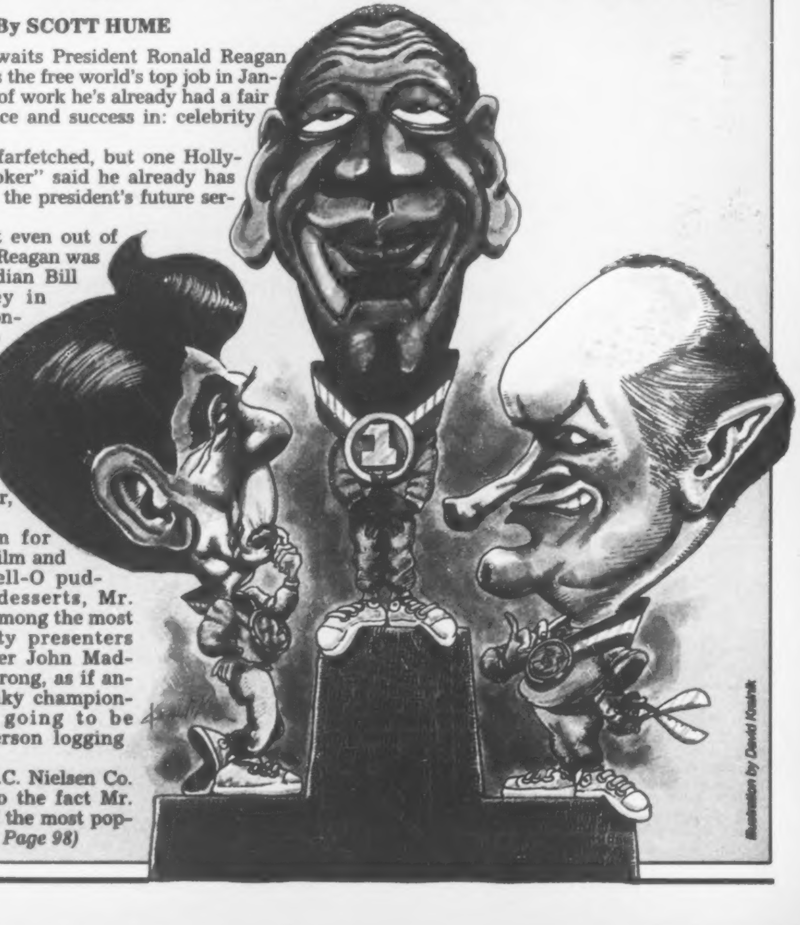

Illustration by David [illegible]

Dukakis to alter two-team ad lineup

Hancock exec accepts role of liaison between ad teams

By STEVEN W. COLFORD

Presidential candidate Michael Dukakis' unusual two-team ad structure is floundering, and the candidate is turning to the man who supervised John Hancock Mutual Life Insurance Co.'s "Real life/real answers" campaign for some answers.

The assignment to David D'Alessandro, Hancock's corporate sector president and former senior VP-corporate communications, is to serve as a liaison between the Democrat's presidential campaign staff and the group of Madison Avenue executives who form the Future Group.

Indications are the heralded two-team ad structure devised for the Massachusetts governor isn't working.

When the Dukakis group was put together by pollster Thomas Kiley and campaign adviser Francis O'Brien, it was to consist of two distinct teams—one composed of political advisers to handle tactical, quick-response ads; and the other, made up mostly of commercial admen, to handle strategic and "big picture" commercials.

But the advertising produced to date generally is regarded as uninspired and not in sync with what the candidate himself is talking about. The reason could be a lack of communication and coordination between the two groups.

Mr. D'Alessandro was unavail-

(Continued on Page 94)

Jackson, Cosby are sought for black-oriented campaign

By STEVEN W. COLFORD

WASHINGTON—The Rev. Jesse Jackson is being courted by Michael Dukakis' minority ad team to appear in TV commercials for the Democratic presidential nominee.

If the Rev. Jackson agrees, he'll become part of a multimillion-dollar campaign targeting black voters that broke last week.

Also being courted are celebrities Bill Cosby, who appeared in commercials for the Rev. Jackson's primary race against Massachusetts Gov. Dukakis, and Harry Belafonte.

"Scheduling problems" are the biggest obstacle to corralling the Rev. Jackson, said Sam Chisholm, president of the Mingo Group, New York, the agency handling the black-oriented campaign.

The first ads broke last week on radio and in 150 newspapers.

TV spots, still being shot, are planned to start this week. They

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Chrysler is heavying up on Jeep advertising as rivals challenge Jeep's traditional advantages.

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Calvillo, Shevack & Partners has been renamed Partners & Shevack, as agency executives get an equity interest in the business.

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Polaroid is touting the Cool Cam camera, its first attempt to target the youth market since the '60s.

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American Express Co. is stepping up its promotional activities in Seoul to counter Visa International's high visibility during the Summer Olympics, garnered from Visa's Olympics sponsorship.

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Ads go regional

Chevrolet gets Geo-graphical

By RAYMOND SERAFIN

LAS VEGAS, NEV.—A marketplace creative shoot-out could be shaping up for fall as Chevrolet uses two approaches and two agencies in regional launches of its new Geo brand.

The two different campaigns were created by national agency Lintas:Campbell-Ewald, Warren, Mich., and by Chevy's West Coast regional agency, Vic Olesen & Partners, Culver City, Calif.

Geo represents the General Motors Corp. division's attempt to lure hard-core import buyers by using the new name and separate showroom sales areas for small cars and trucks imported or built in joint ventures with Japanese companies (AA, March 28).

Initially, Chevrolet intends to use the Olesen campaign on the West Coast and the Lintas:Campbell-Ewald campaign everywhere else. But General Marketing Manager Mike Erdman said in an interview at Chevrolet's media preview here that the Olesen ads will run in one non-West Coast market and the other ads will appear in one West Coast market.

Jeep rolls new ad plans—P. 80
Cadillac unveils new spots—P. 81

The first regional spots break in October, and the Lintas:Campbell-Ewald campaign will run nationally in November. But the big ad push won't start until next spring, when a full line of four models is available to dealers.

Chevrolet decided to run the two campaigns in different areas "just to

(Continued on Page 94)

Hurricane Gilbert comes as blow to Texas ad people

By JENNIFER LAWRENCE
and CHRISTY FISHER

Hurricane Gilbert's uncertain path frightened the Texas advertising community well before the huge, dangerous storm was expected to hit landfall last Friday night.

Local newspapers scrambled to prevent advertisers from pulling weekend ads while some ad agencies rushed to meet Friday deadlines ahead of schedule.

In Houston, N W Ayer transferred work to its New York office to keep up with client Continental Airlines' deadlines.

Celebrities were affected, too. Calvin Klein canceled a personal appearance at Macy's Houston Galleria store for his new fragrance, Eternity. The Sept. 17 Liza Minnelli, Frank Sinatra and Sammy Davis Jr. "Ultimate Event" concert was postponed until Oct. 9.

The pending storm wasn't bad news for all, however. Some advertisers used Gilbert to boost business.

Stewart & Stevenson, a Houston-based power equipment specialist, lost no time in running a newspaper ad in Houston and Corpus Christi, headlined "Hurricane Alley," to

(Continued on Page 94)

SPECIAL ADVERTISING SUPPLEMENT:
Consumer Magazine Directory
begins after Page 51.

August consumer magazine ad linage

	Current month		Year-to-date	
	1988	1987	1988	1987
■ *Auto/cycle/rec. vehicles*				
ATV Sports	22.1	43.3	239.8	548.8
Autoweek (52X)	167.7	155.6	1,326.1	1,195.3
Car & Driver	93.6	90.2	830.4	758.0
Car Collector & Car Classics	15.8	18.0	131.1	136.5
Car Craft	80.5	86.0	679.8	695.0
Circle Track	74.6	71.0	665.7	607.8
Cycle	31.4	38.3	364.8	398.5
Cycle World	41.8	35.3	398.5	434.4
Dirt Rider	31.2	34.0	314.5	285.7
Dune Buggies & Hot VWs	72.7	78.7	599.5	613.0
Family Motor Coaching	144.0	144.4	1,391.5	1,254.6
4 Wheel & Off-Road	102.2	94.9	705.4	706.6
Four Wheeler	93.0	91.0	719.0	691.0
Hot Rod	74.8	65.0	727.0	605.9
Motorcyclist	30.0	38.9	382.1	418.8
Motor Trend	65.3	63.0	652.8	636.6
Motorhome	99.3	96.4	730.7	683.8
Rider	30.1	36.3	325.7	360.2
Road & Track	80.7	97.3	826.5	826.4
Trailblazer	76.0	76.0	439.2	400.6
Trailer Life	106.8	103.5	775.1	837.6
Total Group	**1,533.6**	**1,557.0**	**13,225.2**	**13,095.1**
% change	**-1.5%**		**1.0%**	
■ *Boating & yachting*				
Boating	100.9	111.5	1,262.0	1,220.4
Chesapeake Bay	44.3	41.0	393.1	354.1
Cruising World	82.3	89.0	883.9	899.0
Lakeland Boating (11X)	68.0	68.5	657.4	588.1
Motor Boating & Sailing	106.6	120.2	1,273.7	1,319.5
Sail	134.6	107.4	870.1	872.7
Small Boat Journal(6X)	—	—	—	—
Trailer Boats(11X)	37.1	36.8	539.9	467.6
Western Boatman(6X)	—	—	209.7	155.3
Yachting	136.7	135.4	1,138.6	1,131.4
Total Group	**710.6**	**709.8**	**7,228.4**	**7,008.1**
% change	**0.1%**		**3.1%**	
■ *Civic/fraternal*				
American Legion	31.1	28.1	258.8	249.6
Elk (10X)	15.0	16.0	118.3	137.8
Kiwanis	15.2	15.4	97.8	122.5
Lion (10X)	—	—	43.1	56.5
Rotarian	16.5	11.7	120.7	114.2
V.F.W. (11X)	21.5	24.5	196.1	218.0
Total Group	**99.3**	**95.7**	**834.8**	**898.6**
% change	**3.8%**		**-7.1%**	
■ *General*				
American Health (10X)	—	—	437.0	443.2
American Heritage (8X)	—	—	172.6	140.6
American West (6X)	22.0	30.2	130.8	147.5
The Atlantic A	20.1	18.8	324.2	252.9
Bon Appetit A	67.7	73.2	595.9	625.4
Cable Guide	31.2	16.6	244.6	164.1
Changing Times	32.6	43.7	428.9	483.6
Conde Nast's Traveler	35.9	—	371.1	—
Connoisseur	33.0	43.8	586.7	522.9
Consumers Digest (6X)	—	—	85.3	87.0
Ebony	94.1	90.2	802.2	724.7
Fifty Plus	20.0	30.6	233.0	303.0
Finance (10X)	—	—	223.9	302.1
Food & Wine	35.5	46.1	389.8	422.9
Games (6X)	—	—	—	—
Golden Years	40.7	26.1	254.6	218.9
Gourmet	63.9	67.2	731.8	730.4
Harper's Magazine A	31.9	24.5	253.6	232.4
Harrowsmith (6X)	—	—	218.0	185.6
Let's Live	36.0	37.0	388.0	357.0
Life	87.0	28.3	444.3	335.1
Modern Maturity (6X)	30.5	35.0	136.6	177.7
Money	69.0	77.4	858.5	941.1
Money Maker	7.5	10.0	32.7	28.8
National Geographic	13.6	14.8	181.0	153.5
National Geographic Traveler (4X)	—	—	83.8	86.0
Natural History	23.6	24.6	284.9	259.7
Prevention	42.2	56.1	437.0	495.6
Psychology Today	—	—	207.0	212.6
Reader's Digest A	64.6	55.8	770.7	705.6
Saturday Evening Post (9X)	—	—	178.5	210.6
Smithsonian	52.4	67.2	649.6	611.6
Town & Country	93.9	113.0	904.8	881.2
Travel-Holiday	37.8	38.9	417.3	419.2
Travel & Leisure	45.5	45.4	799.2	716.9
Vanity Fair	92.9	72.4	628.3	437.8
Writer's Digest	23.6	27.4	233.6	219.9
Yankee	56.0	58.2	571.2	579.8
Total Group	**1,304.7**	**1,272.3**	**14,691.0**	**13,817.0**
% change	**2.5%**		**6.3%**	
■ *Home*				
Americana (6X)	14.0	11.7	66.2	80.9
Architectural Digest A	103.4	93.4	1,080.3	917.5
Better Homes & Gardens	90.6	84.0	879.2	830.6
Colonial Homes (6X)	48.9	52.1	227.0	236.9
Columbus Monthly-Homes (4X)	—	—	114.9	86.9
Country Home (6X)	41.3	51.3	196.9	200.6
Country Living	67.1	75.3	670.6	656.9
Family Handyman (10X) A	—	—	309.0	372.3
Florida Home & Garden	83.8	36.4	513.3	326.5
Flower & Garden (6X)	31.9	33.3	176.9	172.4
Home	48.0	40.7	449.0	402.7
Home Mechanics	32.2	47.5	398.0	446.4
The Homeowner (10X)	—	—	212.5	210.9
Horticulture	24.8	23.5	323.2	296.4
House Beautiful	41.5	56.7	493.9	534.0
House & Garden	54.1	54.5	669.4	690.4
Metropolis	—	—	378.7	361.0
Metropolitan Home	56.2	46.6	636.7	484.7
1,001 Home Ideas	45.5	39.2	425.4	382.9
Organic Gardening	21.6	27.5	362.4	393.5
Phoenix Home/Garden	61.5	59.5	576.5	553.6
Practical Homeowner	—	—	262.1	282.1
San Diego Home/Garden	57.5	49.0	573.9	528.1
Southern Accents (6X)	—	—	428.2	357.9
Southern Living	83.2	80.9	956.8	920.5
Sunset Magazine A	77.8	92.8	969.2	941.3
Workbench (6X)	—	—	153.7	180.7
Total Group	**1,084.9**	**1,055.8**	**12,503.8**	**11,848.6**
% change	**2.8%**		**5.5%**	
■ *In-flight & other passenger*				
Aboard Group (7X)	—	—	137.2	105.6
Alaska Airlines	53.9	53.6	442.1	435.2
America West Airlines	50.8	53.2	482.5	365.2
American Way (24X)	107.9	101.9	1,013.6	777.0
East/West Network:				
Continental	48.7	—	369.8	—
Eastern Review	48.5	53.3	417.7	535.0
Northwest	35.3	47.2	312.6	354.0
Pan Am Clipper	44.5	35.2	347.4	320.8
Spirit	50.3	53.2	478.2	460.9
TWA Ambassador	36.5	45.0	351.4	379.1
Vis 'A Vis	63.6	53.0	427.9	445.8
Halsey Publication:				
Delta Sky	61.9	69.2	622.4	613.2
Pace Communications:				
Piedmont Airlines	100.9	105.2	748.1	695.2
US Air	41.5	52.3	466.5	378.9
Spirit of Aloha (6X)	20.0	29.4	143.0	215.4
Total Group	**764.2**	**751.6**	**6,760.3**	**6,081.3**
% change	**1.7%**		**11.2%**	
■ *Men's*				
Esquire A	72.3	59.5	676.3	638.7
Firehouse Magazine	66.5	52.3	357.7	344.6
Gentlemen's Quarterly A	146.7	141.6	1,152.6	1,016.6
M Magazine	53.7	69.7	510.6	517.0
Muscle & Fitness	112.0	128.0	967.8	974.3
Penthouse A	30.5	31.5	342.8	320.4
Playboy A	34.6	47.6	409.3	409.3
Salute (10X)	—	—	165.7	122.9
Total Group	**516.3**	**530.2**	**4,582.7**	**4,343.7**
% change	**-2.6%**		**5.5%**	
■ *Metropolitan*				
Aloha (6X)	26.8	56.5	106.4	143.4
Atlanta	70.7	50.8	536.5	444.3
Baltimore	70.2	56.4	535.6	545.1
Boston	152.9	173.5	1,171.1	1,219.4
California	64.4	68.9	482.2	461.7
Chicago	101.8	75.8	786.6	773.3
Chicago's North Shore	91.1	94.3	701.7	652.7
Cincinnati	46.5	81.8	364.6	484.8
Cleveland	54.0	62.9	462.0	544.4
Coast (39X)	227.7	344.0	1,495.0	1,822.9
Columbus Monthly	54.2	67.7	548.9	530.4
Connecticut	107.6	112.3	800.7	765.3
D Magazine	66.0	82.8	649.2	837.2
Denver	28.0	31.3	269.3	271.7
Detroit Monthly	66.1	44.3	637.9	470.1
Grand Rapids	31.2	33.0	295.0	303.2
Gulfshore Life (10X)	65.0	63.0	594.0	554.0
Honolulu	72.3	101.0	459.9	487.8
Houston Metropolitan Mag	49.7	75.6	465.3	565.8
Louisiana Life	—	—	130.7	141.2
Madison	34.7	61.5	276.7	507.0
Memphis	149.5	143.0	675.0	644.0
Mid Atlantic Country	47.4	32.0	271.1	280.1
Milwaukee	67.0	65.3	430.4	465.4
Minneapolis/St. Paul	103.0	92.5	775.0	800.0
Nashville	33.0	65.0	355.0	346.0
New England Monthly	42.3	36.6	370.3	345.7
New Jersey Monthly	110.5	106.0	783.0	702.9
New Mexico	52.9	45.2	315.1	252.8
Ohio	44.7	48.9	418.0	438.0
Orlando	72.2	84.5	687.3	732.1
Palm Beach Life	43.1	35.5	486.5	499.0
Palm Springs Life	36.8	36.9	795.0	753.3
Philadelphia	141.4	122.8	1,120.2	1,107.2
Phoenix	—	—	—	—
Pittsburgh	62.7	63.8	559.0	529.3
St. Louis	30.9	67.0	353.1	459.1
San Diego	139.8	120.1	1,320.0	1,212.3
San Francisco Focus	104.6	111.5	722.6	729.7
South Florida Magazine	86.2	49.2	561.8	424.5
Texas Monthly	73.9	82.9	705.6	733.0
Twin Cities	64.1	55.5	544.4	487.2
The Virginian (6X)	—	—	241.8	236.6
Washington (7X)	65.0	59.5	280.7	240.5
The Washingtonian	143.5	145.6	1,155.3	1,135.4
Total Group	**3,195.1**	**3,406.6**	**25,695.5**	**26,080.0**
% change	**-6.2%**		**-1.5%**	
■ *Music/entertainment*				
Audio	74.6	63.0	641.4	613.4
Dance Magazine	38.4	39.1	425.7	481.0
Playbill	44.8	44.4	391.1	348.6
Video Magazine	—	—	—	—
Total Group	**157.8**	**146.5**	**1,458.2**	**1,443.0**
% change	**7.7%**		**1.1%**	
■ *Outdoor & sport*				
Alaska	28.4	28.8	279.4	278.6
The American Handgunner (6X)	—	—	202.0	182.0
American Hunter	25.3	28.1	169.2	145.2
American Rifleman	26.8	25.0	191.7	180.9
Bass Master (10X) A	—	36.1	581.1	502.9
Bicycling (9X)	101.0	71.3	878.0	690.6
Ducks Unlimited (6X)	—	—	94.1	101.6
Field & Stream	32.9	50.5	637.5	657.5
Fins & Feathers A	—	—	—	—
Fishing World (6X)	—	—	168.6	169.4
Florida Sportsman	101.7	95.2	1,058.5	1,011.9
Golf Digest	64.2	77.6	900.1	833.8
Golf Illustrated	30.3	31.8	216.3	187.6
Golf Magazine	41.8	58.7	806.0	658.7
Gun Dog (6X)	—	—	136.2	122.0
Guns	37.0	39.0	278.0	244.0
Guns & Ammo	44.1	45.8	363.2	347.2
In-Fisherman (6X)	—	—	—	—
Outdoor Life	43.1	60.1	588.3	624.1
Outside Magazine	39.6	46.2	455.6	412.8
Petersen's Hunting	44.5	57.5	349.8	366.8
Runner's World (12X)	27.7	35.2	267.6	292.1
Salt Water Sportsman	71.8	58.8	990.3	879.9
Sierra (6X)	—	—	159.2	148.2
Shooting Times	—	—	—	—
Ski (8X) A	—	—	293.4	252.2
Skiing (7X) A	—	—	263.1	203.3
Skin Diver	121.7	100.9	949.0	861.7
Southern Outdoors (9X)	—	—	374.2	302.6
Southern Saltwater(8X)	—	22.4	237.1	196.2
Sport Magazine	28.8	46.9	287.4	318.6
Sports Afield	48.3	53.8	582.3	657.2
Tennis	52.9	49.8	594.3	566.4
Waterski (8X)	—	—	—	—
Western Outdoors (10X)	30.4	35.6	318.0	315.9
Wildfowl (6X)	33.3	22.5	77.0	52.1
WindRider	49.6	50.0	323.3	271.5
Wing & Shot (6X)	—	—	57.6	44.6
World Tennis	38.8	31.5	427.8	244.3
Total Group	**1,164.1**	**1,259.2**	**14,555.0**	**13,324.6**
% change	**-7.6%**		**9.2%**	
■ *Photography*				
American Photographer	31.7	36.1	237.1	291.1
Petersen's Photographic	26.4	18.9	202.9	210.7
Popular Photography	74.0	85.3	625.4	568.9
Total Group	**132.0**	**140.3**	**1,065.4**	**1,070.7**
% change	**-5.9%**		**-0.5%**	
■ *Science/electronic/mech*				
Discover	27.2	30.5	277.3	341.7
Home Office Computing	25.2	28.2	327.5	325.9
Omni	46.5	41.8	466.5	445.6
Personal Computing	141.7	149.5	1,697.9	2,282.5
Popular Mechanics	59.3	53.6	626.1	685.8
Popular Science	42.2	47.2	528.6	538.4
Scientific American	19.3	29.5	299.3	325.3
Spectrum	34.5	58.3	447.3	505.1
Total Group	**396.0**	**438.6**	**4,670.4**	**5,450.2**
% change	**-9.7%**		**-14.3%**	
■ *Woman/fashion/service*				
Beauty Digest (6X)	31.0	11.3	89.3	39.0
Bride's Magazine (6X) A	565.4	560.8	2,069.9	1,833.1
Cosmopolitan A	173.5	196.4	1,499.3	1,524.3
Elle Magazine	175.6	140.1	1,255.0	1,129.1
Essence	68.6	69.5	592.3	605.5
Family Circle (17X) A	114.1	166.4	1,086.0	978.7
Glamour	197.6	195.7	1,309.8	1,382.8
Good Housekeeping A	98.1	109.0	948.1	1,046.5
Harper's Bazaar	102.6	107.1	792.1	889.6
Health	26.5	40.6	292.2	359.5
Ladies' Home Journal	98.4	85.9	828.6	764.9
Mademoiselle	119.1	161.6	1,124.2	1,091.8
McCall's	75.7	75.1	596.6	706.9
Military Lifestyle (10X)	—	—	333.0	323.6
Modern Bride (6X)	490.7	478.5	1,637.9	1,544.5
Ms	21.0	—	239.2	312.4
New Woman	66.3	73.6	653.2	627.0
Parents Magazine A	116.9	119.9	935.3	822.6
Redbook	71.8	71.1	734.5	725.6
Savvy	30.5	27.5	318.1	268.1
Self	85.6	89.3	770.8	751.2
Seventeen	302.8	250.0	1,018.9	1,013.2
Shape	66.4	64.5	563.5	559.1
Soap Opera Digest (26X)	20.0	21.4	180.4	164.8
Soap Opera Update	5.0	—	77.5	—
Teen Magazine	102.1	84.6	435.5	456.2
True Story A	46.8	47.8	367.6	372.5
Vogue	244.3	253.9	1,811.0	1,812.4
Weight Watchers	23.2	27.8	257.4	247.8
Woman (10X)	43.0	36.0	261.6	205.0
Woman's Day (15X) A	90.7	86.7	952.6	952.9
Workbasket	23.7	24.3	175.4	214.7
Working Mother	86.9	90.4	561.2	618.0
Working Woman	57.1	69.1	700.5	719.7
Total Group	**3,840.8**	**3,835.8**	**25,468.4**	**25,063.0**
% change	**0.1%**		**1.6%**	
■ *Youth*				
Boys' Life	12.1	13.2	122.6	115.3
Campus Life (10X)	—	—	245.1	239.7
Total Group	**12.1**	**13.2**	**367.7**	**355.0**
% change	**-8.2%**		**3.6%**	
■ *Business/national*				
Barron's	146.1	191.6	1,414.2	1,624.1
Black Enterprise	42.4	49.0	637.1	580.4
Business Month	—	—	275.5	184.2
Business Week (52X) A	240.6	232.2	2,588.4	2,615.1
Financial World (26X)	46.5	44.2	435.1	468.4
Forbes (26X)	124.5	133.5	1,900.1	2,072.6
Fortune (26X)	300.8	255.8	1,875.8	1,751.9
Frequent Flyer	30.3	47.0	369.5	446.3
Futures	46.6	41.5	439.0	335.8
Inc. Magazine	81.6	57.6	714.9	665.0
Income Opportunities	—	—	580.9	502.6
Industry Week (25X) A	83.2	97.6	625.2	612.0
Nation's Business (12X) A	22.5	20.2	267.1	233.5
Venture	47.9	50.5	417.0	493.8
Total Group	**1,213.0**	**1,220.6**	**12,539.8**	**12,585.7**
% change	**-0.6%**		**-0.4%**	
■ *Business/regional*				
Advantage-Nashville's Bus. Mo.	32.0	56.0	372.0	444.0
Arizona Bus. Gazette (52X)	47.4	57.3	520.4	553.4
Baltimore Bus. Jrnl	71.7	77.8	653.2	633.2
Boston Bus. Jrnl (52X)	86.2	100.5	993.8	1,047.0
Bus. First of Buffalo	74.8	59.8	535.9	477.5
Bus. First of Columbus	—	—	—	—
Bus. Jrnl.-Milwaukee	114.8	143.6	1,042.6	975.1
Bus. Jrnl.-Sacramento	74.1	84.0	575.6	506.1
Bus. North Carolina	28.0	48.5	313.0	351.2
Capital Dist. Bus. Review (52X)	88.6	68.7	676.2	639.2
Caribbean Business	162.0	153.0	1,100.0	1,133.0
Corporate Rpt. Kansas City	20.1	14.1	155.4	164.9
Corporate Rpt. Minnesota	57.0	58.0	564.0	578.0
Crain's Chicago Bus. (52X)	146.4	145.0	1,157.4	1,143.0
Crain's Cleveland Bus. (52X)	79.2	73.6	538.9	472.9
Crain's Detroit Bus. (52X)	80.8	89.7	611.9	598.0
Crain's New York Bus. (52X)	34.0	31.0	374.0	280.0
Florida Trend (13X)	41.7	53.3	505.6	609.3
Georgia Trend	36.8	41.1	446.9	521.0
Grand Rapids Bus. Jrnl	62.4	66.5	417.5	364.9
Hawaii Business	110.2	79.4	390.8	381.6
Houston Bus. Jrnl. (52X)	74.0	85.8	503.5	520.0
Indianapolis Bus. Jrnl. (52X)	171.9	147.5	1,185.9	1,089.0
Manhattan Inc	39.6	54.6	446.1	542.5
New England Bus. (20X) A	46.4	44.8	413.6	562.1
New Orleans City Bus.	70.8	81.6	390.8	444.3
Pacific Bus. News (52X)	118.9	136.2	843.4	934.5
Pittsburgh Bus. Times (52X)	102.3	89.1	907.3	908.2
Providence Bus News	121.5	67.3	673.9	490.0
Regardie's/Washington	194.0	136.0	1,145.0	1,087.0
Review Publication:				
Broward Review	92.1	28.7	446.2	256.9
Miami Review	75.4	36.1	475.8	365.7
Palm Beach Review	73.7	21.4	399.7	186.4
San Jose Bus. Jrnl	—	—	—	—
South Florida Bus. Jrnl	36.7	75.6	511.2	759.7
St. Louis Bus. Jrnl. (52X)	128.2	127.9	900.5	1,002.3
Warfield Monthly Baltimore	50.8	50.0	542.0	491.8
Total Group	**2,844.5**	**2,683.6**	**21,729.7**	**21,513.5**
% change	**6.0%**		**1.0%**	
■ *National Sunday mags*				
Parade (52X)	42.6	47.4	430.3	382.2
USA Weekend (52X)	38.0	37.3	373.1	305.4
Vista Magazine	16.0	14.7	125.7	90.8
Total Group	**96.6**	**99.4**	**929.0**	**778.5**
% change	**-2.8%**		**19.3%**	
■ *Newspaper Sunday magazine*				
Boston Globe	170.5	240.7	1,471.8	1,614.6
Chicago Tribune	83.8	71.4	800.7	802.2
Cleveland Plain Dealer	58.8	62.8	491.1	459.1
Columbus Dispatch	20.4	44.9	227.1	292.1
Detroit Free Press	44.4	50.1	389.2	389.7
Detroit News	—	—	—	—
L.A. Times	52.3	46.1	504.0	451.7
Louisville Courier-Jrnl	29.0	36.0	264.0	393.0
New York Times Mag	289.2	374.9	2,377.8	2,411.8
Philadelphia Inquirer	88.2	59.2	672.0	514.0
Seattle Times	75.0	66.0	533.0	442.0
St. Louis Post Dispatch	84.4	80.4	586.2	554.9
Toledo Blade Magazine	38.9	38.6	261.8	315.3
Washington Post	114.4	82.2	970.5	958.6
Total Group	**1,149.3**	**1,253.3**	**9,549.2**	**9,599.0**
% change	**-8.3%**		**-0.5%**	
■ *Weeklies/bi-weeklies*				
The Advocate (26X)	230.4	119.5	1,337.6	1,056.1
Army Times Military Group:				
Air Force Times (52X)	157.3	154.8	1,271.9	1,277.4
Army Times (52X)	153.0	152.1	1,217.0	1,254.4
Navy Times (52X)	170.1	178.2	1,391.4	1,401.5
The Blood-Horse (52X)	208.2	325.8	2,277.0	2,825.7
Capper's (26X)	25.8	15.2	181.4	219.1
Commonweal (22X)	3.7	3.3	47.5	60.4
Golf World (43X)	122.5	92.7	936.3	824.3
Grit (52X) A	22.9	23.2	220.2	220.3
National Journal (50X)	50.0	43.0	554.0	491.5
National Review (25X)	32.4	23.2	268.3	244.1
New Republic (48X)	59.9	27.9	313.0	292.4
New York Magazine (50X)	204.6	199.5	1,794.4	1,802.3
New Yorker	103.3	129.5	1,290.2	1,376.7
Newsweek (52X) A	166.1	160.2	1,468.0	1,538.1
People (51X)	263.7	268.0	2,180.8	2,135.6
Rolling Stone (25X)	142.1	152.0	1,133.4	1,019.9
Sporting News (52X)	54.4	52.1	385.2	401.2
Sports Illustrated (52X)A	204.6	201.4	1,821.2	1,642.4
Time (52X) A	147.5	132.4	1,480.8	1,487.1
Travelhost (52X) C	3,707.0	3,698.0	25,347.0	25,034.0
TV Guide (52X) A	148.6	217.7	2,081.3	2,204.7
US Magazine (26X)	44.4	38.9	397.5	361.5
U.S. News & World Report (50X) A	101.3	117.0	1,091.5	971.8
Total Group	**6,523.6**	**6,525.5**	**50,486.8**	**50,142.5**
% change	**0.0%**		**0.7%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

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NEWSPAPER

September 26, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

State officials target Quaker

CHICAGO—Quaker Oats Co. is the latest target of an ad hoc group of eight state attorneys general investigating potentially deceptive advertising by food marketers. The Texas attorney general asked for information on print ads for Quaker's standard and instant oats; the ads, which ran last year, claim oats can help reduce cholesterol. Quaker, which earlier this year gave the Federal Trade Commission information on the same ads, sent a copy of that material to the Texas official. Jordan, McGrath, Case & Taylor, New York, created the ads.

Bozell taps Frankfurt successor

NEW YORK—Bozell, Jacobs, Kenyon & Eckhardt this week will name Ron Anderson, 52, as vice chairman-chief creative officer, succeeding Stephen O. Frankfurt, 56. Mr. Frankfurt's employment contract ended last Dec. 31 but has been extended on an "informal basis." His future plans aren't

(Continued on Page 8)

Philip Morris knocks P&G out of top advertiser spot—P. 3

Sales promotion called into court

A-B execs to label gifts as 'normal'

By IRA TEINOWITZ

The sales promotion industry goes on trial this week in St. Louis.

In a case that could shake the fast-growing field, defendants in the case of the U.S. vs. Joseph E. Martino, Michael A. Orloff and Mark L. Shyres are expected to counter government allegations of gifts, kickbacks and illegal trading of contracts by showing that such deals are normal in sales promotion.

Jury selection starts today in what is expected to be a four-week trial in U.S. District Court.

Although the 19-count indictment lists the two top former A-B executives and a promotion agency head, it is beer marketing and promotional practices that will be on trial.

Defense lawyers have decided to call top executives from the sales promotion field to testify, but declined to say who has been subpoenaed.

For A-B, the trial is expected to be deeply embarrassing, perhaps the most public airing of corporate dirty laundry in recent years.

Top A-B officials all the way up to Chairman-President August A. Busch III have been subpoenaed to buttress the defense argument.

The damage could be worse for the $55 billion sales promotion agency business, which has been struggling to achieve a professional image in keeping with its stature.

Consumer and trade promotions last year accounted for 64.8% of marketing dollars, with 35.2% going to media advertising, according to Dun & Bradstreet Corp.'s Donnelley Marketing.

But the defense will portray the relationship between sales promotion agen-

(Continued on Page 88)

Reebok rethinks 'U.B.U.'

Photo courtesy University of Kansas

DANNY MANNING

By PAT SLOAN

Reebok International is reassessing its new "U.B.U." ad campaign as it grapples with conveying a performance message equal to that of archrival Nike.

Reebok is about to sign the National Basketball Association's No. 1 draft choice, Danny Manning, as a celebrity endorser.

Company executives are hoping that Mr. Manning, a superstar college and Olympic athlete, will be the next Michael Jordan, the Chicago Bulls' guard credited with putting Nike back at the top of its game.

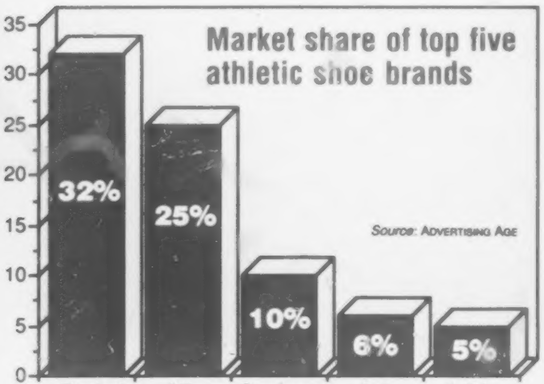
Mr. Manning, who's expected to start his professional career with the Los Angeles Clippers this season, will introduce a new performance shoe for Reebok before the end of the year.

Reebok executives denied rumors they have contacted other agencies and that "U.B.U." and its creator, Chiat/-Day's New York office, are in danger of being axed.

"Not true and not true," said Reebok International President C. Joseph LaBonte, who nevertheless acknowledged that "a lot of us have been worried about how it might be perceived. It's on the edge, not conventional at all. . . . But playing it safe is not what this company is about."

Reebok spends $44 million annually on advertising;

(Continued on Page 90)



Market share of top five athletic shoe brands

Source: ADVERTISING AGE

Manny Millan/Sports Illustrated

MICHAEL JORDAN

Who won the debate?

Results will affect both candidates' ads

By STEVEN W. COLFORD

Campaign 88

Jesse Jackson's adman reviews first wave of political spots—P. 6

Want to know the Phil Dusenberry method of determining the winner of the presidential debate between George Bush and Michael Dukakis?

It's easy, says the chairman-ceo of BBDO Worldwide's New York office, who served as creative adviser to the 1984 ad team of President Reagan. "If you can take the 90 minutes of [debate] film and come out of it with 60 seconds worth of catchy phrases, one-liners and sound bites by your candidate, then he's the winner," Mr. Dusenberry said. "In 1984, we had Ronald Reagan and his priceless one-liner—'There he goes again.' "

Conversely, the surest way to spot the loser of yesterday's debate is to see which candidate follows up on the verbal sparring match with the biggest, newest wave of commercials, said veteran Republican media buyer Anthony Fabrizio, president of Multi Media Services, Alexandria, Va.

"If you looked bad in the debate and lost, then you've got to get right back out there to re-establish yourself," Mr. Fabrizio said. "The winner gets to enjoy all the free media about him winning, but the loser has to get his name back out there through commercials."

The president-ceo of President Reagan's 1984 "Tuesday Team," Jim Travis, did just that after the president's poor showing in the first debate in 1984.

Mr. Travis followed the debate with a flight of tax-increase commercials attacking Democrat Walter Mondale, who was enjoying favorable post-debate media reports.

"The first thing you want to do if the other

(Continued on Page 88)

"If your candidate comes out on the short end, you've got to play catchup, and advertising will do that for you in a campaign."
—Phil Dusenberry

Highlights

NEWS

24 Premier blowing smoke?
Tobacco industry analysts are questioning R.J. Reynolds Tobacco Co.'s "smokeless" cigarette prospects because of its taste.

26 4A's likely to tap O'Toole
Ad executives predict John O'Toole will be named Four A's president this week.

38 New growth in haircare
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ABP MPA RED TAG ABC

Nestle mulls more control of media buys

By KEVIN COTE

Nestle is studying ways to take greater control of its media buying, which would probably reduce the role of its ad agencies—first in Europe and then possibly the U.S.

The marketer, which claimed worldwide media billings of about $1 billion last year, is reacting to plans of several major agencies—including Saatchi & Saatchi Co., Omnicom Group and Ogilvy & Mather Worldwide—to combine media-buying operations to gain more clout and presumably discounts.

"I'm looking for a long-term solution in Europe. . . What we learn in Europe today may be valuable in the U.S. in five years' time," said Michel Reinarz, director of visual communications at the Vevey, Switzerland-based marketer.

Nestle is working with consultants and its agencies' executives, including McCann-Erickson Worldwide, J. Walter Thompson Co., Lintas:Worldwide and Publicis, to formulate a worldwide policy, which it hopes to complete by late next month.

"We can't wait any longer to develop a company policy on media buying," Mr. Reinarz said.

A copy of a Nestle presentation to its agencies was secured by *Euromarketing*, ADVERTISING AGE's European newsletter.

In the presentation, Mr. Reinarz indicates there's only one option on the centralized media-buying issue

(Continued on Page 88)

Ferrell quits Y&R in creative revamp

By JON LAFAYETTE

NEW YORK—In trying to regain its creative edge, Young & Rubicam let the ax fall on John Ferrell.

Mr. Ferrell, 44, quit Y&R last week after 21 years. That decision came after he was replaced as creative director of one of the office's three groups by Eric Weber, 46, who recently rejoined the agency from Saatchi & Saatchi DFS Compton (AA, Sept. 19).

The bow-tied Mr. Ferrell has been one of the highest-profile creatives on Madison Avenue since a long story about his idiosyncratic approach to advertising appeared in *Esquire* in 1982.

He was offered other positions at Y&R but said the jobs "didn't fit in with what I want to do."

J. Ferrell

E. Weber

Y&R has made a number of moves to improve its creative work during the past year, and Mr. Ferrell, who until last year had been creative director of the New York office, should have been able to read the handwriting on the wall.

Last October, the creative job was split into three groups from one, which reduced Mr. Ferrell's role to Group One creative director.

At the time, the always enthusiastic executive talked mainly about the advantages of being closer to the work and to people working for him. But in an interview last week, Mr. Ferrell admitted the change left him with "not more responsibility, but less."

He said he "missed the authorit

(Continued on Page 88)

Philip Morris surpasses P&G

By R. CRAIG ENDICOTT

Philip Morris Cos. has topped Procter & Gamble Co. as the nation's No. 1 advertiser.

P&G had held the No. 1 spot since passing General Motors Corp. on the charts 24 years ago.

Tobacco, beer and food giant Philip Morris parlayed a get-tough policy into aggressive advertising, pushing its total U.S. ad spending to $1.56 billion in 1987.

P&G, which has been in a low spending cycle in new-product marketing, spent $1.39 billion, down 7.6% from 1986. No. 3 GM was the only other advertiser to break the billion-dollar mark.

The 7.4% year-to-year growth in national ad spending at Philip Morris outshown the 4.3% composite growth of the nation's 100 leading advertisers, according to ADVERTISING AGE's 33rd annual report on the 100 Leaders, to be published in a special issue Sept. 28.

Of the 100 companies, there were 35 with reduced national spending.

The top 100 continued to favor network TV among the 11 media measured in the report. It accounted for $6.67 billion, or 23.5%, of $15.36 billion in media advertising. These advertisers represented 72.6% of all network spending in 1987.

P&G remained the top network advertiser with $377.6 million, down 15.6% from 1986. Philip Morris was close behind at $330.8 million, down 3.4%.

Total spending of the 100 came to $28.4 billion, including heavy "unmeasured" spending of $13.04 billion. The so-called unmeasured advertising includes couponing, in-store displays, newspaper free standing inserts, direct marketing, special events and promotions.

Philip Morris, tiring of the earnings performance at two of its big subsidiaries, General Foods Corp. and Miller Brewing Co., ordered a reversal and ended up spending aggressively for advertising.

The company first became a contender for the top spot in 1985 by acquiring GF, which that year spent $450 million on U.S. advertising.

A similar development has occurred now, with Eastman Kodak Co.'s acquisition of Sterling Drug. Combined ad spending has elevated Kodak to No. 7, from No. 34 the previous year.#

Top 10 national advertisers

Rank '87	Rank '86	Advertiser/headquarters	Total U.S. ad spending 1987	1986	% chg
1	2	**Philip Morris Cos.**, New York	$1,557,846	$1,451,170	7.4
2	1	**Procter & Gamble Co.**, Cincinnati	1,386,710	1,500,268	(7.6)
3	5	**General Motors Corp.**, Detroit	1,024,852	838,912	22.2
4	3	**Sears, Roebuck & Co.**, Chicago	886,529	1,105,398	(19.8)
5	4	**RJR Nabisco**, Atlanta	839,589	894,237	(6.1)
6	10	**PepsiCo Inc.**, Somers, N.Y.	703,973	641,538	9.7
7	34	**Eastman Kodak Co.**, Rochester, N.Y.*	658,221	610,192	7.9
8	8	**McDonald's Corp.**, Oak Brook, Ill.	649,493	591,808	9.7
9	6	**Ford Motor Co.**, Dearborn, Mich.	639,510	650,875	(1.7)
10	7	**Anheuser-Busch Cos.**, St. Louis	635,067	643,893	(1.4)

Note: Dollars are in thousands. * reflects 1988 acquisition of Sterling Drug. **Source:** ADVERTISING AGE.

World News Roundup

MOSCOW—Coca-Cola Co. turned down the opportunity to run TV spots on Gosteleradio, the Soviet national TV network, during its Olympic broadcast, according to Global American Television, the network's U.S. representative. However, PepsiCo and Visa International will be running ads during the last two weeks of the Soviet Olympics' coverage. The quoted rate is $20,000 per :30, with a minimum of three spots.

LONDON—Debenhams department store moved its $10 million account to BSB/Dorland from Lowe Howard-Spink. Debenhams also is reviewing its media-buying account, now with TMD Advertising.

BONN, WEST GERMANY—The Ministry of Traffic awarded its new $8.5 million safe-driving campaign account to Borsch, Stengel & Partner, Frankfurt.

BARCELONA—Sanyo gave its first Spanish corporate ad campaign, worth $4.1 million, to Grey Trace here. Grey Trace already handles the Japanese marketer's Fisher stereo, audio equipment and microwave ovens.

BRUSSELS—Trois Suisses, Belgium's largest mail-order retailer, moved its $1.8 million account to HDM Dechy from HHD/Ogilvy & Mather.

LONDON—Halifax Building Society, a savings and loan, moved an estimated $15 million in business to BSB/Dorland from Brunning Advertising. Halifax media buying will be split between Saatchi &

(Continued on Page 60)

NBC ratings belly-flop forces ad make-goods

By VERNE GAY

NEW YORK—Poor ratings for the 1988 Summer Olympics telecasts are forcing NBC to give advertisers substantial "make-goods" on their commercial buys.

The low ratings are also creating a web of finger-pointing and excuses within and outside the network.

Ratings had fallen nearly 20% below guarantees at midweek last week. NBC reserved blocks of commercial time within the Olympics telecasts to pay back advertisers if ratings took a nosedive, but it's unclear how much make-good time is left.

Olympics '88

The network acknowledged, however, that some advertisers would have to accept make-good commercials, paybacks for ratings underdelivery, in other network shows.

"Everybody's not going to be taken care of in the Games," said Bert Zeldin, VP-Olympic sales, who was at the Games in Seoul last week. "[But] nobody's panicked."

The seriousness of the make-good situation won't be fully known until the end of this week, when the Games conclude. But last week's poor showing suggests NBC will be hard-pressed to reach the 21.2 average Nielsen rating it promised advertisers.

Make-goods pose a problem for both network and advertiser. If audience underdelivery continues at current levels, NBC's projected $65 million profit on the Games will be wiped out.

Advertisers, some of whom bought time on NBC's telecast to culminate two-year promotional efforts, also will be hurt if their make-good spots are shunted into other

(Continued on Page 89)

Honda scoops the Air Force, revealing both of their stealthy models in a new spot.

A Prelude to Stealth

Honda '89 campaign ready for takeoff

By CLEVELAND HORTON

The TV commercial opens with a stark, ominous picture of the supersecret flying wing known as the Stealth bomber.

Various hoses start uncoupling and falling away from the craft as it slowly rolls out on a runway.

But as the voice of "Hill Street Blues" star Daniel J. Travanti tells viewers the U.S. government soon will be unveiling the Stealth, a sleek, black Honda Prelude Si pulls up under the aircraft.

"For the record," Mr. Travanti says, "we introduced ours first."

Yes, American Honda Motor Co. will give the U.S. Air Force a little advance (and unwanted?) publicity in the centerpiece TV spot of its estimated $140 million 1989 model year ad campaign.

The commercial, from Los Angeles agency Rubin Postaer & Associates, features an almost full-size mock-up—20 tons of mock-up!—of the B-2, as it's more officially known, constructed in the Mojave Desert by

(Continued on Page 90)

Execs see 'newsmagazine of the '90s'

'Time' revamp set

By PATRICK REILLY

NEW YORK--The Time Inc. mystery is solved. Or, at least, one Time Inc. mystery is solved.

The company, rocked in the past 10 days by rumors it was a takeover target or headed toward a major restructuring, is involved in neither, executives said.

Instead, its executives are preparing to unveil significant changes and additions to *Time*, the company's 65-year-old flagship publication.

Time, the nation's largest weekly newsmagazine, will introduce the changes in the Oct. 17 issue, on newsstands Oct. 10. While *Time* won't deviate from its traditional review of the week's news, some of the changes include several new departments, such as "Travel" and "Interview," a question-and-answer feature with leading personalities. At the same time, existing departments such as "Critic's Choice" and "People" will be expanded.

So significant are the changes in the newsweekly that Time Inc. executives, through an internal memo issued earlier this month, called a "drop everything" meeting of all *Time* salespeople and managers Sept. 27 here. At the meeting, Managing Editor Henry Muller will explain the changes to the staff.

Getting Tough

Staff photo by Doug Goodman

Henry Muller peruses *Time's* redesigned news pages.

The call for the meeting itself was reported in New York media and fueled rumors that a major management shake-up was coming at *Time* or that Time Inc. itself was restructuring. The speculation prompted wide stock fluctuations.

While restructuring has been ruled out by top Time Inc. executives, it was clear from interviews with ADVERTISING AGE that they're eager to usher *Time* into a new era.

"It really is Henry Muller's vision of what the newsmagazine of the 1990s ought to be," said Reginald Brack, president of the Time Inc. Magazine Group. "It sweeps away the old vestiges of *Time*."

The changes are purely editorial, and Mr. Brack contended they weren't made specifically to appeal to advertisers. However, he expects a positive reception from the advertising community.

"New ad adjacencies could flow from this, but we aren't

(Continued on Page 92)

Campbell reheats 'M'm m'm good'

By JUDANN DAGNOLI

Campbell Soup Co., which has vowed "back-to-basics" marketing, is reviving one of its best-loved ad themes: "M'm m'm good."

The theme reappears this week after a decade-long hiatus and will be backed by a $10 million boost in ad spending.

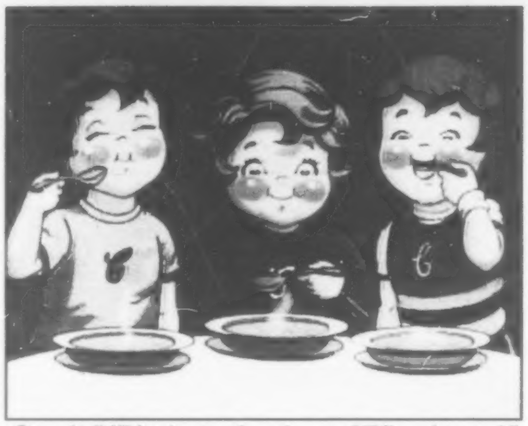
The company's strategy is to emphasize equity in its established products and focus the bulk of its estimated $260 million budget on those lines, particularly canned and frozen foods.

Spending on the red-and-white label soups, Campbell's oldest and dearest product, is expected to get the biggest hike in ad spending, rising 20% from last year's estimated $50 million to $60 million for 1989. Backer Spielvogel Bates, New York, handles.

Research showed the "M'm m'm good" tag is so closely identified with Campbell that 74% of all adults remember it, said Jay Wissink, director of marketing for condensed soups.

The theme "means a lot more than taste; it's a feeling, it's emotional," Mr. Wissink said. He said it conveys the idea that "soup tastes good and makes you feel good" more succinctly than "Soup is good food," Campbell's most recent theme. That theme stressed the product's healthful qualities.

Another company source said reviving the theme was Campbell's idea and was strongly resisted by Backer. BBDO Worldwide created the "M'm m'm good" line.



Campbell Kids sing another chorus of "M'm m'm good."

The new national TV effort plays heavily on emotions, showing slice-of-life vignettes.

The first spot shows a mother commiserating with her child's less-than-perfect grades by serving him alphabet soup. The child picks A's and B's out of his soup to show Mom he'll do better next time.

In other commercials for children's soups such as Chicken & Stars, Campbell is reviving another company icon—the Campbell Kids.

Themed "What kind of Campbell Kid are you?" the commercials use quick cuts, live action and animation to show children eating soup. The 30-second spots will run mainly on Saturday morning and late-afternoon programming.

"Kids are growth opportunity for soups," Mr. Wissink said, adding that the spots aim to communicate not just good taste but the fun and satisfying qualities of Campbell's soup.

The prepared-soup market has been flat for several years, a troubling fact for Campbell, which has 66% of that business. Despite Campbell's $30 million boost in spending in fiscal 1988, prepared-soup sales for the year ending July 1988 were up only slightly from 1987, by 5.1% to $1.85 billion.

Mr. Wissink said company studies indicate consumers have eight to 10 cans of Campbell soup in their cabinets at any given time. The new campaign strives to get consumers to dust them off and serve them.

Campbell is facing some hot competition from regional brands and private-label soups.

Progresso, now owned by Pet Inc., has been gaining share in its regional core markets, primarily in the East.

To combat competitors, Campbell is allocating a larger chunk of its regional marketing budget to soups.

"We'll be doing more aggressive advertising, more aggressive couponing and committing more to spot TV advertising this year than in the past," Mr. Wissink said. "There will be more local funds for regional brand sales managers to generate displays and feature activity."#

New Goodyear ads raise awareness

By SCOTT HUME

"Breakthrough creative," that much-discussed but rarely seen phenomenon, can appear in some unexpected product categories.

Tire advertising, for example.

Goodyear Tire & Rubber Co.'s advertising consistently has been the first- or second-best recalled in the tire category in ADVERTISING AGE'S monthly adWatch survey. The "Goodyear, take me home" theme helped it gain very good top-of-mind awareness.

But last year, Goodyear changed agencies, shifting the account to Young & Rubicam's Detroit and New York offices from J. Walter Thompson USA, New York (AA, Nov. 23).

Y&R's first advertising for Goodyear is dramatically different from what the company—and its competitors—has done before.

Consumers have noticed the change, in a category that seldom arouses large-scale changes in ad awareness.

Last month, when the 1,000 adWatch survey respondents were asked to name the first tire advertising they recalled, Goodyear was named first by 27.5%. That was an increase of more than 5 percentage points from the 22.2% share of first mentions Goodyear got in the July survey.

Y&R's first advertising, which broke in July, focused on Goodyear's Certified Auto Services outlets. TV commercials pose a rapid series of questions about viewers' auto-service needs, interspersed with humorous scenes of motorists and their cars. The theme is "Nobody fits you like Goodyear."

That same theme and creative approach is used in Y&R's advertising specifically for Goodyear's tires. That advertising began Sept. 17 during NBC's Olympics telecast (AA, Sept. 12), after the August survey was taken.

AdWatch survey of advertising awareness Top 10 in August

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 8/88	7/88	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	2	Coca-Cola	McCann-Erickson
3	3	California raisins	Foote, Cone & Belding
4	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham Worldwide
5	6	Ford	J. Walter Thompson USA
6	5	McDonald's	Leo Burnett USA
7	—	Want ads/classifieds	Various
8	9	Chevrolet	Lintas:Campbell-Ewald
9	—	Political ads	Various
10	8	Tide	Saatchi & Saatchi DFS Compton

Interestingly, in addition to being the best-recalled, Goodyear's was the only advertising among the top finishers that was better recalled by men than women.

Of the 275 respondents who named Goodyear first, 58% were men and 42% were women. For Michelin Tire Corp., which finished second with 184 mentions, the split was 41% male, 59% female. For third-place Firestone Tire & Rubber Co. (65 first mentions), the split was 37% male, 63% female.

Goodyear's advertising didn't break through enough to gain it a spot among the top 10, however. When respondents were asked to name the first advertising overall (regardless of category) that came to mind, the winners were, in descending order, Pepsi-Cola, Coca-Cola, the California Raisin Advisory Board, Anheuser-Busch's Budweiser/Bud Light, Ford, McDonald's, want ads/classifieds, Chevrolet, political ads and Procter & Gamble Co.'s Tide.

AdWatch is a joint project of AD AGE and SRI Research Center. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that comes to mind first, both overall and in specific product categories.

Last month, 1,000 people were polled by phone. The survey has a margin of error of 3.1%.

Among other significant changes in the August survey:

- Apple Computer's advertising registered an increase in awareness in

(Continued on Page 92)

WHO GAVE KIDS A GOOD NyQUIL® SLEEP?

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CORRECTIONS & CLARIFICATIONS

- The name of Art Karlan, associate publisher and ad director of *Newsweek*, was misspelled in a "Photo Review" caption (AA, Sept. 12, P. 94).
- In "Global Gallery," in the ad for Seagram's V.O. (AA, Sept. 12, P. 60), the creative director was Jay Jasper.
- The *New York Post* says it listed in a series of stories that ran in July all 229 grocery stores that failed the minimum requirements for New York state health inspections three consecutive times, and didn't single out stores that failed only by a point or two (AA, Sept. 5, P. 32).
- *Outside* was mistakenly identified as *Outdoor* in an article about ads that run upside down (AA, Sept. 12).#

Radio reps dance to new beat

Shakeups, growth, research woes stir unprecedented race for stations

By David J. Wallace

After crawling through a prolonged infancy, the Spanish radio rep business is learning to run before it walks. Having experienced growing pains caused by tremendous expansion—total Spanish-language radio market billings soared 102% in five years to $162.8 million last year, according to *Hispanic Business*—rep companies are gearing up for a new level of competition.

Spanish Broadcasting System triggered further upheaval in March when it pulled representation of its five stations in-house, eliminating the strongest outlets handled by Major Market Radio Sales/Espanol. Julio Omana, MMR's general manager, joined SBS to head up its fledgling network and MMR closed, starting a mad dash for MMR's other stations.

"Everybody scrambled for stations to fill out their lineups," says Gene Bryan, national sales manager, Katz Hispanic Radio, which was slugging it out with Caballero Radio Network and Lotus Hispanic Reps for the spun off stations.

Now SBS has joined the fray. "We're not actively pursuing it. I created it simply to rep my own stations because I couldn't consolidate them with any other firm [as a result of conflicts with existing lineups]. But we're finding out that other stations want to be aligned with us and we're talking to some in Texas and California," says Raul Alarcon Jr., SBS president.

With his stations' annual national sales of $8 million, he says the savings realized by cutting out the middleman are substantial.

Agencies are thrilled with the upheaval. The business, previously having been dominated by two companies, is now more evenly distributed among four players, says Meg Bernot, media director at Publicidad Siboney. "It is now more competitive in terms of both rates and services."

Radio station owners agree the wider choice of rep firms has improved services. "It has required all of them to do a better job," says Mac Tichenor, president of Tichenor Spanish Radio.

Part of that has been expanding stations' reach. This summer CRN affiliated with Interep Radio Networks, tapping into the latter's penetration into general-market advertising agencies.

"It's very important that they have a stronger general market presence," says Mr. Tichenor. "Eduardo [Caballero] has always been very good at marketing." But Katz provides stronger audience research and analysis, he says, adding that this area is the future battleground and explaining why his stations are repped by Katz.

Rick Kraushaar, president of Lotus Hispanic Reps, says Spanish radio cannot be bought by ratings because of book-to-book fluctuations and questions about the accuracy of audience measurement. More emphasis is placed on the strategy of Spanish radio instead of simply buying ratings, he says.

The radio industry currently is slogging through an internal debate on audience measurement. Early recommendations by the Spanish Radio Advisory Council were rejected by station owners (AA, April 25). The SRAC, composed of client companies, agencies and media, later was folded into an Advertising Research Foundation subcommittee.

With the confused state of ratings research, most reps still focus on a concept sell.

The issue, however, remains whether clients will continue to buy the pitch. "Agencies are requiring more sophistication from radio sellers because clients are asking for that," says Mr. Bryan, adding that Katz will sell concept or numbers depending what works with a prospective client. "In Paris, you have to speak French."

Mr. Caballero describes Katz

(Continued on Page S-8)

David J. Wallace is a Ft. Lauderdale, Fla.-based ADVERTISING AGE *correspondent.*

FM format sets N.Y. abuzz

Alarcon eyes mostly Spanish-some English hybrid

The tongues were wagging in New York. What set them off was not that Raul Alarcon Jr. spent an estimated $55 million to $65 million to acquire WEVD-FM last month from Forward Association, but speculation concerning the programming format New York's first Spanish-language FM station would adopt.

"The biggest rumor was that it would be a bilingual station, Spanish jocks with 50-50 English-Spanish music, a Contemporary Hit Radio/Spanish hybrid," says Gene Bryan, national sales manager, Katz Hispanic Radio.

New York seems to be the ideal place to test this format: A number of stations in Puerto Rico experiment with it, and 45% of New York Hispanics are Puerto Rican.

"I've heard the whole gamut of speculation," says Mr. Alarcon, president of Spanish Broadcasting System. He lays the rumors to rest by defining the format as a less Anglicized version of Mr. Bryan's description. "We'll have a sprinkling of English-language artists, maybe one or two numbers per hour."

As its name suggests, the CHR/Spanish hybrid is both English and Spanish-language media.

"The beauty of this is you can position the station against Spanish dollars and English dollars," says Mr. Bryan, noting that New York stations WHTZ-FM and WQHT-FM and Los Angeles outlets KIIS-FM and KPWR-FM pitch this crossover segment. But they do so from an English-language perspective, which has caused them problems at Hispanic agencies *(See story on S-13)*.

"Doing it all in Spanish from an Hispanic agency's point of view is the format to use. Not so much for logistical reasons but that Spanish-dominant Hispanics are the group we want to address," says Font & Vaamonde Associates Exec VP Rochelle Newman, who questions Hispanic media focusing on English-language music and videos when they are readily available on general-market

(Continued on Page S-8)

DATABANK

English stations speak Hispanic teens' language

Top stations among Hispanics, average quarter hour share, Monday-Sunday, 6 a.m. to 12 a.m. (broadcast language in parentheses)

Adults 18 +		**Teens 12 to 17**	
Los Angeles			
1. **KPWR-FM** (E)	15.5	1. **KPWR-FM** (E)	46.6
2. **KIIS-FM** (E)	9.8	2. **KROQ-FM** (E)	12.2
3. **KTNQ-AM** (S)	7.9	3. **KIIS-FM** (E)	11.1
New York			
1. **WQHT-FM (E)**	9.3	1. **WHTZ-FM (E)**	28.2
2. **WADO-AM (S)**	8.8	2. **WQHT-FM (E)**	27.8
3. **WSKQ-AM (S)**	8.2	3. **WBLS-FM (E)**	9.9
Miami			
1. **WQBA-AM** (S)	14.9	1. **WPOW-FM** (E)	54.4
2. **WCMQ-FM** (S)	12.2	2. **WHQT-FM** (E)	14.1
3. **WPOW-FM** (E)	8.8	3. **WHYI-FM** (E)	12.8
San Antonio			
1. **KCOR-AM (S)**	12.9	1. **KITY-FM (E)**	47.6
2. **KTFM-FM (E)**	12.2	2. **KISS-FM (E)**	22.0
3. **KISS-FM (E)**	8.8	3. **KTFM-FM (E)**	11.6
San Francisco			
1. **KMEL-FM** (E)	10.6	1. **KMEL-FM** (E)	42.0
2. **KSOL-FM** (E)	9.5	2. **KSOL-FM** (E)	19.9
3. **KBRG-FM** (S)	3.8	3. **KWSS-FM** (E)	6.6
Chicago			
1. **WIND-AM (S)**	11.7	1. **WBMX-FM (E)**	23.0
2. **WOJO-FM (S)**	10.5	2. **WBBM-FM (E)**	21.5
3. **WBBM-FM (E)**	8.9	3. **WYTZ-FM (E)**	20.7

Note: Estimates adjusted for actual broadcast schedules

Source: Birch Radio Ratings, Sept. 1987 to Feb. 1988 Target Market Reports, Hispanic Audience Estimates.

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Miami makin' waves

'Prototype of future Hispanic radio market' at point where it's 'easier to reach than Anglo market'

By David J. Wallace

The following is a test of the Spanish radio free market system. This is only a test.

With nine Spanish-language radio stations in south Florida, advertising and radio executives are wondering if the market has a ceiling. Currently, six AM and three FM Spanish-language stations are spread across the dial, more than in any other U.S. Hispanic market. At press time, WWFE-AM was expected to start by month's end, bringing the total to 10.

"Miami is a prototype of the future Hispanic radio market. You have a few properties that are the top dogs and then the others that are surviving on only a local level," says Gene Bryan, national sales manager, Katz Hispanic Radio. "L.A. is following [with seven stations], New York is coming closer now that the new [WEVD-FM] is joining." San Antonio with six stations and San Francisco with five also rank among rapidly maturing radio markets, he says.

George Hyde, general manager of WQBA (AM/FM), Miami, says he thought the local Spanish radio market might have been saturated six years ago when he first came to Miami. But the market has kept pace, with south Florida's

Hispanic population growing 33.3% since 1980 to 949,000.

But that figure falls far below the Hispanic populations of Los Angeles and New York, leading to questions of whether Miami's audience can support all of the stations.

Most Spanish-language radio executives say all major Hispanic markets could support more stations. In comparing non-Hispanic population figures and the number of general-market stations with Hispanic population totals and Spanish-language stations, it appears the Hispanic radio market is underpenetrated. For example, 32 English-language stations serve south Florida.

But the logic stumbles when advertising revenue is the yardstick. Although WQBA—when its AM and FM ad dollars are combined—is the market's No. 1 station with $8 million in ad revenue, it is the only Spanish-language operation to rank among the Top 6, according to "The James Duncan Radio Report." Gross ad revenues among Spanish stations are estimated to be about 25% of the local radio market's total.

As the Spanish-language station count increases, the radio dollars spent in each market become crucial. *Hispanic Business* estimates that in 1987 Los Angeles' seven Spanish-language radio stations shared $31.5 million in ad revenues, Miami's nine outlets attracted $28 million and New York's four pulled $20 million.

Radio executives say Miami's situation is unique, citing area Hispanics' high median income, greater interest and involvement in local and international affairs and thriving business-oriented economy.

"The answer is simple: There's good money going into Miami," says Mr. Bryan. Spanish-language stations can compete directly with general-market outlets in both Miami and San Antonio, where Spanish-language outlets rank in the markets' top five, he says.

Between 25% to 30% of all national radio ad dollars spent in Miami end up in Spanish radio, Mr. Bryan says. "And the top three station groups are taking most of those. The others are surviving on local dollars."

South Florida's promotion-oriented small business community provides an ample source of local ad dollars, says Mr. Hyde. "Nobody at Libby's or Del Monte got rich because of gross ratings points. The question is, 'Do we make the cash register ring?' "

News/talk formats attract audiences to the AM band, primarily because of the exile experience, Mr. Hyde says. Recently arrived Cuban and Nicaraguan refugees closely monitor events in their former countries. Controversial radio talk show hosts, such as WQBA-AM's Tomas Garcia Fuste, develop strong audience loyalty.

But Herbert Levin, senior VP at WADO-AM, New York, and a Miami radio market veteran, questions whether increasingly specialized programming can attract necessary ad support. "The market is too fragmented. Frankly, I think it's overbuilt," he says.

Format specialization to reach Hispanic subgroups reflects general-market radio fragmentation, says Dick Kelsey, director-media and mar-

DATA BANK

Top 3 command top dollar

1987 Hispanic media expenditures

Market	($000,000)	% change from '86
1. Los Angeles	$103.0	226.4%
2. Miami	**81.3**	**18.9**
3. New York	66.7	3.4
4. Chicago	**28.0**	**47.4**
5. San Francisco	18.9	26.0
6. San Antonio	**18.0**	**12.5**
7. San Diego	10.2	27.5
8. Phoenix	**9.2**	**31.4**
9. El Paso	8.0	14.3
10. Fresno	**7.5**	**15.4**

Source: *Hispanic Business*

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Networks battle for the sexes

Little to attract 18-34 male targets, buyers complain

By Kristine Stiven

A demographics dilemma is retarding the ad growth of Spanish-language broadcasters Telemundo Group and Univision Network.

"There's virtually no programming out there for men, and there's nothing for young people," says Eileen McKnight, Tatham-Laird & Kudner's group media director/Procter & Gamble. "If you've got an 18-34 [*male*] *target* there's nothing for you to buy."

Current programming is skewed too heavily to women, claim agency executives, adding that a wider variety of advertisers will not embrace Spanish TV without more diverse programming that targets other demographic categories.

"We need more opportunities for them to reach their audience," says Laura Marella, media director, Casanova, Pendrill Publicidad. "For the taste of some of my clients, programming is a bit skewed towards *novelas*, and therefore the women's market."

Henry Silverman, Telemundo's president-ceo, admits the predominance of *novelas* is seen as a big problem, "although more men watch them than you'd think . . . We're reworking our programming to bring in different groups."

Telemundo will debut a Friday night boxing package Oct. 14 to attract men. To broaden its programming's appeal, first-run Spanish-language motion pictures will join the line-up through a joint agreement between Telemundo and Million Dollar Video, which imports the films from Mexico.

DATA BANK

No tears shed over *novelas'* showing

*Top 10 network programs among Hispanic households**

Show	Format	Rating
1. "Sabado Gigante"	game/variety	37
2. "Rosa Salvaje"	novela	36
3. "Quincenera/Contigo"	novela	34
4. "Noticiero Univision"	news	29
5. "Siempre en Domingo"	variety	27
6. "Tal Como Somos"	novela	26
7. Cinevision	movie	22
8. "Chespirito"	comedy	18
9. "Topacio"	novela	15
10. "Noticiero Univision Edicion Nocturna"	news	14
"Topo Gigio"	variety/comedy	14
"En el Deporte"	sports	14

*All programs in Top 10 aired on Univision Network. Study also included Telemundo Group, ABC, CBS and NBC programming.

Source: Strategy Research Corp. Television Audience Estimates, April 23 to May 20, 1988

The new Spanish TV season finds Univision running twice as many *novelas* as Telemundo, a disparity Mr Silverman hastens to point out. "Our [new U.S.-produced] *novela* stands alone. We're not diluting it by putting it between seven others."

Rosita Peru, Univision's VP-

(Continued on Page S-16)

RESULTS

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Language

(Continued from Page S-13)

The client's interest should come first."

English media reps say Hispanic agencies are afraid they will lose their budgets to the general-market agency if they recommend an English-language buy.

Nancy Tellet, VP-media director at Conill Advertising, says that is not a big concern and that most agencies recognize crossover media plays a role. "If you want to reach all Hispanics, that should be part of a buy." But she says that crossover buys currently are considered part of a general-market buy.

Hispanic agencies need to reposition themselves as segment specialists, serving the same function as black market agencies, says Gene Bryan, national sales manager, Katz Hispanic Radio. "Then they could go in and tap general-market budgets."

That scenario pits them against the general-market shop, however. And it is unlikely clients will increase budgets to buy crossover media, says Meg Bernot, media director at Publicidad Siboney.

Although 95% of Hispanic agencies' time is spent on Spanish-language business, they should explore any alternative to position themselves for the inevitable growth of the bilingual, bicultural segment, says Carl Kravetz, VP-general manager, Ferrer/Ad America. "Forward-thinking agencies see they have to do a good job in both languages."

In handling an English-language, Hispanic-oriented spot for client McDonald's Operators Associations' San Francisco/San Jose Region, Ferrer solved the agency problem—"primarily a semantics issue," says Mr. Kravetz—by focusing on its area of expertise in planning Hispanic creative. General-market shop DJMC placed the media, "which it could do much more efficiently than we could."

The issues of media efficiency and rate cards haunt English-language radio broadcasters that pitch Hispanic agencies. "Spanish-language media is comparatively very cost efficient at reaching an Hispanic target," says Ms. Tellet.

Ms. Greenspan admits that spots on WQHT probably cost about three times more than those on New York's top Spanish-language stations. According to Birch/Scarborough Research, WQHT has a 27.8 share of average quarter hour Hispanic listeners age 12 to 17, however; WADO has a less than 0.1 share.

"If they talk in terms of efficiencies against a specific Hispanic segment, we're very competitive," she says.

—Ed Fitch

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Hispanic hits elusive for Big 3 networks

But potential is so attractive they may keep trying

CBS' "Trial and Error," as it turns out, was largely a trial and an error. The network ran only a few episodes of the sitcom, which starred two Hispanic actors, before yanking it.

The show typifies the Big 3 networks' attempts to reach Hispanics. ABC canned the drama series "Juarez" before it hit the air; another sitcom, ABC's "I Married Dora," also was short lived.

But Spanish-language media should not snicker at the networks' attempts, says Meg Bernot, media director, Publicidad Siboney.

"It would be naive to think that there aren't general-market media executives out there planning for ways to counter the need for Spanish-language media, whether its programming, audience numbers or studies of advertising effectiveness," she says. NBC's Spanish-language network promos are a result of the networks' realizing the market's potential, she says.

Barbara Corday, exec VP-prime-time programs, CBS Entertainment, says the network is interested in creating a "Hispanic-based show similar to the way you'd say a 'black' show. I think we will probably look to have more Hispanic characters in our shows."

The shows need to reach a higher level, however, says Ms. Bernot, adding that networks' attempts have been reminiscent of early comedies featuring black characters. "They were made for white audiences; it was whites laughing, not the blacks."

Doug Alligood, VP-special markets at BBDO, says the networks will have to replicate the "Bill Cosby situation," where Hispanics have executive and creative control. Currently, no Hispanics are in those positions, he says.

While Mr. Alligood says the Spanish-language networks have to be aware that children are growing up on the high production values of general-market TV, the Big 3, which have to program for the mainstream, will have a difficult time addressing the Hispanic market's nationalities. "They have a tough row to hoe. If they cast a Puerto Rican as a Mexican, they'd have some real problems," he says.

However, the networks have to create more crossover appeal because they will need the numbers, Mr. Alligood says.

"Ratings certainly are an issue," says Ms. Corday.

But she also says the networks philosophically need to represent and accurately mirror every population segment.

"It may not add 10 rating points to a show, but it is our responsibility as broadcasters to represent the world as it exists," she says.

Although the pie still is too small to grab their attention, the Big 3 will come out with some shows that work, says Browning Holcombe, senior VP, director-sales and marketing, Univision Network. "But until they do them in Spanish, they will fall short."

To prove the point, Joaquin Blaya, Univision's president-ceo, says Paul Rodriguez, one of "Trial and Error's" principal actors, is doing a Univision special.

"He said he had to do it because his mother didn't think he had a real job until he did a program with us."

—Ed Fitch, with Wayne Walley

DATABANK

Who's the boss? . . . Cosby

Top prime-time English-language TV shows (Hispanic household ratings)

Show	Rating
1. **"The Cosby Show"**	**29.9**
2. **"Who's the Boss?"**	23.9
3. **"A Different World"**	**23.3**
4. **"Growing Pains"**	23.0
5. **"Cheers"**	**19.9**
6. **"Golden Girls"**	18.5
7. **"Moonlighting"**	**18.0**
8. **"ALF"**	17.9
9. **"Night Court"**	**17.2**
10. **"Family Ties"**	15.4
"Miami Vice"	**15.4**

Source: BBDO Worldwide from A.C. Nielsen Co. local market ratings

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Rates low?

(Continued from Page S-21)

spot on a New York Spanish-language radio station for $45, while a general-market buy would cost up to 10 times as much, says Raul Alarcon Jr., president, Spanish Broadcasting System.

"They have to realize they will have to pay more," he adds. Mr. Alarcon hopes to get $500 for a 60-second spot on his new AM/FM combination.

Advertisers buy at bargain rates because they—not the media—bargain from a position of strength. Advertisers and agencies are taking advantage of a surplus of commercial time inventory, Mr. Silverman says.

"There will be significant price increases when occupancy increases," he points out. Telemundo's occupancy has increased from 40% two years ago to 60% in 1988.

"At that pace we'll be at 90% in three years and that's when we'll push the rates," says Mr. Silverman, adding that the network has raised rates 10% to 15% annually.

Tichenor Spanish Radio is analyzing specific dayparts and raising rates accordingly, because its stations' inventories are sold out at specific times.

But Mac Tichenor, TSR president, says unsold inventory is not the sole reason rates remain static. "You are tied to what the rates were last year."

Agencies might agree a market is underpriced, but will contest percentage increases. "We've gone into markets that were underpriced and found a 25% or more increase warranted, and they scream bloody murder," Mr. Tichenor says.

Although he could justify a 100% rate increase on some of Telemundo's programs, Mr. Silverman says to do so would be to invite marketplace suicide. "We can't go in and say that $5,000 spot is now $10,000. They'd tell us to stuff it," he says.

Bill Grimes, president-ceo, Univision Holdings, says attractive percentage increases were the key to raising commercial rates while he steered ESPN toward greater profitability.

"We can raise prices aggressively and still deliver better CPMs. But it won't get pushed to parity tomorrow. Pigs can get fat, but hogs can get slaughtered," he says.

—Ed Fitch

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Language debaters fluent in defense

By Marie Spadoni

Hispanic media executives are far from tongue-tied in an expanding battle over primary language in print.

The emergence of English-language print media as a viable Hispanic marketing tool has clearly created a rift in the ranks. Those print media executives selecting English as the language of choice see it as the only way to go. Their Spanish-language brethren admit it may have a role—albeit a minor one.

"What makes an Hispanic an Hispanic is the language. That is where the word 'Hispanic' comes from," says Enrique Perez, advertising director of the Spanish-language *Diario las Americas*. "If you are of Hispanic origin and English becomes your realm, you are no longer truly an Hispanic."

Those are fighting words to people like Alfredo Estrada, publisher of English-language monthly *Hispanic*, which launched in April. "To get ahead in the U.S. market, you need to speak English. I believe it is the wave of the future."

Both stances have merit, leading Whittle Communications to carefully analyze the best approach, says Ashley Shoemaker, marketing director. Whittle is considering launching an Hispanic-oriented publication but has not decided whether to use English or Spanish.

"There are lots of issues [involved]. Most of the population growth is still coming from [immigrants] who are not primarily speaking English. But logic tells you that people who are brought up in our school system are going to be very comfortable with English," he says.

So far, Mr. Shoemaker adds, it "seems like most people flip a coin to decide which language. We hope to take a more reasoned approach."

The growing number of second and third generation U.S. Hispanics has fueled the English-language print movement. Another factor is the success of *Vista*, a 3-year-old, English-language Hispanic-oriented newspaper supplement and the first Hispanic publication to hit 1 million circulation. This month the supplement, distributed free inside 28 English-language newspapers to more than 1.2 million households in Hispanic areas, increased its frequency from monthly to weekly.

Although specialized English-language publications

(Continued on Page S-24)

DATA BANK

Broadcasters tune in ad revenue

Hispanic media expenditures ($000,000)

Medium	1987	1986	1985	1984	1983
1. Spot TV	$118.5	$78.0	$65.0	$50.0	$40.5
2. Spot radio	114.0	83.2	76.0	65.0	50.0
3. Network TV	104.0	64.0	55.0	48.0	40.5
4. Network radio	48.8	46.8	42.0	35.0	30.5
5. Print	47.3	33.2	33.0	32.0	23.0
6. Promotions	39.5	35.0	30.0	25.0	20.0
7. Outdoor	14.4	12.0	9.0	7.0	6.0
8. Transit	4.2	3.5	3.0	2.5	2.2
Total	490.7	398.8	333.5	284.5	224.4

Source: *Hispanic Business*

(Continued from Page S-19)

and we run the Spanish version, we lock out those people who don't speak Spanish," he says.

As the concept of English-media-for-Hispanic-audiences expands, advertisers are weighing available vehicles against more traditional Spanish-language buys. The onus is on the programmers to deliver audience numbers.

"There are a lot of shows like this popping up. But because of limited budgets for Hispanic media, there aren't a lot of advertisers who can afford to experiment," says one agency media executive. "We met with [World Television], but they were still very fuzzy about their numbers and how they would validate the audience. We can't spend the money just because it's a 'new, special show.' "

Diane Librizzi, Bravo account exec at World Television, contends the show's format allows for creative selling. "When we go to an Hispanic agency we pitch the Spanish-language version, but tell them we'd like to be a part of their general-market efforts.

"Then we approach clients who are new to the market and see it as a high-visibility maneuver into the marketplace," says Ms. Librizzi, claiming the show is near "closing some big business."

The show is sold on a cash-barter basis where syndicating stations buy Bravo and an accompanying three minutes of national advertising. Another three minutes of spot time must be sold by the station. "It's a 50-50 split, a pretty standard sell," says Ms. Fortuin.

Carlos Sabatino, World president, says his goal was to clear 95% of U.S. Hispanic households by yearend, and is guaranteeing 80% coverage in the fourth quarter. "We still think the figure is realistic."

Ms. Galan, who created the show, says the work is hard but rewarding. "Every time you see another market come on it's like having another baby. My family is getting pretty big."

—*Kristine Stiven*

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MAXWELL'S MARKET SHARES

Marketers milk cold-cereal sales

By JOHN C. MAXWELL JR.

Health-conscious U.S. consumers are pouring record amounts of cold cereal into their bowls, as marketers capitalize on interest in high-fiber, low-fat diets.

The cold-cereal industry saw another record year in 1987, with volume up 3.9% to 2.37 billion pounds. In dollars, the market was up 8.9% to $5.3 billion.

It's expected that unit volume this year will grow 3% to 4% again, and the market in dollars should be up at least another 9%.

The industry took a 5% price increase toward the end of 1987, and another 5.5% price hike was added last July.

The main growth areas in 1987 were family products and adult products. Kellogg Co. pretty much maintained share and is now moving ahead, led by such new products as Mueslix and Pro Grain, as well as some additions to the fruit-filled biscuit line.

General Mills lost some share but is now aggressively backing its overall portfolio with share probably up 0.5 to 1 percentage point compared with all of 1987.

The company entered the hot oatmeal area in September 1987, and that segment has grown 15% to 20% in units. New items in that segment are expected this fall. General Mills has 7% of the overall market, and 13% to 14% of the instant portion.

General Foods Corp., which had about maintained share last year, is starting to see its share erode again, at least half a point so far. Quaker Oats Co., which saw some nice share increases last year, is relatively flat now and is spending more than $40 million to maintain its market position in the hot cereal category against General Mills.

The other company that appears to be losing share overall is Ralston Purina Co., as some of the fad (licensed) cereals weaken along with Chex. However, Ralston's private-label group appears to still be moving up.

Nabisco Brands has recently introduced Frosted Wheat Squares. Initial acceptance is positive.

New products such as Fruit Wheats have been extremely well accepted, and Nabisco is going through aggressive capital spending to expand production capacity.#

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

Cold cereal market shares

Brand	1985		1986		1987	
	Lbs.	$$	Lbs.	$$	Lbs.	$$
Kellogg						
Corn Flakes	6.7%	4.5%	6.6%	4.5%	6.3%	4.2%
Frosted Flakes	6.0	5.7	6.0	5.7	5.9	5.5
Raisin Bran	4.7	4.3	4.5	4.1	4.3	3.7
Rice Krispies	3.8	4.2	3.6	4.0	3.6	3.8
Bran products	3.5	2.8	3.5	2.8	3.5	2.8
Fruit Loops	2.3	3.0	2.4	3.2	2.3	2.9
Frosted Mini-Wheats	2.0	2.0	2.0	2.1	2.2	2.1
Nutri-Grain	1.2	1.1	1.5	1.1	1.7	1.8
Special K	1.5	2.0	1.4	1.9	1.6	2.0
Apple Jacks	1.1	1.5	1.2	1.6	1.1	1.5
Sugar Smacks	1.1	1.2	1.2	1.3	1.0	1.0
Crispix	1.0	1.0	1.0	1.0	1.0	1.2
Sugar Pops	1.1	1.2	1.0	1.1	0.9	1.1
Product 19	0.9	1.1	0.9	1.1	0.8	1.0
Raisin Squares	0.6	0.6	0.9	1.0	0.8	0.8
Just Right	0.3	0.3	0.9	0.9	0.8	1.0
Cocoa Krispies	0.6	0.8	0.7	0.9	0.6	0.8
Cracklin Oat Bran	0.4	0.3	0.3	0.4	0.5	0.6
Fruitful Bran	0.6	0.5	0.9	1.0	0.4	0.4
Apple Raisin Crisp	0.4	0.5	0.4	0.5	0.4	0.4
Fruity Marshmallow Krispies	—	—	—	—	0.4	0.4
Cinnamon Squares	—	—	0.2	0.2	0.3	0.5
Strawberry Squares	—	—	—	—	0.3	0.3
Pro Grain	—	—	—	—	0.2	0.2
Frosted Rice	0.3	0.3	0.2	0.2	0.2	0.2
Mueslix	—	—	—	—	0.2	0.3
Nutrific Oatmeal Flakes	—	—	—	—	0.1	0.2
Honey Nut Corn Flakes	0.3	0.4	0.3	0.4	—	—
Marshmallow Krispies	0.3	0.4	0.3	0.4	—	—
O.J.	0.4	0.4	—	—	—	—
Others	1.3	1.5	0.7	0.6	1.1	1.3
Total	42.4	41.6	42.6	42.0	42.5	42.0
General Mills						
Cheerios	5.0	5.2	4.9	5.1	4.6	4.9
Honey Nut Cheerios	2.8	3.1	2.9	3.2	2.9	3.2
Total	2.1	2.5	2.1	2.5	2.1	2.6
Wheaties	1.8	1.5	1.6	1.4	1.6	1.4
Lucky Charms	1.7	2.1	1.7	2.1	1.5	1.8
Trix	1.5	1.9	1.4	1.8	1.1	1.5
Golden Grahams	1.2	1.2	1.0	1.1	1.0	1.1
Raisin Nut Bran	—	—	0.6	0.7	1.0	1.0
Crispy Wheats 'n Raisins	0.8	1.0	0.7	0.9	0.6	0.7
Cinnamon Toast Crunch	0.7	0.8	0.6	0.7	0.6	0.7
Cocoa Puffs	0.6	0.8	0.6	0.8	0.6	0.8
Kix	0.6	0.8	0.6	0.8	0.6	0.8
Fiber One	0.4	0.3	0.5	0.4	0.4	0.4
Monsters, etc.	0.6	0.8	0.5	0.7	0.4	0.6
Oatmeal Raisin Crisp	—	—	—	—	0.4	0.4
S'Mores	0.4	0.5	0.4	0.5	0.3	0.3
Circus Fun	—	—	0.4	0.4	0.3	0.4
Clusters	—	—	—	—	0.2	0.2
Rocky Road	—	—	0.4	0.5	0.1	0.2
Buc Wheats	0.2	0.3	0.1	0.1	0.1	0.1
Licensed products	0.3	0.5	—	—	—	—
Others	0.2	0.4	0.2	0.4	0.3	0.5
Total	20.9	23.7	21.2	24.1	20.7	23.6
General Foods						
Grape-Nuts	2.4	1.8	2.3	1.7	2.6	1.8
Raisin Bran	2.6	2.0	2.5	2.0	2.5	2.2
Pebbles	1.2	1.3	1.4	1.5	1.5	1.9
Fruit & Fibre	1.6	1.7	1.5	1.6	1.4	1.4
Super Golden Crisp	1.2	1.2	1.1	1.1	1.1	1.1
40% Bran Flakes	0.9	0.9	0.8	0.8	0.8	0.7
Honeycomb	0.8	0.9	0.7	0.8	0.8	0.9
General Foods						
Post Toasties	0.8%	0.6%	0.8%	0.6%	0.7%	0.5%
Alpha-Bits	0.6	0.7	0.5	0.6	0.5	0.7
Crispy Critters	—	—	—	—	0.3	0.3
Raisin Grapenuts	0.4	0.4	0.3	0.3	0.2	0.2
Horizon Trail Mix	—	—	0.2	0.2	0.1	0.1
Smurfberry	0.2	0.3	0.1	0.2	0.1	0.1
CW Post	0.1	0.1	0.1	0.1	0.1	0.1
Fortified & Oat Flakes	0.3	0.3	0.4	0.4	—	—
Honey-Nut Crunch Raisin	0.1	0.1	—	—	—	—
Others	0.1	0.1	0.1	0.1	0.1	0.1
Total	13.3	12.4	12.8	12.0	12.8	12.1
Quaker Oats						
Cap'n Crunch	2.6	3.1	2.6	3.1	2.9	3.2
Life	2.0	1.9	1.8	1.7	1.5	1.4
100% Natural	1.5	1.4	1.3	1.2	1.2	1.1
Oh's	—	—	0.5	0.6	0.9	1.0
Quaker Oat Squares	—	—	—	—	0.7	0.6
Crunchy Bran	0.6	0.6	0.6	0.6	0.5	0.5
Others	0.6	0.7	0.3	0.2	0.1	0.1
Total	7.3	7.7	7.1	7.4	7.8	7.9
Ralston Purina						
Chex	3.6	3.7	3.4	3.5	3.6	3.6
Almond Delight	—	—	0.7	0.7	0.7	0.7
Cookie-Crisp	0.5	0.7	0.5	0.7	0.4	0.6
Sun Flakes	0.6	0.5	0.5	0.4	0.2	0.2
Fruit Islands	—	—	—	—	0.2	0.3
Ghost Busters	—	—	0.4	0.4	0.1	0.2
Nerds	—	—	0.3	0.4	0.1	0.2
Rainbow Brite	0.4	0.5	0.1	0.1	—	—
Freakies	—	—	—	—	0.1	0.2
Others	0.7	0.8	—	—	0.1	0.1
Total	5.8	6.2	5.9	6.2	5.5	6.1
Nabisco						
Shredded Wheat	4.0	3.5	4.1	3.6	3.9	3.6
Fruit Wheats	—	—	—	—	0.7	0.7
100% Bran	—	—	—	—	0.5	0.4
Others	0.9	0.9	0.9	0.9	0.2	0.2
Total	4.9	4.4	5.0	4.5	5.3	4.9
All Others	5.4	4.0	5.4	3.8	5.4	3.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Source: John C. Maxwell Jr.

Cold cereal's top 10

Brand	1986		1987	
	Pounds	Dollars	Pounds	Dollars
Corn Flakes (K)	6.6%	4.5%	6.3%	4.2%
Frosted Flakes (K)	6.0	5.7	5.9	5.5
Cheerios (GM)	4.9	5.1	4.6	4.9
Raisin Bran (K)	4.5	4.1	4.3	3.7
Shredded Wheat (Nab)	4.1	3.6	3.9	3.6
Chex (Ral)	3.4	3.5	3.6	3.6
Rice Krispies (K)	3.6	4.0	3.6	3.8
Bran Products (K)	3.5	2.8	3.5	2.8
Honey Nut Cheerios (GM)	2.9	3.2	2.9	3.2
Cap'n Crunch (Oat)	2.6	3.1	2.9	3.2
Total	42.1	39.6	41.5	38.5

Source: John C. Maxwell Jr.

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Food brokers back regional moves

WASHINGTON—The nation's food brokers want to work with food manufacturers to create regionalized ad and promotion programs, but they worry about increased costs.

That's among the key conclusions of a survey of attitudes toward regional marketing commissioned by the National Food Brokers Association.

More than half (54%) of the food manufacturers responding to questionnaires said they've implemented regional marketing programs (promotion and/or advertising efforts tailored to local market needs); another 12% say they plan to do so in the near future.

Regional marketing activity is most common in dry groceries and frozen foods. More than three-fourths of the brokers responding (78%) said they've encountered regional marketing efforts for dry groceries; 71% said the same of frozen foods.

Health & beauty aids came in third, at 26%.

Dechert-Hampe & Co., a Chicago-based sales and marketing company, handled the survey, mailing questionnaires to 250 food brokers (who function as a bridge between manufacturers and retailers) and

(Continued on Page 66)

Lotteries sell luck at home

By LAURO LORO

The odds that couch potatoes can get rich are growing.

By mid-1989 the Pennsylvania Lottery will decide whether to become the eighth state lottery to introduce subscription service.

A subscription provides players automatic weekly entry of the same numbers for six months or a year. Cost of a subscription ranges from $50 to $100, depending on the state, subscription length and amount bet.

Of the 29 states with lotteries, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York and Vermont have subscription service, said Terri La Fleur, senior editor, *Gaming & Wagering Business*. Subscription sales account for 3% or less of total sales in each state, she said.

The Pennsylvania lottery reported 1987 sales of $1.4 billion, up 7.5% from a year earlier. Lewis, Gilman & Kynett, Philadelphia, handles the $8.9 million account.

Subscription service "guarantees someone has bought the product and will continue to buy it and [most often will] automatically renew that subscription, because they've had the numbers for quite a while and don't want to give them up," said Frances McDonnell, PR manager of the Massachusetts State Lottery.

The New York Lottery expects 1988 subscription revenues of $17.5 million, slightly more than 1% of total revenues of $1.6 billion. Michigan's subscriptions account for about 1% of total sales, projected at $1.15 billion for fiscal 1988. Subscriptions in New Hampshire accounted for about 3% of fiscal 1987 revenues of $75 million.

While states see subscription service as a convenience serving a small pool of players, it once was used to draw out-of-state players. But in 1985, the U.S. Postal Service prohibited interstate lottery sales via mail. Other federal statutes also regulate interstate lottery sales. "That has crushed the business," Ms. La Fleur said.

Still, these programs enable lotteries to find new players and markets, said Mel Nasielski, exec VP, Allan & Nasielski, Philadelphia. The ad agency, specializing in direct mail, is preparing a proposal for Pennsylvania.

Using their own data, lotteries can find prospective players by comparing the demographics of strong sales areas, such as inner-city neighborhoods, with those of areas similar in demographics but weak in sales, he said.

Direct-mail subscription also can introduce new games to heavy players, as well as target upscale players who are too busy to wait in line or too embarrassed to admit they play, Mr. Nasielski said.

Tri-State Megabucks, the joint lottery of Maine, New Hampshire and Vermont, promotes its Season Pass subscription as a Christmas gift, using spokesman Robin Leach. Pick Three Ltd., Brattleboro, Vt., handles Tri-State's $3 million account.

While most states don't spend much promoting subscriptions, heavier, year-round investing in direct mail could boost subscription sales to 4% to 5% of total sales, Ms. La Fleur said.

Subscription is just the beginning of lottery direct marketing, Ms. La Fleur said. Ticket sales via automated teller machines and in-home sales via interactive TV and telephone are on the horizon. For example, New Hampshire sells subscriptions over the phone; players pay with a credit card. The California State Lottery is considering phone sales and other distribution, said Jim Barnett, executive director.

Out-of-state players also can buy New Hampshire subscriptions. The lottery sends information by United Parcel Service rather than the postal service. However, a U.S. Department of Justice spokesman said that such interstate sales are illegal under federal statutes governing lotteries. But the Justice Department hasn't brought any cases against state lotteries for that practice.

Rick Wisler, New Hampshire games manager, said, "The feds have never approached us. [UPS] checked with their lawyers, who said it was fine when second-day air service was used rather than ground service."

Bob Kenney, UPS spokesman, said the statute that applies to mailing lottery materials prohibits on-ground interstate transportation but doesn't cover air shipments.

Subscription service has its drawbacks. State agencies must be cautious approaching heavy players, who tend to be low-income minorities, Ms. La Fleur said. States also worry that such easy access will harm compulsive gamblers.#

Subscription sales

State	Total sales (in millions)	Subscription as % of sales
Maine[1]	$ 82.5	1.6
Maryland[1]	811.4	*
Massachusetts[2]	1,150.0	*
Michigan[3]	1,150.0	1.0
New Hampshire[1]	75.0	3.0
New York[4]	1,600.0	1.0
Vermont[1]	35.0	1.0

[1] Fiscal year ending June 30, 1988.
[2] Calendar year 1987.
[3] Projected figures for fiscal year ending Sept. 30, 1988.
[4] Fiscal year ending March 31, 1988.
*Subscription sales accounted for less than 1% of total sales.
Source: ADVERTISING AGE

TRI-STATE
MEGABUCKS

Tri-State Megabucks spokesman Robin Leach touts the lottery's Season Pass as "the ultimate Christmas gift."

East NewsWatch

NEW YORK—**The Bank of New York** broke a multimillion-dollar campaign for its new 60-minute loan approval service Sept. 19, during the Olympic Games coverage. The multimedia campaign—the bank's largest advertising push for a single product—is scheduled to run through yearend and will include targeted media buys on CBS National Collegiate Athletic Association football and election-night programming. Ally & Gargano handles.

NEW YORK—The city **Board of Elections** breaks the second phase of its $250,000 voter registration advertising program Oct. 11 with English and Spanish print and outdoor ads directing voters to the proper polling place. Smith/Greenland handles.

CINNAMINSON, N.J.—**Wall to Wall Sound & Video**, a home entertainment products retailer with 96 stores primarily in the mid-Atlantic region, will add 19 stores in five states and the District of Columbia by the end of fiscal 1989, ending Feb. 28. Ten of the stores will be superstores, up to 17,000 square feet; 13 stores will be open for the Christmas selling season. Elkman Advertising, Bala-Cynwyd, Pa., handles the $8 million account, which is expected to increase with the store openings.

PHILADELPHIA—**Prism**, a regional cable TV network, named **McAdams, Richman & Ong**, Bala-Cynwyd, Pa., to succeed Earle Palmer Brown & Spiro on its estimated $500,000-to-$1 million account.

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Why Publix went West

Grocer seeks research strength

By LISA L. TREISTER

NEWS ANALYSIS

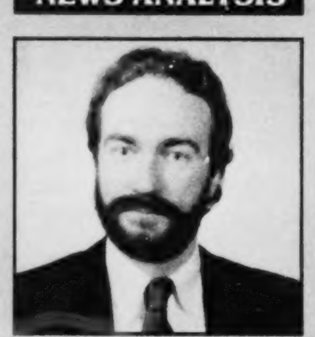
LAKELAND, FLA.—The shift of Publix Supermarkets' $15 million account to West & Co. from Benito Advertising highlights the increased competition in the supermarket industry in Florida—and the opportunity that offers an agency.

Although Publix's official reason for the shift is to consolidate its marketing and advertising assignments at one agency, West fulfills an urgent Publix requirement. The agency offers Publix the data-base marketing research capabilities that Publix must have to remain a leader in an industry where up-to-the-minute information about shopping patterns and product preferences is critical.

Not long ago Publix and Winn-Dixie Stores could take for granted the lion's share of supermarket sales in Florida. They still pull about 50% combined, but out-of-state newcomers such as Albertson's from Idaho and Food Lion from North Carolina have awakened the giants to the importance of aggressive promotion and savvy marketing.

The supermarket business has changed in this state dramatically, as shoppers originally hailing from other parts of the U.S. continue to move here, seeking the foods of their hometowns that may not be familiar to Florida grocers.

Jacksonville-based West & Co. has focused on market research since 36-year-old President-CEO Ben West took over his father's Cecil West & Associates in 1985.



BEN WEST

The younger Mr. West gained experience on the account side at New York agencies Ogilvy & Mather, Young & Rubicam and D'Arcy MacManus Masius, working on accounts such as Anheuser-Busch, Johnson & Johnson, Procter & Gamble Co. and SmithKline Beckman Corp.

A year after moving South, Mr. West was instrumental in gaining research and planning projects from Publix. At the same time, Publix hired Benito to succeed Young & Rubicam/Zemp, both Tampa, which had handled the business for 32 years.

West, which bills about $33 million, also handles the Florida Ballet, Jacksonville Symphony Orchestra, Florida Publishing Co. and more.

"I hit Publix at a good point," Mr. West said.

The timing was right in more ways than one. Publix, like West, is transferring top management roles to a second generation. It's no secret that Howard Jenkins, 37, is being groomed to take over management of the $4 billion privately held chain from his father, George Jenkins, Publix founder and chairman. The younger Mr. Jenkins is chairman of the executive board and VP-research & development.

It's also not surprising that the move has prompted bitter feelings at Benito, whose billings will drop to $30 million.

"We were never told that what we had wasn't working," said Duke Miller, Benito exec VP.

West's assignment, Mr. Miller said, was supposed to be strategic marketing, while his agency was named for newspaper and TV advertising.

Publix has continued to use longtime Y&R/Zemp-created slogans "Where shopping is a pleasure" and "Fresh picked; not picked over," even after giving the account to Benito.

Mr. Miller has said he felt he was "always walking around with [West's] shadow." He was unaware of a focus group test of a West-created TV commercial that beat out Benito's until after the test.

West was a finalist in Publix's review two years ago when Benito was given the assignment but didn't gain enough votes from the marketing committee at that time for the entire piece of business.#

Wrigley polishes gum's image

By JULIE LIESSE ERICKSON

CHICAGO—Wm. Wrigley Jr. Co. is out to increase gum consumption with an ambitious new multibrand TV campaign.

To create the campaign, BBDO drew on Phil Dusenberry, chairman-ceo of BBDO Worldwide's New York office, in addition to Group Creative Director Phil Gant here.

The campaign, which broke Sept. 18 with an initial 60-second spot, is aimed at increasing consumption particularly among males, said Ron Cox, Wrigley group VP.

Mr. Cox wouldn't reveal a budget for the corporate effort but said it was incremental to Wrigley's brand-specific spending and would represent a spending increase "in the high double digits."

That could mean as much as $20 million; in 1987, Wrigley spent $102 million in measured media to advertise its six key gum brands, according to Leading National Advertisers.

Gum consumption, which had been steadily declining, began to grow again in 1984, when Wrigley launched its Extra sugar-free gum made with NutraSweet.

"Now, we're trying to move the meter further," Mr. Cox said.

Wrigley claims about half of the $1.8 billion U.S. chewing gum market.

He said two major factors are responsible for the lag in consumption: price, which Wrigley addressed last year by cutting the price of its single five-stick packs to 25¢, and the social acceptability of chewing gum.

The new campaign, themed "Share a little piece of America," addresses that second factor.

Vignettes show "a whole host of very acceptable situations in which people chew gum," Mr. Cox said. Wrigley's four top brands—Big Red, Doublemint, Juicy Fruit and Spearmint—are featured in the spot.

Some of the footage is from previous Wrigley campaigns, but Mr. Cox said three-fourths of the scenes are new.

He described the campaign as a joint effort of BBDO's Chicago and New York offices. "The crux of the idea came from New York, then was refined in Chicago," he said.

The campaign is running on the Summer Olympics and other event programming, as well as network prime-time and spot buys.

Mr. Cox said other media will be added in the future.#

Reebok

(Continued from Page 1)

about $25 million goes toward "U.B.U."

The company has recognized, however, that the campaign must be taken beyond funky imagery to a more hard-hitting execution.

" 'U.B.U.' as a strategy is on target—it's the execution," said Mr. LaBonte, who maintains the company always knew there would have to be a second phase.

Sources close to Reebok said Chairman Paul Fireman, who's described as initially having been ambivalent about "U.B.U.," last week put out marching orders to move the campaign along.

Citing the advantages of the campaign, Mr. LaBonte said it caught attention fast and has flexibility. Now, he said, it needs to be more product-specific and focus more on performance.

That sort of jock talk is the lifeblood of sporting goods retailers, who make up an estimated 80% of Reebok's distribution, compared to 20% for department stores.

"U.B.U." has been popular with department stores, but it hasn't gone over well with many sporting goods outlets. A standing joke in one sporting goods chain buying office is "Let them be U.B.U. We be Nike."

George Corn, an athletic-shoe buyer for Allied Dept. Stores, Savannah, Ga., said, "I'm not a performance-type store. . . . 'U.B.U.' is the right type of campaign for my store."

But Footlocker, a national athletic-shoe chain based in New York, thinks the campaign is wrong.

"Nike's advertising is far superior because they hone in on actual items rather than lifestyle. Nike with Air is phenomenal," said Lamoine Adams, Footlocker's VP-general manager.

"We're geared to serious athletes," added Jim Hines, VP-merchandise, Oshman's Sporting Goods Stores, Houston. "Reebok's ads don't hit the mark for us. They may be award-winning and they may even sell a lot of shoes, but they don't say to the athlete, 'This is what we stand for.' . . . I'm not sure I understand them."

Frank O'Connell, president, Reebok Brands and the former ceo of HBO Video, has championed "U.B.U." from the start.

"What we're trying to do is see if we can take 'U.B.U.' and bring it to another level by being more product-specific," he said. "But if we can't do it with 'U.B.U.,' we'll do it with more product-specific advertising."

The theme will "continue to run for a period of time as part of an umbrella lifestyle campaign," Mr. LaBonte said. "In all likelihood it will continue to run into 1989. But you'll see some new commercials that were shot earlier and not used. Some will be more serious; some will stay light. We're not walking away from lightness altogether."

Despite the company's denials that Chiat/Day is in any trouble, one source said the agency is under considerable pressure to make "U.B.U." work.

Chiat/Day is experimenting with new executions, Mr. O'Connell said, noting that the task of expanding the campaign will fall to Reebok's new senior VP-chief marketing officer, Mark Goldston (AA, Sept. 19).

Asked what he thinks of "U.B.U.," Mr. Goldston said: "My personal opinions are not important at this point."

What matters, he said, is how the campaign performs.

The former Faberge president is expected to run classic marketing tests against the campaign, measuring intent to purchase as well as awareness.

Reebok's new Energy Return System shoe commercial has a light approach to its technological message.

Reebok International has sales of about $1.4 billion so far this year, with the Reebok brand accounting for $1.1 billion—or about one-third of the $3.5 billion athletic-shoe market, compared to an estimated $1 billion for Nike.

Observers estimated Reebok could end the year with a 10% sales increase, compared to 7% to 8% growth for the industry.

Nike, which had an 81% jump in sales to $510.7 million in its first quarter ended Aug. 31, is growing faster.

So far in 1988, Nike has picked up some market share, advancing from 18.6% in 1987 to 25%, while Reebok is believed to have fallen from 37% in 1987 to 32% for the year to date.

That represents a switch for the two companies. Up until 1986, Nike led Reebok but was overtaken. Now it may be Nike's turn again.

Although Reebok's broader appeal once guaranteed it a pre-eminence that no other sports-shoe marketer could rival, it may now work against it.

As category and unit growth slow, Reebok will have to sell more higher-price shoes to make up the difference and also to boost profit margins as earnings come under pressure in an increasingly competitive market.

Traditionally, Reebok's strength has been in six classic shoes, including its $50 aerobics shoe, which account for half its business. Sales of the classic shoes have been particularly strong since "U.B.U." began, Mr. O'Connell said.

Reebok needs to boost sales in more expensive shoes that go head-to-head with Nike Air. Those can fetch as much as $110 a pair.

Reebok's new Energy Return System, retailing for $75 to $90, might be Reebok's answer to Nike Air.

Reebok broke a spot on NBC-TV's Summer Olympics telecast Sept. 22 for the Energy Return System, a technological advance meant to take the wind out of Nike Air.

The commercial isn't part of the "U.B.U." pool, though it retains a light approach to its technological message. Reebok executives see it as the halfway mark between where the company's advertising has been and where it's going.

But Oshman's Mr. Hines said overcoming Nike Air will take considerable effort.

"Nike has done a pretty good job of conveying Air, but ERS won't be easy to convey," he said.

While Reebok still leads Nike in many stores, Nike is coming on strong, thanks to Mr. Jordan and Air. In Oshman's stores, Mr. Hines said Nike and Reebok sales "are now just about in a dead heat."

And Nike intends to fan the competitive fires in 1989.

After increasing ad spending by 36% to $34 million in 1988, it will hike its budget 32% to about $45 million in 1989.

The No. 2 marketer is spending $20 million this fall on its "Just do it" campaign, running through next spring. Wieden & Kennedy, Portland, Ore., created the advertising.

This week it starts filming several new spots for the campaign, featuring Mr. Jordan and filmmaker Spike Lee as Mars Blackman, the ultimate Michael Jordan fan. That's a character Mr. Lee created in the movie "She's Gotta Have It."

Reebok will spend $70 million in total advertising this year, including $44 million for the Reebok brand alone, up 46% from 1987. The Reebok brand may or may not see an increase in spending next year.#

Marcy Magiera in Los Angeles and Alison Fahey in New York contributed to this story.

Rival shops fail to oust Backer on Lite account

By IRA TEINOWITZ

Miller Brewing Co. has seen the Lite and is keeping Backer Spielvogel Bates as agency for its top beer.

What the brewer apparently didn't see were creative suggestions thrilling enough to warrant a change.

As a result, Miller's seven-week review of its agencies' creative suggestions ended with plans for its top brand otherwise unsettled.

The brewer has yet to decide whether to keep its "Less filling, tastes great" campaign, featuring retired athletes, or replace that approach with another idea.

"We will test a variety of concepts," said Bob Bertini, public relations manager for Miller Lite, the No. 2-selling beer in the U.S. (behind Anheuser-Busch's Budweiser).

"But at this point we haven't made a decision on whether we will change the existing campaign for Lite and we have no timetable," he said. "For now, we will continue developing new creative using the traditional all-star advertising approach."

In July, Miller had asked Backer's New York office and the brewer's other agencies—J. Walter Thompson USA, Chicago and New York, and Leo Burnett USA, Chicago—to prepare creative suggestions for the account (AA, July 25).

JWT, New York, handles Miller High Life and Matilda Bay wine coolers. Its Chicago office handles Lowenbrau. Burnett is the agency for the Lite Genuine Draft test.

Executives at some of the agencies involved in the review said Miller apparently got similar campaigns from all the shops and that, given the similarity, felt there was no reason to switch.

"Apparently all three agencies recommended reasonably similar solutions to Lite's advertising problems, solutions which retained various elements of the advertising that originally built the brand to its position of prominence," said Hall "Cap" Adams Jr., chairman-ceo of Burnett.

"The original Lite advertising was brilliant, and, all things being equal, I think the agency that developed it in the first place is deserving of the chance to continue on the assignment," Mr. Adams said.

Mr. Bertini said Miller will now test various alternatives, but he said no decision had been made on whether to use focus groups or actual commercials.

"There were a lot of concepts thrown on the table, and we will test a variety," he said. "But we haven't decided the full extent the tests will take."#

Stealthy Honda

(Continued from Page 3)

a crew of six people working around the clock for seven weeks.

The spot starts airing in early October.

The designers based the model on a picture of the bomber that appeared in a recruitment newspaper ad for Northrop Corp., which is building the plane.

The model was transported to Florida in pieces for the shoot; it was then assembled on an abandoned 2-mile runway originally built for the Concorde.

Although the model was large enough to be seen from space, the commercial shoot attracted little attention, other than a U.S. Coast Guard aircraft looking for drug smugglers, agency executives said.

Honda's Prelude commercials have been the centerpiece of the importer's new-model campaign for the past several years, and each year the agency tries to top the previous year.

Last year, the Prelude was shown in a head-on shot while 220 horses rushed between the car and the camera to illustrate horsepower.

Honda's overall campaign for the new models this year takes an uncharacteristic turn—to more competitive messages.

Advertising promotes the number of firsts achieved by Honda and how the competition has chosen to follow in Honda's tracks.

One spot shows pictures of Honda Civics coming out of a photocopying machine as Mr. Travanti's voice says, "Their copies will never be as good as the original."

Also new for '89 is a beefed up radio schedule of spots featuring satisfied customers. Honda two years ago began running a TV commercial featuring real-family stories of loyal customers.

Honda's first '89-model print ad broke in *USA Today* Sept. 23.#

By Bob Garfield

Ad Review

Burger King effort is like a bad dream

(Rating: ★ ★ ½)

Did you ever have one of those frustration dreams?

The kind where, say, you have to reach somebody, and you're trying to use a pay phone, and you can't quite focus, and you keep misdialing, and your heart is racing, and you try to feed your quarter into the coin slot, and you drop it to the street, and it rolls into a storm sewer.

Sound familiar? Well, either you've dreamt it yourself, or you've been following the past four years of Burger King Corp.'s marketing history.

Here is a company that went from the giddy opium dream of ad-induced growth in the burger wars to a sort of Kafka-esque pentathol nightmare.

From "Herb" to "Burger King town" to "Fast food for fast times" to "We do it like you'd do it when we do it like we do it at Burger King," the runner-up fast-food chain has thrashed around, uncoordinated and unfocused, unable to reach who it needs to reach.

McDonald's Corp., meanwhile, has consolidated its franchise as the feel-good, family-fun, fast-food destination of first resort.

Predictably, everybody involved at No. 2 is in a dither. At Burger King and parent Pillsbury Co., there have been firings at the highest level. The new chairman of Pillsbury has promised better results soon, so help him—this amid rumors the Burger King division is for sale.

And at N W Ayer, the panic is palpable. Having only just won the business in the biggest account change ever, the New York agency already is making radical revisions in the advertising.

It's as if they're frantically fumbling for change, trying to stuff coins in the phone, breathlessly trying to make the right connection, desperately trying to get through.

The result: "We do it like you do it," a dizzying sequel to Ayer's remarkably ragged debut campaign.

Three new spots, directed by Leslie Dektor, look at how burger-eating seems to coincide with life's minor milestones, and at how readily Burger King burgers substitute for the home-grilled real thing.

Everybody seems just as at home reminiscing over a Whopper as they do enjoying the original *le sacre du barbecue* in their own backyards.

Three new spots from N W Ayer use life's little milestones to hammer home Burger King's image. Leslie Dektor adds a welcome touch but would have had more success if Burger King had an image to begin with.

One commercial centers on a victorious men's bowling team, another on a lovestruck pair of teen-agers and a third on a 30-somethingish family-with-baby. In each spot, Dektor cuts backs and forth between the memorable cookout and the Burger King reliving thereof.

There's some irony in Dektor's style: choppy and shaky and sort of disembodied—like a frustration dream. But these spots are also unquestionably more distinctive, uniform and aesthetically interesting than the original pool of Ayer commercials, which were wildly uneven.

There the dialogue was stilted and overdone. Here it is natural and unforced. Though his cinematic techniques are approaching irritating ubiquity, the Dektor Look is far better than no look at all.

So, yes, the new spots are better. They also are worse.

There's more to advertising than visual style. ("Burger King town" had visual style out the gazoo and an infectious music track to boot. It stayed on the air about 15 minutes.) What Ayer, in its panic, has excised is much of what the campaign *did* have going for itself: an idea.

Advertiser and agency had decided that their mission was to make Burger King synonymous with charcoal grilling. Period. And why not? It was a point of departure, the seed of a discrete marketing image, exactly what this client needs.

The problem with the first pool wasn't the concept but the pitiful executions. The commercials stank, not the idea. Given some comprehensible TV spots, $120 million a year and the resolve to stick with one premise, here was a theme that might have helped restore Burger King's erstwhile charbroiled image.

Even the goofy jingle had merit. It was to the point and, in time, would have caught on. If "Twoallbeefpattiesspecialsaucelettucecheese . . ." could become part of the vernacular, why shouldn't "We do it like you'd do it when we do it like we do it at Burger King"?

Alas, Burger King is way too jumpy to stick with anything for long. This company can't even decide whether to put its money in advertising or promotion, much less commit to one jingle. The new spots cut the lyric in half, so that what once was a quirky mouthful is now brief and forgettable.

As for the home-grilled/Burger King connection, these commercials retain it but not to its best advantage. That all-important message is obscured by the secondary theme tying burger consumption to life's formative experiences.

Uh, who cares? At this stage of the game, Burger King can't be trying to hit emotional hot buttons. It has to persuade consumers that the stores are clean, that the menus are predictable and that the food tastes good.

McDonald's can afford to be soft, fuzzy and mawkish; it's long since done the basics.

I could jab further. I could note that the teen-age romance spot is virtually identical to a spot Dektor shot for Pepsi-Cola Co. and BBDO Worldwide, London—including, I think, the use of the same shy, squeaky, handsome boy actor. But I don't want to pick too much. There's something very important for Burger King to do with this campaign: Nothing.

How can this company ever sell anybody else a brand image if it can't settle on one itself? Rather than cast about for the perfect commercial, Burger King would be well-advised to air the daylights out of some less-than-perfect commercials. These, for instance.

Something, anything, with consistency is better than something new every three months.

"Burger King town" wasn't breakthrough work, but—had anyone had guts to stay with it—the company wouldn't be doing now what we do when we do it like they do it at Burger King. In other words: living a nightmare.#

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

'Time' changes

(Continued from Page 3)

rushing out to sell fixed positions," he said. "We are doing this to better satisfy both readers and advertisers. We are addressing customer satisfaction."

Mr. Muller's changes may not have to make the difference for *Time* this year in ad page performance. After falling behind *Newsweek* in 1987 in total ad pages, *Time* in the first six months of 1988 had 1,207 ad pages, a 2% increase from that period last year, while *Newsweek* had 1,182 ad pages, a 6% decrease.

"The design is built to hold on to our readers," said Mr. Muller, who, with *Time* Art Director Rudolph Hoglund, created the magazine's new look. "We want them to think there isn't a better magazine around."

The changes appear in both content and design, and build upon alterations Mr. Muller has initiated.

"We've already added features like 'Profile' and 'Critic's Choice,' " Mr. Muller said. "But we've also been changing the tone of *Time*, make it less like a magazine preaching from Rockefeller Center. Now the form is following function."

The new "form" will include:

- A two-page "Index" rather than the existing one page.
- A more dramatic combination of photos and text in *Time's* front-of-the-book stories with larger, "gutsier" headlines, Mr. Muller said. He also will make more extensive use of pull-out quotes "to draw the reader in."
- New departments, including "Interview," which will alternate weekly with the existing "Profile" and "Travel," which Mr. Muller said "won't be some soft feature. We may do a piece on the most overrated travel destination."
- Expanding "Critic's Choice" to a page a week from a half-page appearing every other week. The plan also calls for expanding the "People" section, now usually a page, to two pages in a greatly redesigned format using varying body type and larger, more striking photographs.

The last significant redesign of *Time* was in 1977 by designer Walter Bernard. *Newsweek* underwent a major redesign two years ago that observers said resulted in a more unpredictable presentation than the traditional newsweekly format.

U.S. News & World Report, unlike *Time* and *Newsweek*, uses the back-of-the-book pages for service articles and bills itself as the most serious of the three.

Time remains the market leader as of June 1988, with 4.7 million average weekly readers, a growth of only 0.8% from the same period in 1987. *Newsweek's* circulation has reached 3.3 million, up 4.2%. *U.S. News* is third with 2.4 million and a growth of just 0.6%.

Newsweek's new publisher, Howard Smith, said he "wasn't fazed" by his rival's plans.

"*Time* had become inflexible to a point," he said. "Maybe someone over there got their way and said, 'We better change with the times.' We changed the basic concept of a newsmagazine. *Newsweek's* done it, and it's time for them to catch up."

Mr. Muller quoted from *Time* founder Henry Luce's original prospectus to justify many of the changes. In his 1923 prospectus for the magazine, Mr. Luce wrote: "*Time* is interested not in how much it includes between its covers, but in how much it gets off its pages into the minds of its readers."

"We thought about what we could give the reader in the 1990s, and it's really an old idea," Mr. Muller said. "Now the reader will have more ways to pull out information from our stories."#

AdWatch

(Continued from Page 4)

the **computer** category, a spurt that comes just as IBM Corp. seemed about to close the gap.

In August, Apple's advertising came to mind first for 30.2% of the respondents, up from its 24.1% share in July. IBM's advertising was named first by 22.6%, virtually unchanged from its 22.3% share in July.

Radio Shack was third with a 1.7% share.

- McDonald's Corp. once again has become an extremely active and visible print advertiser. That may help account for Big Mac's 4.3 percentage-point jump to a 47.1% share of first mentions in the **fast-food** category last month.

Burger King Corp. was second with 14%, up slightly from its 12.9% share of first mentions in July. Wendy's International was third with a 6.9% share, down from 9.3%.#

For more information, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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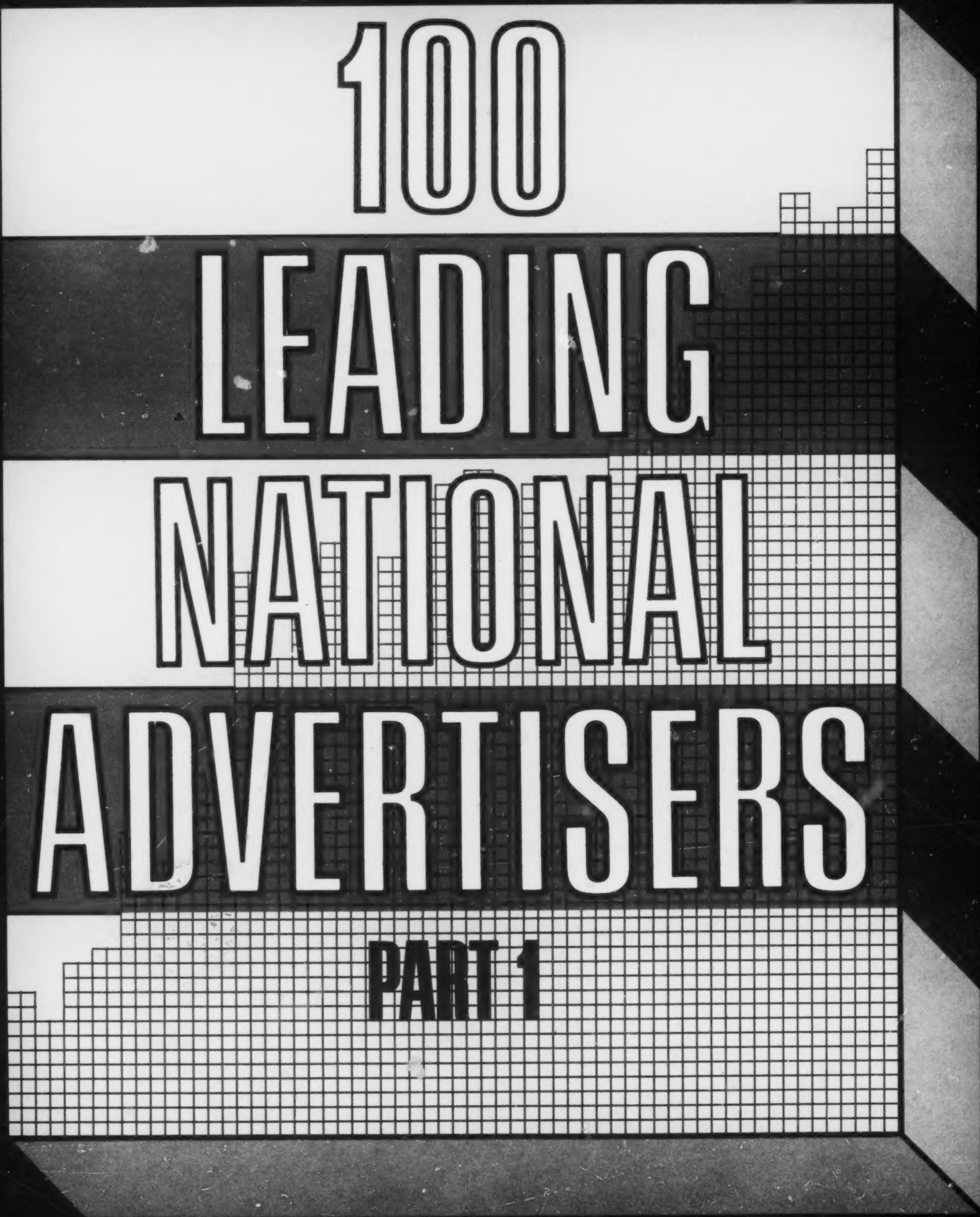
0201909490 6AA008838 COMPA*F
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Advertising Age



100 LEADING NATIONAL ADVERTISERS

PART 1

Special Issue **September 28, 1988**

Advertising Age

Crain's International Newspaper of Marketing

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Philip Morris unseats P&G as top advertising spender

Package-goods giant's 24-year reign atop 100 Leading National Advertisers' list ends in year marked by continued emphasis on network TV buys and heavy new-product introductions

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By R. CRAIG ENDICOTT

Philip Morris Cos., powered by $1.56 billion in advertising spending in 1987, has overtaken Procter & Gamble Co. to become the nation's No. 1 national advertiser.

The 7.4% year-to-year growth in national ad spending at Philip Morris also outstripped the 4.3% composite growth of the nation's 100 leading advertisers, according to the 33rd annual ADVERTISING AGE 100 Leading National Advertisers' report.

Advertising spending at the tobacco, food and beer conglomerate reflected the same get-tough aggressiveness that PM employed against the anti-smoking lobby and internally toward its General Foods Corp. and Miller Brewing Co. subsidiaries. P&G, in a low spending cycle in new product marketing, spent $1.39 billion, down 7.6% from 1986. It was one of 35 companies among this year's top 100 that reduced national ad spending.

P&G held the No. 1 spot since it passed General Motors on the charts 24 years ago. GM, No. 3 this year, was the only other advertiser to break the billion dollar mark. Sears, Roebuck & Co. reached that pinnacle in 1986 spending, but a 19.8% drop in 1987 dropped it back to $886.6 billion and a No. 4 ranking.

Network TV continued as the favored medium among the 11 media measured in this report. It accounted for $6.67 billion, or 43.4% of $15.36 billion in media advertising spent by the Top 100. The 100 in fact are the lifeblood of the Big Three networks, representing 75.7% of all network spending in 1987.

Total Top 100 spending came to $28.4 billion, including heavy unmeasured spending of $13.04 billion. The so-called unmeasured advertising includes non-media ad forms such as couponing, in-store displays, free standing inserts, direct marketing, special events and promotions.

Spending by the Top 100 on network TV grew 4.2% in 1987 over 1986 as P&G and Philip Morris repeated their 1986 performance and stayed far ahead of the pack with expenditures of $377.6 million and $330.8 million, respectively.

Spot TV registered $3.36 billion in ad spending by the Top 100, up 4%. PepsiCo and P&G, as in 1986, led with spending of $271.1 million and $238.1 million, respectively. Magazines drew $2.38 billion in national advertising in 1987, up 3.5%. Philip Morris dominated consumer magazine spending with $243.3 million, up 8.1%. PM also led the list in 1986.

Newspaper advertising by the Top 100 rose to $1.07 billion in 1987, up 15% over the previous year for one of the larger year-to-year increases among the 11 media monitored. Automakers dominated in newspaper growth. There were 10 car companies among newspaper's top 25, and among them only expenditures for No. 1 newspaper advertiser, General Motors, grew less than 20%.

Growth in 1987 ad spending also continued a steady rebound that has been taking place since year-to-year growth plunged to 2.7% in 1985, the low point so far in the 1980s. In 1986, the Top 100 advanced 3.4%. The sluggish growth in advertising during this period has paralleled the downturn in the value of the dollar and extensive corporate restructuring, conditions that have placed a strain on sales and earnings.

Ad spending returns for first half of 1988 indicate this year may return the 100 Leaders to the flashier growth years of the 1970s and early '80s. Through the first six months, spending by all advertisers in the nine media tracked by BAR/LNA increased 15.7% to $16.4 billion. Among the five top media, network TV rose 16.5% to $4.74 billion, compared with year-ago figures. Spot TV increased 13% to $4 billion; newspapers grew 6.6% to $3.2 billion; magazines, 25.9% to $2.7 billion; and syndicated TV, 34% to $424.8 million.

New product development among the 100 continued heavy in 1987, particularly for low-cholesterol products, frozen entrees and novelties and microwaveables. The con-

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100 Leading National Advertisers

Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending
1	Philip Morris Cos.	$1,557.8	35	Schering-Plough Corp.	$250.2	69	Hershey Foods Corp.	$122.8
2	Procter & Gamble Co.	1,366.7	36	Walt Disney Co.	249.8	70	Seagram Co.	122.3
3	General Motors Corp.	1,024.9	37	Honda Motor Co.	245.4	71	Cosmair Inc.	117.2
4	Sears, Roebuck & Co.	886.5	38	H.J. Heinz Co.	245.3	72	CPC International	115.3
5	RJR Nabisco	839.6	39	IBM Corp.	240.8	73	Kroger Co.	115.3
6	PepsiCo Inc.	704.0	40	Grand Metropolitan PLC	231.6	74	Loews Corp.	115.2
7	Eastman Kodak Co.	658.2	41	Campbell Soup Co.	230.7	75	Dr Pepper/Seven-Up	114.1
8	McDonald's Corp.	649.5	42	Tandy Corp.	225.1	76	Subaru of America	113.2
9	Ford Motor Co.	639.5	43	BCI Holdings Corp.	223.2	77	Wm. Wrigley Jr. Co.	112.5
10	Anheuser-Busch Cos.	635.1	44	American Express Co.	212.5	78	Prudential Insurance Co.	111.3
11	K mart Corp.	631.8	45	Time Inc.	196.6	79	Warner Communications	110.4
12	Unilever NV/PLC	580.7	46	Pfizer Inc.	182.1	80	Delta Air Lines	108.6
13	General Mills	572.2	47	Nissan Motor Co.	181.4	81	Wendy's International	107.6
14	Chrysler Corp.	568.7	48	IC Industries	169.3	82	Philips NV	107.2
15	Warner-Lambert Co.	558.1	49	Volkswagen AG	167.3	83	B.A.T. Industries PLC	105.3
16	AT&T	531.0	50	Mobil Corp.	166.3	84	Daimler-Benz AG	105.0
17	Kellogg Co.	524.9	51	Revlon Group	165.2	85	Gillette Co.	103.8
18	J.C. Penney Co.	513.5	52	Hyundai Group	164.3	86	Stroh Brewery Co.	102.9
19	Pillsbury Co.	473.9	53	U. S. Dairy Associations	161.4	87	Clorox Co.	102.1
20	Johnson & Johnson	459.3	54	Beecham Group PLC	153.3	88	BMW AG	99.5
21	Ralston Purina Co.	436.6	55	AMR Corp.	152.6	89	S.C. Johnson & Son	96.4
22	Kraft Inc.	400.7	56	Mazda Motor Corp.	151.9	90	Goodyear Tire & Rubber Co.	95.0
23	American Home Products	390.4	57	American Brands	151.4	91	Hallmark Cards	93.9
24	Mars Inc.	378.6	58	ITT Corp.	151.3	92	E&J Gallo Winery	93.6
25	Coca-Cola Co.	364.7	59	Du Pont Co.	149.7	93	MCA Inc.	91.4
26	Bristol-Myers Co.	358.9	60	Bayer AG	145.4	94	Marriott Corp.	88.5
27	Quaker Oats Co.	344.4	61	Adolph Coors Co.	144.7	95	Franklin Mint	86.6
28	Nestle SA	340.8	62	Nynex Corp.	142.8	96	Southland Corp.	86.1
29	U.S. Government	311.3	63	Bell Atlantic Corp.	138.6	97	United Biscuits (Holdings)	84.8
30	Colgate-Palmolive Co.	279.6	64	UAL Corp.	137.8	98	Borden Inc.	84.7
31	Sara Lee Corp.	278.1	65	Dow Chemical Co.	135.7	99	Monsanto Co.	84.7
32	General Electric Co.	272.6	66	Noxell Corp.	134.9	100	Ameritech	83.4
33	Toyota Motor Corp.	257.7	67	Hasbro Inc.	134.3			
34	American Cyanamid	250.4	68	Texas Air Corp.	124.3			

Notes: Dollars are in millions.

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Leaders

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troversial "smokeless" cigarette also was announced by R.J. Reynolds Tobacco Co., a unit of RJR Nabisco, ranked No. 5 on the list.

In the tobacco business, PM, in particular, bared its teeth. Earlier this year, PM supported archrival RJR when it fired Saatchi & Saatchi DFS Compton for preparing a Northwest Airlines' no-smoking ad campaign and then financed an ad campaign to remind American industry of the economic power the American smoker wields.

PM, tiring of the earnings performance at its General Foods and Miller Brewing Co. subsidiaries, ordered a turnaround, but not without greater ad support. The dictate ultimately led to the departure of each unit's top executive.

PM first became a contender for the top spot in late 1985 when it bought General Foods, then spending $450 million in U.S. national advertising and ranked No. 12. PM was sixth at the time. Their totals, consolidated in the 1986 report, vaulted PM to the No. 2 spot behind P&G.

A similar development occurred this year in the 100 Leaders chart with Eastman Kodak Co.'s acquisition of Sterling Drug. Combined ad spending elevated Kodak to No. 7 from No. 34 the previous year.

Auto advertising remains the largest ad category among the 100 Leaders, with $3.72 billion, or 13.1% of composite ad totals of the Top 100.

Among the Big Three, GM clearly dominated the chart with $1.02 billion in advertising, up 22.2% over 1986, and well ahead of the No. 9 Ford Motor Co. at $639.5 million, down 1.7%. But Ford bested GM in total earnings for the second straight year.

Network TV continued as the favored medium among the 11 media measured, accounting for $6.67 billion. The 100 in fact are the lifeblood of the Big Three networks, representing 75.7% of all network spending in 1987.

The decline in the value of the dollar particularly crimped sales of imports in the U.S. market by pushing up sticker prices. Lower unit sales were reported by No. 33 Toyota Motor Corp., No. 47 Nissan Motor Co., No. 49 Volkswagen AG, No. 56 Mazda Motor Corp., No. 76 Subaru of America, No. 84 Daimler-Benz AG and No. 88 BMW AG. Unit volume declines ranged from 3.3% to 15.9%.

The auto market segment least affected by the dollar was the low-end sector where Hyundai Group, No. 52, lowballed the competition with its single vehicle, the Excel.

Four of the 12 entries to the 100 list in 1987 were automakers: BMW, Daimler-Benz, Hyundai and Subaru of America. Others were: No. 75 Dr Pepper/Seven-Up, No. 91 Hallmark Cards, No. 94 Marriott Corp., No. 95 Franklin Mint, No. 96 Southland Corp., No. 97 United Biscuits (Holdings), No. 98 Borden Inc. and No. 100 Ameritech.

Despite the successes of Hyundai, the big Japanese importers are favoring the high-end segment with pricy cars marketed through dealerships separate from their less expensive brands. Honda's Acura division is miles ahead of its fellow importers. The division expects sales of 400,000 by 1990. It markets the $20,000-plus Legend and the $13,000-plus Integra, both imported. But by 1989, they will be produced at Honda's Ohio plant.

Toyota plans to spend $60 million to back the introduction next fall of the Lexus through a separate dealership network. Nissan expects to have 75 free-standing dealers selling its upscale Infiniti model in 1990. The introduction will be supported with $60 million in ad spending.

Among new products, concern over cholesterol levels in the American diet has led to a proliferation of anti-cholesterol drugs to foods with low-to-no-cholesterol content. The market for anti-cholesterol drugs, pegged at $500 million, is expected to mature into a $5 billion annual market by the mid-1990s, analysts predict.

P&G set up an olestra division, named for a revolutionary fat substitute that awaits FDA approval. Initially P&G's olestra will be used in Puritan and Crisco cooking oils and shortenings and Pringle's potato chips. This February, P&G petitioned the FDA to revise its listing of Metamucil's laxative benefits to include cholesterol reduction.

PYA/Monarch foodservice division of No. 31 Sara Lee Corp. introduced two rapeseed cooking oils that claimed zero cholesterol and 50% less saturated fat. Unilever NV's Thomas J. Lipton unit is testing Country Fair Light Butter, touted as a reduced-calorie butter with 50% less cholesterol and fat than other brands.

Warner-Lambert Co.'s stock shot up 5 points in late 1987 when a study found that its ethical drug, Lopid, reduced the risk of heart attacks by increasing high-density lipids that aid in unclogging arteries.

W-L also launched Promega fish-oil vitamin supplement, which reduces cholesterol. Out of a joint effort between its consumer product

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The national advertisers in this 33rd annual Ad Age 100 Leading National Advertisers Report, Part 1, are selected on the basis of measured ad spending only.

Unmeasured ad estimates then are applied to the leading 200 advertisers to determine rankings. Ad Age will report on marketers ranked Nos. 101-200 in Leading National Advertisers Report, Part 2, on Nov. 21. Ad spending is U.S. only and is for calendar 1987 and 1986.

BAR/LNA reports supplies the bulk of measured media information. Magazine and newspaper supplements are supplied to Leading National Advertisers by Publishers Information Bureau. Outdoor is supplied to LNA by Outdoor Advertising Assn. of America and Institute of Outdoor Advertisers. Network TV, spot TV, network radio and cable TV networks are supplied by Broadcast Advertisers Reports. BAR/LNA's seven-media service also supplies brand and category spending by media. Seven-media totals quoted in profiles throughout this issue include the aforementioned media.

BAR is monitoring ad expenditures on syndicated TV separately from network TV and spot TV buys. These spots are bought nationally with the show, much like network TV buys. This spending is not included in measured media in this issue.

Other monitored media includes newspaper from Media Records, business publication from MMS/Rome Reports, farm publication from AGRICOM and spot radio from Radio Expenditures Reports.

Some measured media expenditures are restated to reflect corporate structure as of Aug. 7, 1986. Companies acquired before that date are included in the new parent's ad spending for full calendar 1987 and 1986 totals. Units spun off before the end of calendar 1987 are subtracted unless otherwise noted.

Measured-media services vary in the way they track ad spending. For example, MMS/Rome Reports tracks ad spending by division, rather than parent total. Every effort has been made to give full parent company ad expenditures wherever possible.

Unmeasured advertising figures are estimates and include direct mail, promotion, co-op and couponing to name a few. Local newspaper advertising is not included, but free-standing inserts distributed nationally are considered part of unmeasured. Ad Age beat reporters and corporate sources assist in providing this total.

Sales and earnings figures are taken from public documents. Where private companies will not divulge this information, an estimate or an "NA" is used. Foreign currency conversion rates are stated in the profiles.

In the boxes accompanying each profile, sales credited to U.K.-based companies is their turnover and net income their trading profit attributable to ordinary shareholders. For credit card companies, sales are their total annual volume. These numbers also appear in the table "Top 100 advertisers by primary business" on Page 152.

—Kevin Brown

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Ad spending of '100' edges upward

100 Leading National Advertisers spent $28.4 billion in U.S. advertising in 1987 for a 4.3% growth over 1986. Measured media rose 4.6% to $15.36 billion.

RANK
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American Brands

New York

ADVERTISING **$ 151.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	9,153	7,253	26.2
Earnings	523	365	43.1
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	2,816	2,391	17.8
Operating income	578	434	33.1
■ *Division sales*	*1987*	*1986*	*% chg*
Tobacco products	6,144	5,169	18.9
Hardware, security	292	303	(3.6)
Distilled beverages	599	255	134.9
Golf, leisure prods	262	224	17.0
Office products	509	347	46.7
Optical goods, svcs	250	172	45.3
Other	1,098	784	40.1

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	6,613	10,260	(35.5)
Business pub	430	NA	NA
Magazine	38,527	39,282	(1.9)
Newsp supp	1,068	3,629	(70.6)
Outdoor	19,834	14,183	39.8
Network TV	6,778	5,268	28.7
Spot TV	2,107	23	8,905.1
Network cable	195	135	45.0
Network radio	356	139	156.5
Spot radio	463	0	NA
Measured	76,371	72,919	4.7
Unmeasured	75,000	71,000	5.6
Total	151,371	143,919	5.2

American Brands is the gin rummy player who dives deep into the discard pile to pluck the right card and then must somehow absorb the extra ones on top.

AB at year-end came face-to-face with a hungry E-II Holdings, Chicago. E-II, a depository of name brands spun off from Beatrice Cos., had takeover designs on AB. But AB pulled the so-called Pac-Man defense by buying out E-II earlier this year, leaving AB deep in debt and overloaded with brands.

Shortly after the buyout—it cost $2.7 billion, including a $1.2 billion purchase price and about $1.5 billion in E-II debt—American Brands began the tedious process of discarding the "cards" that didn't fit.

American Brands folded into its home products business E-II's hardware and home products companies—Waterloo Industries Inc., a manufacturer of tool storage products; AristoKraft Inc., a maker of kitchen cabinets and bathroom vanities and Twentieth Century Companies Inc., a manufacturer of plumbing supply and repair products.

AB's office supply units welcomed into the fold E-II companies, Day-Timers, a direct-mail marketer of diary planners, and Vogel Peterson, an office furniture maker. Other significant properties retained included Master Lock Co., Prestige Group PLC in the U.K., Acushnet Co. and Foot-Joy Inc.

But the remainder of E-II Holdings, consisting of nine former E-II companies, was sold *en masse* this July for approximately $1.2 billion to a family company led by Meshulam Riklis, a Manhattan retailing exec. These properties included Martha White Foods Inc., Beatreme Food Ingredients Inc., Home Fashions Inc., Lowrey's Meat Specialties Inc., Pet Specialties Inc., Frozen Specialties Inc., Culligan International Co., Samsonite Corp. and Samsonite Furniture. Mr. Riklis also assumed the $1.5 billion in subordinated debt that AB took on in the E-II buyout.

At press time, details on the sale of several properties were being worked out, including the Stiffel Co., Acme Visible and W.R. Case & Sons Cutlery Co.

Apart from the E-II dealings, American Brands disposed of some of its food, personal-care, security and pumps and valves operations. Taylor Food Products was sold for $18 million earlier this year. Sunshine Biscuits Inc., Andrew Jergens Co., Aunt Nellie's Farm Kitchens Inc. and Mono Pumps Ltd. of the U.K. were sold for undisclosed amounts.

AB had been anything but idle on the acquisition front prior to its confrontation with E-II. It purchased in May 1987 the distilled spirits business of National Distillers & Chemical Corp. for $583.8 million.

The new unit was merged with James B. Beam Distilling Co. to form Jim Beam Brands Co., now a core business for American Brands. Beam, which gained Old Grand-Dad bourbon, DeKuyper cordials, Gilbey's gin and vodka and Windsor Canadian Supreme Whisky in the deal, vaulted to No. 3 in the domestic liquor market where it holds five of the top 25 brands.

AB additionally added to its office products business ACCO World Corp., acquired in August 1987.

Meanwhile, AB's American Tobacco Co., which accounted for 15.3% of companywide sales in 1987, continued to lose market share—down 0.3 points to 6.9% of market to rank No. 5 among domestic tobacco companies, according to John C. Maxwell Jr., analyst with Wheat First Securities, Richmond, Va.

In the process, sales declined by $10.4 million for American Tobacco, compared with a $15.1 million decrease in 1986, although operating profits grew 22% to $429.7 million.

Malibu, a low-price brand, helped make the company a contender, as the company's franchise, Pall Mall, was bumped from the top 10 sellers when R.J. Reynolds' Doral, a branded generic, experienced a 44% growth, noted Mr. Maxwell.

Among its filter cigarettes, Malibu, in its first full year on the market, gained a 0.3% share, followed by Pall Mall with a 0.7%, compared with 0.6% in 1986. Carlton held a 1.7% share down from 1.9%; Tareyton recorded 0.8%, down from 0.9%; Silva Thins and Lucky Strike stayed unchanged at 0.1% and 0.5%, respectively, according to Mr. Maxwell.

Among its non-filtered lines, Pall Mall recorded a 2.3% share, down from 2.6%, and Lucky Strike came in at 0.5%, down from 0.6%.

Pall Mall (Red) Filters were introduced nationally at the end of the third quarter of 1987 and showed a 20% increase in unit sales through the first six months of 1988, compared with the same period in 1987, Mr. Maxwell said.

Vigorous marketing of Malibu and Pall Mall (Red) Filters have influenced a rebound in the first six months of 1988. Unit sales climbed 0.3%, compared with a slippage of 2.3% in industry unit sales. Over the first half of 1988, the company said its market share returned to 7.2%.

Measured spending increased 5.6% for American Tobacco products to $32.3 million, according to BAR/LNA, which in 1987 measured seven major media, not including spot radio, newspapers, business press and farm. Brand spending on cigarettes, which tends to be heavy in some of these media not monitored, still accounted for 39% of AB's measured total.

Pall Mall received $10.2 million in measured support for its line, up 193.7%, while Carlton took $17.2 million, down 22.5%, and Lucky Strike drew $3.6 million, down 25%. Malibu, debuting nationally in the summer of 1987, got $1.1 million in measured support.

The other heavily-advertised division, Jim Beam Brands Co., spent $23.9 million in 1987 in the BAR/LNA seven media for its line of distilled spirits, up from only $3.2 million in 1986. The addition of the new bourbon lines has pushed AB's share to 29% of the U.S. bourbon market, the company claimed.

AB said its Jim Beam Bourbon is the leading bourbon both in the U.S. and world. The white label bourbon alone garnered 20% of the U.S. market in 1987, compared to 19% for 1986 and 17% for 1985, according to the company.

DeKuyper Peachtree schnapps continues to be a strong point. Introduced in 1984, it sold 1.5 million cases within a year, making DeKuyper the 24th best-selling liquor product in the U.S. The number almost doubled in 1987. Mr. Maxwell estimates in 1988 the peach schnapps will sell about 2.4 million cases, which is roughly two-thirds of DeKuyper's sales.

Although DeKuyper showed nearly an 8% drop so far this year, mainly because of fluctuating sales of various flavors, Maxwell said the line has kept its position for the third straight year as No. 1 cordial.

American Brands made two major personnel changes in June 1987. William J. Alley became chairman-CEO and Thomas C. Hays became president-COO. Mr. Alley succeeded Edward E. Whittemore, who became ill, resigned and later died. Mr. Hays followed Virginius B. Lougee III, who retired.

AMERICAN BRANDS
1700 E. Putnam Ave.
Old Greenwich, Conn. 06870-0811
(203) 698-5000

American Tobacco Co.
Stamford, Conn.

Corporate personnel: C.H. Mullen, chmn & ceo.

Marketing personnel: W.J. Moore, sr vp-mktg; R.E. Smith, dir-brand mgmt; M.J. O'Neill, mktg devel dir; J.J. Mellett, media dir; C.E. Willoughby, mktg rsch mgr; E.T. Bonnett, mktg resource mgr; M.G. Holmes, rsch analyst; William Degenhardt, media super; M.P. Rose, media planner; J.M. Ockers, sr prod mgr-Pall Mall; T.M. Keane, sr prod mgr-Malibu; K.P. Noone, prod mgr-Carlton; M.J. Burns, prod mgr- Lucky Strike; E.M. Sharpe, prod mgr-American Lights; J.E. Vyse, mktg budget mgr; D.S. Johnston, vp-sales; E.J. Gesell, exec sales dir.

Brands/services by agency of record:

Carlton
Lucky Strike
Pall Mall
Tareyton
Silva Thins
American Lights
Malibu

Ad agency: Laurence, Charles, Free & Lawson, New York: Albert Magnane, exec vp; Douglass Bomeisler, Richard Goldschmidt, sr vps.

Franklin Life Insurance Co.
Springfield, Ill.

Marketing personnel: Jack Watson, exec vp-ceo; David Vanselow, vp-comm.

Brands/services by agency of record:

Franklin Life Insurance Co.

Ad agency: Squires Advertising Agency & Art Studio, Springfield, Ill.: Stan Squires, vp.

Southland Life Insurance Co.
Dallas

Marketing personnel: Joe W. Hopkins, sr exec vp-mktg officer; Virgil L. Hooper, second vp-dir special mkts.

Brands/services by agency of record:

Southland Life Insurance

Ad agency: (In-house): Virgil L. Hooper, second vp, dir-special mkts.

Jim Beam Brands Co.
Chicago

Marketing personnel: Ralph Hallquist, vp, dir-mktg & adv; Michael Lintner, group prod dir-bourbons, gins & vodkas; Ed Moser, group prod dir-cordials & low alcohol prods; Marshall Lynn, group prod dir-Canadian & specialties; Gayle Seinfeld, media mgr.

Brands/services by agency of record:

DeKuyper cordials
Windsor Canadian

Ad agency: BBDO, Chicago: Steve Smith, mgmt super.

■

Jim Beam bourbon
Corp adv

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Chicago: Lowell Wallace, mgmt super.

■

Old Grand Dad bourbon
Gilbey's gin
Fletcher & Oakes

Ad agency: HDM/Dawson Johns & Black, Chicago: Andy Taylor, acct dir.

Acco International
Wheeling, Ill.

Marketing personnel: William S. Carvell, vp-mktg; Charles Fahmer, stapling prods mkt mgr; J. William Hubbell, G.O.P. mkt mgr; Sharon Lange, adv & mktg svcs mgr; Brian Larson, new prod devel mgr; Kenneth Oberg, mkt mgr-computer accessories & retention furniture; Mary Steigman, prod mgr-computer accessories & retention furniture.

Brands/services by agency of record:

Acco office furniture

Ad agency: Davis-Harrison Advertising, Chicago: Doug Davis, Sue Harrison, partners.

Day-Timers
East Texas, Pa.

Marketing personnel: Steve Rowley, president; Mark LaDouceur, vp-mktg; Keith Snyder, dir-adv.

Brands/services by agency of record:

Day-Timers diary planners

Ad agency: Della Femina, McNamee WCRS, Chicago: Thomas J. Lewy, acct super.

Kensington Microware
New York

Marketing personnel: Susan Lefkowitz, vp-mktg; Betsy Dineen, dir-corp comm; Catherine Ullmann, art dir; Roseanne McClellan, mgr-adv, direct mail & pr.

Brands/services by agency of record:

Kensington Microware

Ad agency: (In-house): Roseanne McClellan, mgr-adv, direct mail & pr.

Perma Products Co.
Dallas, Texas

Marketing personnel: Don Trammell, mktg mgr.

Brands/services by agency of record:

Perma prods

Ad agency: (In-house): Don Trammell, mktg mgr.

Swingline Inc.
Long Island City, N.Y.

Marketing persunnel: Fred Weiss, vp-mktg devel & admin.

Brands/services by agency of record:

Swingline office prods

Ad agency: Adler Schwartz, New York: Judy Donovn, vp.

■

Swingline machines

Ad agency: Davis-Harrison Advertising, Chicago: Doug Davis, Sue Harrison, partners.

Vogel Peterson
Elmhurst, Ill.

Marketing personnel: Stephanie Messick, dir-mktg; Janet Serrano, prod mktg.

Brands/services by agency of record:

Vogel Peterson office furniture

Ad agency: McKee Advertising, Elk Grove Village, Ill.: Tom Behan, vp, Bill Makely, vp-pr.

Wilson Jones Co.
Chicago

Marketing personnel: Stephen R. Wittrup, dir-mktg devel; Marvin A. Rosenfeldt, adv mgr.

Brands/services by agency of record:

Wilson Jones office prods

Ad agency: Al Paul Lefton Co., New York: Jack Stack, vp.

Master Lock Co
Milwaukee

Marketing personnel: Peter U. Jung, vp-mktg & sales.

Brands/services by agency of record:

Consumer trade adv

Ad agency: Cramer-Krasselt, Milwaukee: William Faude, acct super.

20th Century Cos.
Wheeling, Ill.

Marketing personnel: Dan Stuart, vp-mktg & sales; Charles (Skip) Moran, vp-sales; Vince Pellettieri, vp-natl hardware accts; Gene Carpenter, sr prod coord.

Brands/services by agency of record:

20th Century plumbing & repair prods

Ad agency: McKee Advertising, Elk Grove Village, Ill.: Ted McKee, president; Ken Krause, acct exec.

AristoKraft
Jasper, Ind.

Marketing personnel: Gary Lautzenhiser, sr vp-mktg & sales; John Chamberlain, vp-mktg & sales.

Brands/services by agency of record:

AristoKraft cabinets & vanities

Ad agency: Juhl Advertising, Elkhart, Ind.; Howard Blackwood, president; Steve Blaising, vp.

Waterloo Industries
Waterloo, Iowa

Guide to corporate boxes

RANK
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Pfabulous Pharmaceuticals

Englewood Cliffs, N.J.

ADVERTISING **$555** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	7,000	6,000	16.6
Earnings	700	600	16.6
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	5,000	4,000	25.0
Operating income	400	300	33.3
■ *Division sales*	*1987*	*1986*	*% chg*
Consumer healthcare	5,000	4,000	25.0
Professional prods	2,000	2,000	0.0

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	140,000	130,000	7.7
Business pub	5,000	4,000	25.0
Magazine	100,000	75,000	33.3
Network TV	150,000	140,000	7.1
Spot TV	50,000	46,000	8.7
Network cable	50,000	50,000	0.0
Spot radio	5,000	5,000	0.0
Measured	500,000	450,000	11.1
Unmeasured	55,000	50,000	10.0
Total	555,000	500,000	11.0

Fictitious Pfabulous Pharmaceuticals is ranked 50th among Leading National Advertisers picked by Ad Age in this issue and based on total U.S. ad spending in 1987, which is reported as ADVERTISING in millions or billions of dollars.

Pfabulous Pharmaceuticals is based in Englewood Cliffs, N.J.

PP reports on a calendar basis like most of the leading advertisers. However, should a company report on a fiscal basis, the year heading column would read 1988 and 1987. If the fiscal closing occurs before this issue was published. Also, if PP is a foreign-based company, a currency conversion rate is given in the profile.

Worldwide and U.S. sales, earnings and operating income are reported from public documents, wherever possible. Financial figures for private companies are estimates.

Division sales are the business segments as defined by PP and include revenues for comparable years.

The advertising figures in the tabular breakout under U.S. advertising by media are a composite of PP's ad expenditures, both measured and unmeasured. See "Where Ad Age got its data" on Page 2 for an explanation of the tabular breakout.

Marketing personnel: John Trebel, vp-mktg & sales; Mike Strickland, dir-mktg svcs; R.C. Wojan, dir-sales, professional prod group; Jere Clune, dir-consumer div.

Brands/services by agency of record:

Waterloo tool storage prods

Ad agency: Connell Communications: Connie Sisson, president; Betty Hellman, sr vp.

Acushnet Co.
New Bedford, Mass.
Golf Division

Marketing personnel: David E. Overmyer, sr dir-ktg; John W. Hoagland, dir-sales; Robert A. Shell, sr mktg mgr-apparel; Gerald M. Bellis, sr prod mgr-golf balls, W.W.

Rubber Division

Marketing personnel: James G. DeMello, vp-sales; H. Lynn Drury, vp-mkts; Roger M. Horning, Charles C. Gregory, regional mgrs; Jack W. Wagner, mgr-natl accts, auto.

Foot-Joy

Marketing personnel: Chuck Quinn, vp-mkt golf; Richard Woodworth, prod mgr-gloves & socks.

Brands/services by agency of record:

Golf div
Rubber div
Foot-joy

Ad agency: Della Femina, McNamee WCRS, Boston: John McNamara, sr vp-mgmt super.

RANK
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American Cyanamid

Wayne, N.J.
ADVERTISING: **$ 250.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	4,166	3,816	9.2
Earnings	275	203	36.0
■ U.S.	1987	1986	% chg
Sales	2,618	2,536	3.2
Operating income	190	151	25.8
■ Division sales	1987	1986	% chg
Medical	1,638	1,440	13.8
Agricultural	919	873	5.3
Chemicals	1,042	948	9.9
Shulton	568	555	2.3

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	97	3	2,976.9
Business pub	691	749	(7.7)
Magazine	7,929	12,540	(36.8)
Newsp supp	89	39	132.2
Farm pub	5,423	5,376	0.9
Outdoor	194	222	(12.8)
Network TV	23,501	20,953	12.2
Spot TV	16,109	9,301	73.2
Network cable	2,124	1,496	42.0
Network radio	2,330	2,910	(20.0)
Spot radio	2,891	2,594	11.5
Measured	61,376	56,181	9.2
Unmeasured	189,000	173,000	9.2
Total	250,376	229,181	9.2

American Cyanamid Co.'s heavily advertised Shulton USA division had the smallest increase in sales among the four divisions comprising the company in 1987, reflecting in part the sale of Jacqueline Cochran fragrance business to Paris-based Sanofi, a pharmaceutical, cosmetics and fragrance multinational.

But the division continued to be supported strongly by advertising, receiving much of the $266.2 million spent companywide in 1987, up 9.2% from 1986. Shulton, which includes Pine-Sol liquid cleaner, Combat roach and mice-control products, Old Spice personal-care products and Breck haircare and Lady's Choice personal-care products, grew 2.3% in sales, down slightly from a 2.9% growth the year before.

Among Shulton products, the most heavily advertised is the Old Spice line of personal-care products for men, with $12.7 million measured advertising in 1987. Of that total, $5 million backed Old Spice cologne, and after-shave, the leader in the heavily fragmented men's fragrance market with a 19% share (ounces consumed). The share remained the same as in 1986, but the first half of 1988 sales show a climb of one share point, said Kenneth Freeman, VP-marketing at Shulton USA.

A pricier product, Night Spice, introduced in fall 1987, "sold very well at Christmas," said Mr. Freeman, with an $8 to $13 price range for the 2- and 4-oz. bottles. Old Spice sells for $4 per 4¼ oz. bottle Two even costlier fragrances for men will be introduced this Christmas season —Santa Fe, at $10 to $15 for 1.7 oz. and 3.4 oz. bottles, and Bleu Marine de Cardin, an addition to the Pierre Cardin line, at $20 to $30 for 2 ozs. and 4 ozs.

A $5 million net TV and magazine campaign in October, November and December will introduce Santa Fe with the theme "Discover the mystery of its attraction." A $1 million print campaign will introduce Bleu Marine.

Old Spice will roll out Old Spice Liquid Stick, a men's liquid stick underarm deodorant with a porous plastic dome, in a $10 million network TV campaign scheduled to break this month and run through next March. Theme is, "The most advanced protection in the world." And Old Spice adds a citrus-based new scent, Fresh Scent, to its cologne and after-shave line this Christmas. A half-million scent-strip campaign will be limited to *People* magazine. Old Spice's planned $4 million in Christmas season TV ads will tag the new scent.

All of the fragrance introductions will be done by Scali, McCabe, Sloves which handles Cyanamid's Old Spice, Breck haircare and Pierre Cardin lines.

Pine-Sol, which pulled $10.6 million in measured spending, up 15.2%, continued to muscle the competition in the popular pine-scented household cleaner category by clinging to its 17% share in manufacturer's dollars. The product had an estimated $120 million (manufacturers dollars) in sales, according to James Daniel, analyst with Brown Brothers Harriman & Co.

Mr. Daniel said only one of the consumer products, Pine-Sol, was on his list of the company's seven biggest sellers. Pine-Sol, which was backed by $10.6 million in measured advertising, has an estimated $120 million in sales.

Shulton U.S.A. VP-Marketing Kenneth Freeman said, "We are easily the leading liquid household cleaner" with 17% market share (in dollar volume) followed by Mr. Clean with 10% share and Lysol with 7%-8% share. Shares remained stable from 1986 but sales continued to grow, Mr. Freeman said.

Shulton's Combat Roach Control product, introduced in 1985, is believed to have unseated Black Flag (American Home Products) in the No. 2 market spot with an 18% share. Combat rose from a 13% share in 1986 while Black Flag fell from an 18% share in 1986 to 15% in 1987. Leader is S.C. Johnson's Raid at a 45% share. Combat was backed with $6.5 million in measured ad spending in 1987, up from $3.1 million in 1986.

In the first six months of 1988, Shulton believed Combat had grown to a 22% share with its line that included two aerosol spray extensions added in 1987 and a new companion product, Combat Mouse Killer tamper-resistant bait tray.

Lederle Laboratories division in the spring of 1987 introduced FiberCon as the only fiber laxative in swallowable tablet form (as opposed to chewable tablets) with heavy measured ad spending of $5.5 million.

By May-June 1988 FiberCon had climbed to No. 2 in the bulk-laxative market with a 6% share compared to 48% for leader Metamucil (Procter & Gamble). According to Cyanamid, No. 3 Citrucel (Dow Chemical) had 5.5%, and Fiberall (Ciba-Geigy) 5%. The bulk-laxative market, worth $193 million in manufacturer's dollars in 1987, is expected to grow 20% in 1988.

Cyanamid has applied for wider use of the drug Novantrone, which the FDA has approved for use against leukemia. It is sold abroad also as treatment for advanced breast cancer. "It's been doing very well," says Mr. Daniel, "as have some old anti-cancer products."

Lederle pared back its heavy advertising in 1986 on vitamins and calcium supplements. Its calcium supplement line of Caltrate 600, and Caltrate Jr. for children pulled only $3.9 million in measured advertising in 1987. The trendy calcium supplements attracted $6.6 million in the prior year when a bevy of similar products hit the market. Centrum vitamins got $3.6 million in measured spending, down from $6.1 million in 1986.

On the industrial end of the business, Cyanamid's herbicide Scepter "has had phenomenal success," said analyst Mr. Daniel, with sales of $145 million in 1987. "Scepter will be up quite a bit this year," he said. Prowl, an older herbicide, had $139 million in sales, and Counter, used against the corn root worm, sold $122 million, he estimated.

Nothing has materialized in rumors that marked Cyanamid as a takeover candidate last spring. "Cyanamid was a logical company for a number of companies, mostly foreign, to expand their presence in the pharmaceutical industry in the U.S." The company, responding to the rumors, adopted "poison pill" provisions that will more than likely keep it independent.

AMERICAN CYANAMID CO.
One Cyanamid Plaza
Wayne, N.J. 07470
(201) 831-2000

Agricultural Group
Wayne, N.J.

Marketing personnel: Thomas J. Raser, comm mgr; Jeffrey A. Winton, adv mgr-corp protection chemicals; Christine B. Cannon, adv & sales promo mgr-animal nutrition & health, VPC ventures; David Butterfield, dir-public affairs.

Brands/services by agency of record:

Cythion
Malathion

Ad agency: H.T. Fenton Inc., Somerville, N.J.: Harry Fenton, acct mgr; Karna Godridge, acct super; Andrea Bestul, acct exec.

■

Aastar
Scepter
Thimet

Ad agency: Miller-Meester, Minneapolis: Paul Durham, acct super-prod publicity.

■

Amdro
Assert
Avenge
Counter
Cygon
Cyprex
Prowl

Ad agency: Tucker Wayne & Co., Atlanta: L.E. Ver Steegh, sr vp, Mark Kirkpatrick, vp, Lisa Larson, acct exec.

Chemicals Group
Chemical/Industrial
Products Division
Wayne, N.J.

Marketing personnel: Diane L. Flood, mgr-mktg comm.

Brands/services by agency of record:

Chemical & industrial prods

Ad agency: Winchell Marketing, Philadelphia: Harry Blynn, president.

Venture Chemicals
Polymer Products Division
Wayne, N.J.

Marketing personnel: Jayme Kulesz, mgr-mktg comm.

Brands/services by agency of record:

Venture Chemicals

Ad agency: Winchell Marketing, Philadelphia: Harry Blynn, president.

Fibers Division

Marketing personnel: Leigh T. Doxsee, dir-mktg; Jeanne B. Simmons, mgr-mktg comm.

Brands/services by agency of record:

Creslan acrylic fibers

Ad agency: Beaumont-Bennett, New York: William Korach, vp-acct mgr.

Lederle Laboratories
Wayne, N.J.

Marketing personnel: Jack E. Dorsey, dir-mktg svcs, pharmaceuticals; Mark D. Perrin, vp & genl mgr-consumer health prods; Raymond W. Tiedmann, vp & genl mgr-standard prods.

Brands/services by agency of record:

Pharmaceuticals

Ad agencies: Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y.: Tom Sweeney, acct exec.

Dugan/Farley Communications, Montvale, N.J.: E.J. Farley, exec vp.

Klemtner Advertising, New York: Gabin Scott, exec vp.

Consumer Products
Shulton U.S.A. Division
Clifton, N.J.

Marketing personnel: Kenneth M. Freeman, vp-mktg; Sheila A. Hopkins, strategic business unit mgr-fragrances; Andrew Lowry, strategic business unit mgr-household prods; Lawrence B. Koslow, strategic business-unit mgr-toiletries; Gary S. Balkema, dir-new prods; James B. Gibbs, dir-adv & promo svcs; Leo J. Lent, dir-mktg svcs.

Brands/services by agency of record:

Combat
Surpass

Ad agency: Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y.: A. Louis Carrafiello, president; Robert Brandt, mgmt super; Len Fiore, acct exec; Marguerite Kennedy, media dir.

■

Breck selected prods
Old Spice deodorant, anti-perspirant
Old Spice fragrance
Pierre Cardin

Ad agency: Scali, McCabe, Sloves, New York: Stuart Epstein, exec vp; Ueli Morant, mgmt super.

RANK
44

American Express Co.

New York
ADVERTISING: **$ 212.5** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	17,768	16,738	6.2
Earnings	533	1,256	(57.6)
■ U.S.	1987	1986	% chg
Sales	14,685	13,946	5.3
Operating income	1,327	1,328	(0.1)
■ Division sales	1987	1986	% chg
Travel Related Svs	6,037	5,887	2.5
Shearson	6,749	6,748	0.0
Amex Bank	1,733	1,685	2.8
IDS Financial	3,000	2,395	25.3

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	14,278	13,498	5.8
Business pub	2,489	1,866	33.4
Magazine	26,012	32,415	(19.8)
Newsp supp	2,027	827	145.1
Outdoor	50	57	(12.0)
Network TV	66,126	64,293	2.9
Spot TV	29,509	24,060	22.6
Network cable	1,410	789	78.7
Network radio	4,038	2,341	72.5
Spot radio	4,541	3,067	48.0
Measured	150,479	143,213	5.1
Unmeasured	62,000	59,000	5.1
Total	212,479	202,213	5.1

American Express, New York, has been keeping to the high ground in the nasty credit card wars with rivals Visa International and MasterCard International.

American Express continued its award-winning "Portraits" campaign with two new print ads and regionalized it with ads featuring local celebrities such as Minnesota Twins outfielder Kirby Puckett. The company also broke new ground in the cooperative advertising field with the introduction of a seven-page magazine ad which was almost like a mini-catalog.

But Visa blasted American Express' new revolving credit card, the Optima card, as a direct threat by warning bankers it would compete with their cards. The move apparently backfired when consumer groups and some members of Congress supported the Optima card which initially had lower interest rates than most bank cards.

The battle continued, however, on the advertising front with Visa's campaign for the winter and summer Olympics stating that American Express would not be accepted at the games, when in fact the AmEx card was honored in host cities outside Visa's exclusive hold on the Olympic village and various sporting sites.

Another campaign by Visa used a "membership has its disadvantages pitch," a play on AmEx's "Membership has its advantages" theme, to point out the greater number of establishments worldwide that accepted Visa.

American Express' ad spending rose 5.1% to $212.5 million in 1987. Of the $150.5 measured total, credit cards received $76.6 million, up 11.8%.

The three card companies fought each other by giving travel awards to consumers for airline, hotel or car rental charges. American Express focused its ad efforts on credit card enhancements such as a Purchase Protection Plan which insured most items from theft, loss or fire. Rental car insurance also was offered free to Gold and Platinum Cardholders.

American Express Co. managed to do surprisingly well during the year despite the stock market crash that left revenues at its Shearson Lehman Brothers' subsidiary unchanged and the debt problems of less developed nations that forced American Express Bank to moved out of long-term lending in those areas, taking a $625 million loss.

Income from continuing operations in 1987 dropped 52%. Yet American Express, buoyed by the continued strong performance of its Travel Related Services group/division, saw overall sales gain a modest 6% this year. Net income of Travel Related Services increased 16% to $655 million. TRS' revenues were $6 billion, up 25% from 1986.

A record 27.1 million American Express Cards were in force at year-end, up 14% from a year ago and 80% from five years ago. Card volume grew to $75.2 billion, up 18% from 1986. Some 2.1 million establishments honored the card.

good years," said John Keefe, vp-financial services, Drexel Burnham Lambert, New York. "American Express continues to gather new cardholders and volume has grown nicely. It's first in profitability and first in prestige."

Even the new Optima card, which was promoted with little advertising, has had strong acceptance. There are an estimated 2.5 million Optima cards outstanding, with charges at $3 billion. "It's not only in people's hands, but they're using it," said Mr. Keefe. "American Express is expert at cross-selling, and Optima has a low cost of acquisition. They know people with good credit."

Also soaring was American Express Travel Related Services Co.'s Direct Marketing Group, which sells insurance and investment products. Sales were up to $500 million last year. It is now the fifth largest mail merchandiser in the nation.

Travelers Cheque sales rose 16% in 1987, reaching a new high of $19.9 billion. American Express introduced a new "gift cheque."

In January, Shearson acquired E.F. Hutton Group, which increased its network to 12,000 financial consultants in more than 600 offices in the U.S. The group became Shearson Lehman Hutton. In April, it formed joint ventures with Nippon Life Insurance Co., Japan's largest insurance company, to do business in the U.S., U.K. and Japan.

AMERICAN EXPRESS CO.
American Express Tower
World Financial Center
New York, N.Y. 10285-3130
(212) 640-2000

Marketing personnel: Carlos Ordonoz, vp-adv, personal card; John A. Crewe, sr vp-svc establishment mktg, U.S. & natl accts; Joan Bonnette, vp-personal card comm & adv; Pam Guyot, vp-gold card comm & adv, Mary Miller, vp-platinum card mktg; Ann Busquet, sr vp-mktg & sales, Optima card div; Debra Isenberg, sr vp, dir-mktg div; Thomas F. Cash, sr vp-FSI mktg & sales, Travelers Cheque div; Pamela Paul, vp-travel direct mktg & mtkg svcs; Steve Alesio, vp-travel mgmt svcs mktg; Leo Toralballa, vp-personal card acquisition.

Brands/services by agency of record:

Gold card

Ad agency: McCann-Erickson, New York: Ed Comiskey, exec vp-group dir; Linda Boothby, vp-mgmt rep; Susan Mitchell, acct super.

■

Travel

Ad agency: McCann Direct, New York: Keith Weld, vp-mgmt super.

■

American Express card

Ad agency: Ogilvy & Mather, New York: Brendan Ryan, worldwide mgmt super, mng dir-O&M, New York; David Warden, sr vp, group dir.

Shearson Lehman Brothers
New York

Marketing personnel: Joseph Plumeri, sr exec vp, dir-mktg & sales; Cathleen B. Stewart, exec dir-consumer mktg; Robert Leo, exec vp, dir-natl sales; Catherine Kaputa, vp, dir-adv.

Corporate media buying: Media Placement Services, New York: June Spirer, president.

IDS Financial Services
Minneapolis, Minn.

Marketing personnel: Jeffrey Stiefler, exec vp-mktg & sales; Reed Saunders, sr vp-mktg; Michael J. Rothmeier, vp-client acquisition; Diane Hummon, segment mktg mgr.

Brands/services by agency of record:

IDS Financial Services

Ad agency: Ogilvy & Mather, New York: Brendan Ryan, worldwide mgmt super, mng dir-O&M, New York; David Warden, sr vp-group dir.

RANK
23

American Home Products Corp.

New York
ADVERTISING: **$ 390.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	5,028	4,927	2.1
Earnings	845	779	8.5
■ U.S.	1987	1986	% chg
Sales	3,536	3,682	(3.9)
Operating income	1,006	1,009	(0.3)
■ Division sales	1987	1986	% chg
Prescription drug	2,359	2,199	7.3
Packaged med	863	814	6.0
Med supplies	566	442	28.1
Food, household	1,240	1,552	(20.1)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	216	87	148.0
Business pub	1,193	1,400	(14.8)
Magazine	13,907	14,990	(7.2)
Newsp supp	103	239	(56.9)
Outdoor	3	0	NA
Network TV	182,057	183,493	(0.8)
Spot TV	14,917	14,822	0.6
Network cable	7,254	6,821	6.3
Network radio	2,534	2,107	20.3
Spot radio	1,208	543	122.5
Measured	223,391	224,503	(0.5)
Unmeasured	167,000	168,000	(0.6)
Total	390,391	392,503	(0.5)

Following a reorganization last August which combined two American Home Products units—Wyeth and Ayerst laboratories—into one, brand franchises were reshuffled throughout the company's agencies.

Campbell-Mithun-Esty received the $7 million Riopan and Riopan Plus account from Saatchi & Saatchi DFS Compton. Young & Rubicam picked up Wizard Charcoal Starter and Woolite Rug and Upholstery Cleaner, Kornhauser & Calene got Sani-Flush and McCann-Erickson won the Easy-Off and Woolite accounts—all from N W Ayer.

Once the dust had settled, McCann-Erickson had amassed about $27 million in AHP advertising from various agencies, adding such products as Dristan, Fiber Guard fiber supplement and Dermoplast anesthetic spray.

The Wyeth-Ayerst merger allows the new entity to focus on prescription drugs, and it eliminated several areas of duplication. Both former presidents of the two laboratories assumed the leadership of the new organization. Bernard Canavan, former president of Wyeth, became chairman of Wyeth-Ayerst, and also was named a corporate executive VP, while the former president of Ayerst, Judson St John, is now the president of Wyeth-Ayerst.

One task facing the newly-formed division is the bringing to market of a powerful new prescription drug, AS 101, which is an antiviral compound capable of strengthening the immune system against certain AIDS and cancer viruses. According to reports, the company has acquired an exclusive worldwide license to market the product, and clinical trials, which are already under way in various foreign countries, are beginning in the U.S.

Having put the pharmaceutical house in more efficient working order, company officials set their sights on new acquisitions. VLI Corp., Irvine, Calif., manufacturer and marketer of the Today contraceptive sponge as well as other OTC products, was purchased in December 1987 for $74 million. Now a part of AHP's Whitehall Laboratories division, VLI gives AHP an expanded role in the $54 million market for home pregnancy test where AHP's lone entry is Predictor, and also now will include VLI's Clearblue and Clearplan, an ovulation predictor.

Nearly half of that market is dominated by Johnson & Johnson's Ortho Pharmaceutical product, Advance, and Warner-Lambert Co.'s e.p.t. Plus. Newly-acquired Clearblue holds a 10% share, according to Jim Saberton, senior consultant with Fairfield, N.J.-based Kline & Co., a marketing consultant company.

The greatest potential for growth is VLI's flagship product, the Today contraceptive sponge. It currently holds a 27.2% share of the $75 million female contraceptive market, making it the leading OTC female contraceptive in the U.S., while its future sales potential could be very bright. Only 14% of women using birth control have tried the sponge to date, leaving the market wide open. Recently, a condom bearing the Today name was introduced. VLI spent $3.1 million advertising its product line in 1987.

AHP hopes to finalize its planned takeover of A.H. Robins Co., of Richmond, Va., by the end of the year. Faced with the enormity of the litigation facing Robins from the Dalkon Shield contraceptive controversy, AHP temporarily abandoned its acquisition overtures last year. AHP stepped up efforts recently, however, eager to gain access to the $1.4 billion worth of brand names like Robitussin, the largest selling cough preparation in the country with a 26% share of the $330 million cough syrup market. Procter & Gamble's Vicks line is Robitussin's closest competitor with a 21% share, while Warner-Lambert's Benylin and Mediquell lines, together with Sandoz Ltd.'s Triaminic brand, hold a combined 15% share of that market, according to Mr. Saberton.

Another strong Robins OTC performer is Dimetapp, which holds a 7% share of the crowded $700 million cold medications category. P&G's Nyquil leads that market with a 12.5% share, followed by Miles' (Bayer USA) Alka-Seltzer at 9%. Burroughs-Wellcome's Sudafed and Actifed holds a combined 8.5% share, Mr. Saberton said.

Robins' other major brand line is Chap Stick, the market leader for lip care.

Before the acquisition can be completed, however, A.H. Robins must emerge from Chapter 11 bankruptcy status, which it requested as a result of the claims filed by Dalkon Shield users. AHP plans to set $2.5 billion aside to settle the litigation, in addition to its planned payment of $700 million in stock for Robins.

AHP current consumer successes continue to be dominated by the ongoing strength of Advil's performance. The ibuprofen-based analgesic from Whitehall Laboratories continues to build its lead in the $300 million OTC ibuprofen category, where, according to Mr. Saberton, it commands an impressive 50% share. Between 1986 and 1987, Advil actually lost 15 market share points, primarily to inroads made by Bristol-Myers' Nuprin, which currently holds a 25% share, and Johnson & Johnson's Medipren, with a 12% to 13% share.

Nevertheless, Advil has been the leading ibuprofen brand since its introduction in 1985, and sales are expected to continue to climb throughout 1988, Mr. Saberton said. Advil was supported by a hefty $48.4 million in measured spending in 1987, up slightly over $47 million in 1986, according to BAR/LNA.

Anacin, another analgesic product AHP supports heavily, clings to its slightly less than 15% share of the aspirin market, which translated into $120 million in sales in 1987.

In that $750 million market, Anacin competes head-to-head with Eastman Kodak Co.'s Sterling Drug unit product, Bayer, which increased its market share to just over 15%. Bristol-Myers' two aspirin-based entries, Excedrin, with its 10%-plus share, and Bufferin, with 9.5%, round out the top brand-name contenders in the aspirin group. According to BAR/LNA, AHP backed the Anacin line with $42.1 million; Sterling put $27 million behind Bayer; and Bristol-Myers spent $19.8 million on the Excedrin line and $9.6 million for Bufferin.

Although the analgesics market continues to be dominated by Johnson & Johnson heavyweight Tylenol, an acetaminophen with a 30% share, aspirin has received a boost from a new study that links salicylic acid to heart attact-fighting benefits. The effects of that study on consumer buying habits should become apparent in 1988. The Anacin line also includes an acetaminophen product, Anacin-3.

Joining other marketers who have recognized a vast audience in the Hispanic market, AHP spent $3 million in 1987 on Hispanic advertising, an increase of 76.5% over 1986.

The Boyle-Midway division continues to expand its range of microwave entrees and side dishes. Its cooking spray, PAM, the leader in the category for over 20 years, has addressed the needs and tastes of health-conscious Americans this past year, with the introduction of an all-natural formulation that contains virtually no fat or calories, and no sodium or cholesterol. PAM was backed by nearly $10 million in measured media support.

Boyle-Midway maintained 1986 spending levels in 1987 for its Woolite line ($15.9 million), and for Black Flag insect exterminating products ($5.1 million).

American Home Foods' business was bolstered by the 16% increase in sales for the Chef Boy-Ar-Dee line of prepared pasta, a category it continues to dominate, armed with $14.5 million in measured spending, according to BAR/LNA.

AMERICAN HOME
PRODUCTS CORP.
685 Third Ave.
New York, N.Y. 10017
(212) 878-5000

Corporate media buying: (In-house): John F. Murray Advertising Agency: Richard Feldheim, president; Marianne McArdle, sr vp, dir-natl tv; Thomas Del Priore, vp-natl tv support; Katie Coke, vp-radio; Judith A. Bloedorn, vp-spot tv.

Boyle-Midway
New York

Corporate personnel: T.J. Host, president.
Marketing personnel: Rick Donnelly, vp-category dir; Ellen Schapps, vp-mktg svcs, Ken Lagana, adv dir.
Brands/services by agency of record:

Black Flag
Depend-O
Easy-On starch
Griffin shoe polish
Old English
Plastic Wood
Sani-Flush, various prods
Snarol
3-in-1 Oil
Zud

Ad agency: Kornhauser & Calene, New York: Neve Savage, vice chmn.

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Easy-Off Glass Cleaner
Easy-Off Mildew Stain Remover
Easy-Off Oven Cleaner
Noxon
Red Devil Lye
Woolite Cold Water Wash
Woolite Gentle Cycle

Ad agency: McCann-Erickson, New York: Linda Joselow, sr vp, mgmt rep.

■

Dry Breezes
Gulf Lite Charcoal Lighter
Holiday
Pam
Wizard Air Freshener
Wizard Charcoal Lighter
Woolite Rug and Upholstery Cleaners

Ad agency: Young & Rubicam, New York: Jordan Stanley, vp-mgmt super.

Whitehall Laboratories
New York

Corporate personnel: L. Randall Yates, president.
Marketing personnel: Andrew Davis, sr vp-mktg; G.B. Prince, vp-mktg; Lyn Ciocca, vp-mktg; J. Schmitt, asst vp-new prods; Steve Palmisano, adv dir.
Brands/services by agency of record:

Anacin
Compound W
Heet
Maximum Strength Anacin
Momentum
Oxipor
Preparation H
Quiet World
Riopan
Riopan Plus
Viro-Med

Ad agency: Campbell-Mithun-Esty, New York: George Biava, sr vp-mgmt dir; Tom Perotta, sr vp-mgmt super; Carol DiSanto, Ed Bauccio, vps-mgmt supers; Deborah Dick-Rath, vp-acct super; Marianne Jones, acct super.

■

Anacin 3
Children's Anacin 3
Denorex medicated shampoo
Dry and Clear
Freezone
Outgro
Primatene
Trendar
Youth Garde

Ad agency: Kornhauser & Calene, New York: Alan Yarnoff, exec vp-mgmt super; Mike Detels, Jim Harragan, Martin Bowen, vps-acct supers.

■

Dristan Tablets
Dristan Sprays

Ad agency: McCann-Erickson, New York: Gunnar Wilmot, sr vp-group mktg dir; Tom Beach, vp-mgmt rep; Melinda Baxter, acct super.

■

Advil
Anbesol
Arthritis Pain Formula
Bronitin
Clearblue
Clearplan
Neet
Semicid
Sleep-Eze
Today Sponges

Ad agency: Young & Rubicam, New York: Patrick Knisley, vp-mgmt super; Paul Gandlach, Cathy Lasonski, vps-acct supers.

Fort Dodge Laboratories
Fort Dodge, Iowa

Corporate personnel: E.T. Corcoran, president.
Marketing personnel: J.A. Bixler, vp-sales & mktg; W.E. Ryan, dir-adv.
Brands/services by agency of record:

Fort Dodge Laboratories

Ad agency: Miller-Meister, Minneapolis: Ted Priebe, exec vp.

American Home Foods
New York

Corporate personnel: D.P. Jaicks, president.
Marketing personnel: Charles LaRosa, sr vp-mktg; Karl H. Becker, vp-mktg svcs; John Hittson, vp-prod mgmt; Jules N. Neuberger, adv dir; Albert J. Soricelli, vp-new ventures.
Brands/services by agency of record:

Chef-Boy-Ar-Dee Pizza Mix
Dennison's Chili, new prods
Gulden's Mustard
Jiffy Pop Popcorn
Mamma Leone's Prepared Pasta
Panzerotti Mix

Ad agency: Jordan, McGrath, Case & Taylor, New York: Judy Niedert, vp-acct super.

■

Maltex cereals
Food service
Maypo
Wheatena

Ad agency: Ketchum/Hicks & Greist, New York: Ken Silvers, vp-acct super.

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Chef-Boy-Ar-Dee Canned Pasta
Crunch-n-Munch
Luck's Beans
Microwave Meals
Ranch Style Beans, new prods

Ad agency: Young & Rubicam, New York: Jane Brite, exec vp-group genl mgr; Sean Haley, vp-mgmt super; Kevin Rhodes, vp-acct super.

Sherwood Medical Co.
St. Louis

Corporate personnel: David A. Low, president.
Marketing personnel: Robert Egan, exec vp-domestic mktg; Terry Broers, sr vp-genl mgr-intl; Thomas Cekoric, vp, genl mgr-API.
Brands/services by agency of record:

Sherwood

Ad agency: Frank Block Associates, St. Louis: Robert Brace, acct exec.

Wyeth-Ayerst Laboratories
Radnor, Pa.

Corporate personnel: Bernard Canavan, chmn; Judson S. John, president.
Marketing personnel: Thomas Cavanaugh, exec vp-sales & mktg; Martin Meaney, sr vp-sales & mktg; John Leo, vp-mktg; Walter Dymarczyk, asst vp-sales, Ayerst; David Swingle, asst vp-sales, therapeutics; Edward Marcoon, asst vp-sales, natology.
Brands/services by agency of record:

Ativan injection
Cerubidine
Corderone
Serex
Wytensin

Ad agency: F. Scott Kimmich & Co., So. Norwalk, Conn.: Bill Griffith, acct super; Linda Ley, acct exec.

■

Aygestin
Ativan
Cycrin
Mysoline
Orudis
Phenergan cold formula
Phenergan cough formula
Premarin
Surmontil
Synalgos DC

Ad agency: Klemtner Advertising, New York: R. Jay Conlan, mgmt dir; Paul Nani, vp-acct group super; Tony Correia, vp-acct super.

■

Inderal LA
Inderal tablets
Inderide tablets
Inderide LA

Ad agency: Lally, McFarland & Pantello, New York: Paul Hansen, acct group super; Alan Shapiro, Barbara Sage, acct supers.

■

Lo-Ovral
Nordette
Nursoy
Ovral
Resol
SMA
Triphasil
Tubex

Ad agency: William Douglas McAdams, New York: Joseph Carobene, sr vp; Patricia Tlonski, vp-acct super.

RANK
16

American Telephone & Telegraph

New York
ADVERTISING: **$ 531.0** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	33,598	34,087	(1.4)
Earnings	2,044	139	1,370.5
■ *Division sales*	*1987*	*1986*	*% chg*
Telecomm. svcs	17,536	16,841	4.1
Data prods	8,322	9,400	(11.5)
Telecomm systems	6,179	6,185	(0.1)
Other	1,561	1,661	(6.0)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	35,920	31,106	15.5
Business pub	16,507	19,850	(16.8)
Magazine	76,270	74,015	3.0
Newsp supp	6,691	3,751	78.4
Outdoor	114	90	27.3
Network TV	146,418	135,162	8.3
Spot TV	34,790	41,124	(15.4)
Network cable	6,440	3,191	101.8
Network radio	15,004	22,552	(33.5)
Spot radio	6,864	8,710	(21.2)
Measured	345,018	339,551	1.6
Unmeasured	186,000	183,000	1.6
Total	531,018	522,551	1.6

Buoyed by cost cutting, growth in core businesses and a rejuvenated computer strategy, AT&T has entered the fast lane—a turnaround from 1986 when the company claimed it was on the right road but going the wrong way.

AT&T has outlined a three-pronged strategy—to strengthen core businesses, become a leader in data networking and expand international business—under its new leader Robert Allen. Mr. Allen replaced Chairman-CEO James Olson, who died of cancer in April 1988.

Revenues for the year were down because of a continued decline in rental phone equipment, mostly by businesses, but net income rose to $2 billion, a huge gain from the same period in 1986.

AT&T put its worldwide advertising costs at $814 million in 1987, up 4.9% from 1986, although the expenditure includes salaries, research, media and agency work. AA estimate of $531 million for AT&T includes only U.S. measured media and below-the-line forms of advertising.

AT&T's "the right choice" ad slogan of 1987, which continued into 1988, stresses the anxiety associated with not "choosing" AT&T. "Choose AT&T" was the previous campaign. Scenarios, characterized by jumpy, cinema verite camera work, and tense, disturbing music, were disquieting because vignettes implied that an executive's job hung in the balance of making the right choice of a phone system for his/her company.

The second tier of the campaign brought in AT&T solutions presented by friendly AT&T employees talking to an off-camera interviewer about the dependability of AT&T's products.

"The Right Choice" continues to tag all advertising as a unifying positioning statement. "Reach out and touch" remains in consumer ad copy, but is no longer a stand-alone campaign.

AT&T's largest media expenditures were $77.9 million for its general promotion category, up 174% from the prior year, according to BAR/LNA, which credited AT&T with spending $285.7 million in eight media in 1987, up 2.1% over 1986.

Nearly 72% of the spending in the category was on TV, especially network, with magazines receiving the rest.

Revenues from telecommunications services—largely long distance—increased 2.9%, mostly from growth in calling volumes for international and 800 service. AT&T, which invested $2.7 billion in 1987 to improve its network and expects to invest another $6 billion in 1988 and 1989, derives about 50% of its revenues from telecommunications services. Calling volumes have been encouraged by reduced prices. In 1987, prices dropped 16%. In early 1988, they have dropped another 3.5%.

Long distance usage rose about 8% in 1987 at AT&T. However, the company's market share continues to erode, from 75% in 1987 to 70% so far in 1988, according to Northern Business Information, New York. "The volume is still there because the long distance market is growing at 6 to 7 times the market share rate that AT&T is losing," said Jack Grubman, analyst with PaineWebber, New York. That market has grown to $27 billion in 1988, up 12.5% from the prior year, according to NBI analyst, William Rich.

MCI holds 10% of the market in 1988, up from 7% in 1987; US Sprint Communication increased to 6% this year, from 4%; other services remained steady at 14%, according to NBI.

In long distance alone, AT&T will double in earnings over a four-year period even if it continues to lose market share, said Mr. Grubman.

Ad spending continued to decline on long distance lines—down 33.6% to $62.7 million in 1987, following a 20% drop from 1985 to 1986, according to BAR/LNA. Network TV claimed 50% with support coming from magazines, spot TV, network radio and newspaper supplements.

Ad spending also declined for AT&T long lines business, down 46% to $19.9 million, and for overseas long lines, down 11.4% to $32.5 million.

The second major contributor to AT&T revenues—business, data and consumer products— accounted for $8.3 billion in revenues, down 11.7%, as growing revenues from consumer products and newer systems could not offset declines in rentals and older data products. AT&T has cut costs by 50% in its Consumer Products division over the past three years by reducing staff and closing half of its phone centers, which now number 450.

Telecommunications networks systems, accounted for less than one fifth of AT&T revenues at $6.1 billion, from sale of equipment and related services. Switching systems, and cable and wire sales were up, but transmission equipment and other

Print spending by 100 leaders

Rank '87	'86	Company/headquarters	Total spending	'87-'86 % chg	Newspaper	Business pubs	Farm pubs	Magazine	Newspaper supps.	Outdoor
1	2	**Philip Morris Cos.**, New York	$1,557,846	7.4	$49,740	$2,893	$0	$243,331	$9,060	$50,207
2	1	**Procter & Gamble Co.**, Cincinnati	1,386,710	(7.6)	5,576	3,579	0	79,611	2,217	842
3	5	**General Motors Corp.**, Detroit	1,024,852	22.2	174,889	9,658	3,355	153,965	7,789	1,398
4	3	**Sears, Roebuck & Co.**, Chicago	886,529	(19.8)	NA	761	0	21,608	6,411	772
5	4	**RJR Nabisco**, Atlanta	839,589	(6.1)	20,242	4,338	0	105,674	12, 518	63,065
6	8	**PepsiCo Inc.**, Somers, N.Y.	703,973	9.7	8,178	187	0	936	32	4,518
7	9	**Eastman Kodak Co.**, Rochester, N.Y.	658,221	7.9	2,866	6,045	247	32,884	1,232	1,096
8	10	**McDonald's Corp.**, Oak Brook, Ill.	649,493	9.7	NA	14	0	7,192	1,236	6,607
9	6	**Ford Motor Co.**, Dearborn, Mich.	639,510	(1.7)	100,690	5,448	4,267	125,491	615	1,787
10	7	**Anheuser-Busch Cos.**, St. Louis	635,067	(1.4)	11,409	1,099	0	11,893	421	9,580
11	11	**K mart Corp.**, Troy, Mich.	631,845	10.1	NA	110	0	23,462	2,603	319
12	14	**Unilever NV/PLC**, Rotterdam/London	580,656	6.9	1,567	1,770	0	58,259	245	64
13	13	**General Mills**, Minneapolis	572,233	4.0	501	1,398	0	19,983	207	877
14	16	**Chrysler Corp.**, Highland Park, Mich.	568,722	12.9	70,166	2,214	608	100,446	4,596	2,383
15	12	**Warner-Lambert Co.**, Morris Plains, N.J.	558,115	0.9	1,497	2,049	0	14,227	1,049	1,005
16	15	**American Telephone & Telegraph**, New York	531,018	1.6	35,920	16,507	0	76,270	6,691	114
17	23	**Kellogg Co.**, Battle Creek, Mich.	524,865	41.3	483	481	0	3,406	71	0
18	17	**J.C. Penney Co.**, Plano, Texas	513,497	3.5	NA	4	0	9,044	1,208	31
19	18	**Pillsbury Co.**, Minneapolis	473,895	(4.3)	753	467	0	5,246	23	1,629
20	21	**Johnson & Johnson**, New Brunswick, N.J.	459,271	11.8	790	668	0	32,816	853	137
21	19	**Ralston Purina Co.**, St. Louis	436,606	(8.7)	2,467	344	1,143	18,471	96	513
22	20	**Kraft Inc.**, Northbrook, Ill.	400,699	(14.4)	2,183	1,537	0	29,787	2,391	670
23	22	**American Home Products Corp.**, New York	390,391	(0.5)	216	1,193	0	13,907	103	3
24	27	**Mars Inc.**, McLean, Va.	378,559	19.3	660	3,977	0	10,991	342	56
25	24	**Coca-Cola Co.**, Atlanta	364,737	(1.5)	5,467	584	0	4,087	35	2,063
26	26	**Bristol-Myers Co.**, New York	358,934	7.6	553	2,375	485	37,964	41	87
27	29	**Quaker Oats Co.**, Chicago	344,414	12.5	2,032	1,351	0	26,147	789	102
28	28	**Nestle SA**, Vevey, Switzerland	340,825	9.6	2,476	3,685	0	25,044	1, 306	1,119
29	25	**U.S. Government**, Washington	311,299	1.4	3,996	NA	0	44,164	0	1,000
30	34	**Colgate-Palmolive Co.**, New York	279,813	7.9	1,754	362	0	7,810	411	4
31	35	**Sara Lee Corp.**, Chicago	278,141	8.4	5,360	1,846	0	27,438	1,895	269
32	32	**General Electric Co.**, New York	272,607	(5.3)	22,816	10,936	0	37,727	952	1,737
33	33	**Toyota Motor Corp.**, Torrance, Calif.	257,738	(0.8)	28,409	1,399	216	27,105	427	1,229
34	37	**American Cyanamid**, Wayne, N.J.	250,376	9.2	97	691	5,423	7,929	89	194
35	40	**Schering-Plough Corp.**, Madison, N.J.	250,184	17.8	235	1,435	534	29,202	83	263
36	51	**Walt Disney Co.**, Burbank, Calif.	249,823	52.4	5,040	1,184	0	7,978	175	277
37	42	**Honda Motor Co.**, Gardena, Calif.	245,365	19.5	25,536	244	0	42,701	389	102
38	39	**H.J. Heinz Co.**, Pittsburgh	245,264	12.2	1,252	3,265	0	18,375	778	18
39	30	**International Business Machines Corp.**, Armonk, N.Y.	240,846	(18.5)	18,915	8,926	0	35,389	858	95
40	36	**Grand Metropolitan PLC**, London, U.K.	231,574	(0.2)	6,234	519	0	50,696	2,703	5,696
41	41	**Campbell Soup Co.**, Camden, N.J.	230,708	10.6	2,579	1,330	0	22,766	365	687
42	38	**Tandy Corp.**, Fort Worth, Texas	225,052	2.4	NA	2,453	0	10,979	273	5
43	31	**BCI Holdings Corp.**, Chicago	223,208	(23.9)	3,862	4,038	0	11,260	331	222
44	43	**American Express Co.**, New York	212,479	5.1	14,278	2,489	0	26,012	2,027	50
45	44	**Time Inc.**, New York	196,579	3.4	15,551	4,875	0	51,404	1,310	101
46	48	**Pfizer Inc.**, New York	182,059	6.0	749	3,165	1,558	21,287	1,073	22
47	45	**Nissan Motor Co.**, Carson, Calif.	181,438	0.8	22,357	946	0	19,361	213	212
48	52	**IC Industries**, Chicago	169,309	4.7	1,734	320	0	4,100	68	108
49	47	**Volkswagen AG**, Wolfburg, W. Germany	167,257	(5.2)	25,141	234	0	23,270	106	1
50	50	**Mobil Corp.**, New York	166,285	(0.9)	6,366	2,229	253	3,744	360	94
51	49	**Revlon Group**, New York	165,239	(3.6)	1,586	196	0	36,517	2,013	14
52	84	**Hyundai Group**, Seoul	164,336	75.4	13,987	310	0	8,110	0	440
53	46	**U.S. Dairy Associations**, Rosemont, Ill.	161,372	(9.3)	35	4,573	0	9,748	313	1,207
54	72	**Beecham Group PLC**, Brentford, Middlesex, U.K.	153,307	34.6	66	675	920	6,325	23	65
55	63	**AMR Corp.**, Dallas	152,609	16.4	36,195	2,533	0	4,600	58	246
56	53	**Mazda Motor Corp.**, Irvine, Calif.	151,884	(3.0)	24,026	136	0	22,214	0	0
57	56	**American Brands**, New York	151,371	5.2	6,613	430	0	38,527	1,068	19,834
58	67	**ITT Corp.**, New York	151,321	21.7	3,851	6,898	0	12,699	287	1,310
59	77	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	149,749	35.3	896	12,537	4,978	41,676	2,119	112
60	65	**Bayer AG**, Leverkusen, W. Germany	145,392	15.3	613	2,353	5,647	2,673	1,052	167
61	62	**Adolph Coors Co.**, Golden, Colo.	144,664	10.3	1,607	318	0	1,680	0	3,041
62	74	**Nynex Corp.**, New York	142,798	27.1	19,457	679	0	4,655	1,520	235
63	71	**Bell Atlantic Corp.**, Philadelphia	138,618	21.4	5,776	2,321	0	8,865	213	514
64	58	**UAL Corp.**, Elk Grove Village, Ill.	137,790	0.5	29,368	1,336	0	7,927	68	60
65	57	**Dow Chemical Co.**, Midland, Mich.	135,689	(2.3)	267	3,974	1,488	17,237	332	49
66	75	**Noxell Corp.**, Baltimore	134,876	20.6	0	NA	0	24,109	0	0
67	59	**Hasbro Inc.**, Pawtucket, R.I.	134,308	(0.9)	1	46	0	5,970	0	0
68	60	**Texas Air Corp.**, Houston	124,343	(6.2)	67,287	1,280	0	4,054	375	1,575
69	76	**Hershey Foods Corp.**, Hershey, Pa.	122,809	10.6	458	127	0	6,574	0	112
70	73	**Seagram Co.**, Toronto	122,325	8.8	4,183	626	0	22,754	2,106	13,789
71	69	**Cosmair Inc.**, New York	117,224	(2.9)	859	14	0	31,561	990	2
72	68	**CPC International**, Englewood Cliffs. N.J.	115,329	(5.3)	703	1,724	0	6,928	265	812
73	79	**Kroger Co.**, Cincinnati	115,263	6.5	NA	NA	0	504	119	2,892
74	55	**Loews Corp.**, New York	115,200	(21.3)	4,010	329	0	27,280	3,861	24,385
75	87	**Dr Pepper/Seven-Up**, St. Louis	114,117	33.7	1,962	68	0	263	0	559
76	99	**Subaru of America**, Cherry Hill, N.J.	113,233	93.4	13,111	176	0	8,356	119	0
77	83	**Wm. Wrigley Jr. Co.**, Chicago	112,462	16.9	0	261	0	4,980	0	839
78	92	**Prudential Insurance Co. of America**, Newark, N.J.	111,319	58.3	4,503	775	0	16,082	3,464	542
79	91	**Warner Communications**, New York	110,428	38.8	3,932	26	0	1,295	66	155
80	80	**Delta Air Lines**, Atlanta	108,636	3.4	22,011	1,325	0	1,092	0	1,360
81	78	**Wendy's International**, Dublin, Ohio	107,599	(0.7)	NA	NA	0	483	0	2,026
82	88	**Philips NV**, Eindhoven, The Netherlands	107,226	27.9	366	4,385	0	9,445	166	4
83	82	**B.A.T. Industries PLC**, Louisville, Ky.	105,294	7.2	8,344	162	0	24,331	2,153	15,379
84	90	**Daimler-Benz AG**, Stuttgart, W. Germany	105,018	31.8	28,415	1,266	0	13,025	164	10
85	61	**Gillette Co.**, Boston	103,831	(21.0)	57	96	0	10,579	0	46
86	64	**Stroh Brewery Co.**, Detroit	102,878	(19.8)	748	168	0	295	0	986
87	85	**Clorox Co.**, Oakland, Calif.	102,132	13.0	842	2,740	0	8,929	936	14
88	96	**BMW AG**, Munich, W. Germany	99,456	61.1	16,143	14	0	22,311	0	0
89	54	**S.C. Johnson & Son**, Racine, Wis.	96,397	(36.2)	608	187	0	16,025	1,087	0
90	66	**Goodyear Tire & Rubber Co.**, Akron, Ohio	95,027	(24.0)	NA	1,197	855	3,781	0	120
91	97	**Hallmark Cards**, Kansas City, Mo.	93,913	53.9	7,897	NA	0	3,753	2,618	3
92	70	**E&J Gallo Winery**, Modesto, Calif.	93,602	(19.7)	145	NA	0	69	0	260
93	81	**MCA Inc.**, Universal City, Calif.	91,366	(12.6)	1,763	11	0	5,552	332	750
94	93	**Marriott Corp.**, Washington	88,523	27.4	46	978	0	4,793	95	1,031
95	100	**Franklin Mint**, Franklin Center, Pa.	86,620	71.0	13,121	9	0	31,733	17,497	0
96	98	**Southland Corp.**, Dallas	86,134	43.5	NA	218	0	184	0	2,414
97	95	**United Biscuits (Holdings) PLC**, London	84,758	32.0	262	692	0	1,266	0	0
98	89	**Borden Inc.**, New York	84,743	5.3	3,489	1,387	0	3,738	81	65
99	86	**Monsanto Co.**, St. Louis	84,689	(4.4)	858	2,908	5,997	5,069	76	3
100	94	**Ameritech**, Chicago	83,445	21.4	8,889	1,903	0	3,047	0	1,200

Note: Dollars are in thousands. **Source:** Newspaper from Media Records, business publication from MMS/Rome Reports, farm publication from Agricultural Marketing Information Services (AGRICOM), magazine, newspaper supplement and outdoor from BAR/LNA Multi-Media reports; except U.S. Government ad spending, which is from agencies of the federal government. U.S. Dairy Farmers include American Dairy Assn. and local dairy marketing boards. See "Where Ad Age got its data," Page 2. 1986 rank is restated to give historical reading.

Broadcast spending by 100 leaders

Rank '87	Rank '86	Company/headquarters	Total spending	'87-'86 % chg	Unmeasured	Network TV	Spot TV	Network cable TV	Network radio	Spot radio
1	2	**Philip Morris Cos.**, New York	$1,557,846	7.4	$701,000	$330,778	$111,888	$20,522	$8,937	$29,489
2	1	**Procter & Gamble Co.**, Cincinnati	1,386,710	(7.6)	624,000	377,552	238,049	23,713	23,665	7,906
3	5	**General Motors Corp.**, Detroit	1,024,852	22.2	235,000	272,953	103,522	7,968	18,906	34,829
4	3	**Sears, Roebuck & Co.**, Chicago	886,529	(19.8)	665,000	89,973	25,765	2,327	52,701	21,211
5	4	**RJR Nabisco**, Atlanta	839,589	(6.1)	367,000	209,777	31,272	14,688	2,226	8,788
6	8	**PepsiCo Inc.**, Somers, N.Y.	703,973	9.7	250,000	140,342	271,069	3,742	5,203	19,766
7	9	**Eastman Kodak Co.**, Rochester, N.Y.	658,221	7.9	440,000	145,961	15,000	7,989	3,941	960
8	10	**McDonald's Corp.**, Oak Brook, Ill.	649,493	9.7	283,000	216,067	129,010	1,820	0	4,548
9	6	**Ford Motor Co.**, Dearborn, Mich.	639,510	(1.7)	149,000	161,177	50,292	6,118	19,766	14,861
10	7	**Anheuser-Busch Cos.**, St. Louis	635,067	(1.4)	240,000	186,948	83,767	22,943	23,456	43,550
11	11	**K mart Corp.**, Troy, Mich.	631,845	10.1	543,000	18,238	30,942	2,632	6,824	3,696
12	14	**Unilever NV/PLC**, Rotterdam/London	580,656	6.9	232,000	211,923	58,017	4,865	8,627	3,319
13	13	**General Mills**, Minneapolis	572,233	4.0	256,000	133,724	137,028	18,582	2,873	1,060
14	16	**Chrysler Corp.**, Highland Park, Mich.	568,722	12.9	125,000	151,569	82,836	6,684	4,874	17,345
15	12	**Warner-Lambert Co.**, Morris Plains, N.J.	558,115	0.9	365,000	102,472	41,682	2,123	24,614	2,397
16	15	**American Telephone & Telegraph**, New York	531,018	1.6	186,000	146,418	34,790	6,440	15,004	6,864
17	23	**Kellogg Co.**, Battle Creek, Mich.	524,865	41.3	216,000	237,985	61,925	4,496	17	0
18	17	**J.C. Penney Co.**, Plano, Texas	513,497	3.5	436,000	48,507	12,951	2,847	2,612	292
19	18	**Pillsbury Co.**, Minneapolis	473,895	(4.3)	225,000	104,335	118,776	1,300	0	16,366
20	21	**Johnson & Johnson**, New Brunswick, N.J.	459,271	11.8	229,000	181,999	8,953	2,569	138	1,349
21	19	**Ralston Purina Co.**, St. Louis	436,606	(8.7)	274,000	102,545	25,152	4,342	4,963	2,570
22	20	**Kraft Inc.**, Northbrook, Ill.	400,699	(14.4)	217,000	71,245	67,914	1,331	678	5,964
23	22	**American Home Products Corp.**, New York	390,391	(0.5)	167,000	182,057	14,917	7,254	2,534	1,208
24	27	**Mars Inc.**, McLean, Va.	378,559	19.3	169,000	130,271	38,439	14,877	8,569	1,388
25	24	**Coca-Cola Co.**, Atlanta	364,737	(1.5)	146,000	111,153	71,061	8,766	2,449	13,051
26	26	**Bristol-Myers Co.**, New York	358,934	7.6	169,000	134,419	8,239	4,615	0	1,157
27	29	**Quaker Oats Co.**, Chicago	344,414	12.5	166,000	104,107	32,877	3,156	1,212	6,641
28	28	**Nestle SA**, Vevey, Switzerland	340,825	9.6	160,000	86,607	48,924	3,847	3,620	4,198
29	25	**U.S. Government**, Washington	311,299	1.4	144,000	55,659	35,342	2,714	10,124	8,844
30	34	**Colgate-Palmolive Co.**, New York	279,813	7.9	177,000	68,572	22,614	342	197	749
31	35	**Sara Lee Corp.**, Chicago	278,141	8.4	145,000	66,917	24,814	1,121	2,701	781
32	32	**General Electric Co.**, New York	272,607	(5.3)	147,000	38,356	8,580	390	3,091	1,022
33	33	**Toyota Motor Corp.**, Torrance, Calif.	257,738	(0.8)	77,000	46,298	66,294	2,229	2,301	4,831
34	37	**American Cyanamid**, Wayne, N.J.	250,376	9.2	189,000	23,501	16,109	2,124	2,330	2,891
35	40	**Schering-Plough Corp.**, Madison, N.J.	250,184	17.8	127,000	66,038	8,186	2,870	10,641	3,696
36	51	**Walt Disney Co.**, Burbank, Calif.	249,823	52.4	145,000	19,326	54,402	1,672	0	14,770
37	42	**Honda Motor Co.**, Gardena, Calif.	245,365	19.5	67,000	78,065	17,063	5,244	4,360	4,661
38	39	**H.J. Heinz Co.**, Pittsburgh	245,264	12.2	147,000	46,549	25,541	2,128	69	290
39	30	**International Business Machines Corp.**, Armonk, N.Y.	240,846	(18.5)	115,000	53,738	1,548	472	5,434	469
40	36	**Grand Metropolitan PLC**, London, U.K.	231,574	(0.2)	123,000	15,935	25,790	1,002	0	0
41	41	**Campbell Soup Co.**, Camden, N.J.	230,708	10.6	91,000	60,687	30,481	2,666	14,763	3,383
42	38	**Tandy Corp.**, Fort Worth, Texas	225,052	2.4	169,000	34,898	360	868	3,356	2,861
43	31	**BCI Holdings Corp.**, Chicago	223,208	(23.9)	134,000	42,768	19,535	1,005	2,738	3,450
44	43	**American Express Co.**, New York	212,479	5.1	62,000	66,126	29,509	1,410	4,038	4,541
45	44	**Time Inc.**, New York	196,579	3.4	38,000	5,105	55,853	16,412	2,208	5,762
46	48	**Pfizer Inc.**, New York	182,059	6.0	109,000	43,412	1,493	301	0	0
47	45	**Nissan Motor Co.**, Carson, Calif.	181,438	0.8	38,000	46,680	43,593	453	2,735	6,890
48	52	**IC Industries**, Chicago	169,309	4.7	95,000	13,323	43,447	37	4,091	7,083
49	47	**Volkswagen AG**, Wolfburg, W. Germany	167,257	(5.2)	50,000	49,628	13,073	1,332	0	4,472
50	50	**Mobil Corp.**, New York	166,285	(0.9)	114,000	12,996	17,108	1,248	200	7,689
51	49	**Revlon Group, New York**	165,239	(3.6)	82,000	31,678	8,904	120	900	1,312
52	84	**Hyundai Group**, Seoul	164,336	75.4	47,000	13,205	76,487	0	0	4,797
53	46	**U.S. Dairy Associations**, Rosemont, Ill.	161,372	(9.3)	49,000	76,699	14,062	2,080	1	3,654
54	72	**Beecham Group PLC**, Brentford, Middlesex, U.K.	153,307	34.6	66,000	64,921	9,291	1,989	2,901	131
55	63	**AMR Corp.**, Dallas	152,609	16.4	41,000	26,115	23,971	809	976	16,106
56	53	**Mazda Motor Corp.**, Irvine, Calif.	151,884	(3.0)	36,000	51,623	14,538	3,083	0	264
57	56	**American Brands**, New York	151,371	5.2	75,000	6,778	2,107	195	356	463
58	67	**ITT Corp.**, New York	151,321	21.7	101,000	8,160	13,613	1,037	363	2,105
59	77	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	149,749	35.3	48,000	26,603	9,351	1,187	0	2,291
60	65	**Bayer AG**, Leverkusen, W. Germany	145,392	15.3	57,000	47,334	5,983	1,697	20,221	653
61	62	**Adolph Coors Co.**, Golden, Colo.	144,664	10.3	48,000	54,883	23,770	1,284	8	10,073
62	74	**Nynex Corp.**, New York	142,798	27.1	76,000	0	33,783	180	177	6,112
63	71	**Bell Atlantic Corp.**, Philadelphia	138,518	21.4	79,000	0	30,266	382	0	11,281
64	58	**UAL Corp.**, Elk Grove Village, Ill.	137,790	0.5	44,000	31,342	12,535	1,575	1,830	7,750
65	57	**Dow Chemical Co.**, Midland, Mich.	135,689	(2.3)	33,000	64,678	5,677	2,132	6,423	433
66	75	**Noxell Corp.**, Baltimore	134,876	20.6	57,000	48,992	3,570	545	0	659
67	59	**Hasbro Inc.**, Pawtucket, R.I.	134,308	(0.9)	27,000	26,697	72,148	2,445	0	0
68	60	**Texas Air Corp.**, Houston	124,343	(6.2)	21,000	42	12,974	152	0	15,604
69	76	**Hershey Foods Corp.**, Hershey, Pa.	122,809	10.6	51,000	30,932	25,296	2,105	2,678	3,528
70	73	**Seagram Co.**, Toronto	122,325	8.8	31,000	30,847	12,328	556	297	3,839
71	69	**Cosmair Inc.**, New York	117,224	(2.9)	40,000	28,797	13,832	0	356	813
72	68	**CPC International**, Englewood Cliffs. N.J.	115,329	(5.3)	71,000	13,480	18,302	2	54	2,059
73	79	**Kroger Co.**, Cincinnati	115,263	6.5	64,000	98	44,639	277	0	2,733
74	55	**Loews Corp.**, New York	115,200	(21.3)	55,000	0	296	9	0	31
75	87	**Dr Pepper/Seven-Up**, St. Louis	114,117	33.7	40,000	32,677	30,959	2,798	103	4,729
76	99	**Subaru of America**, Cherry Hill, N.J.	113,233	93.4	33,000	31,603	16,882	836	2,871	6,279
77	83	**Wm. Wrigley Jr. Co.**, Chicago	112,462	16.9	9,000	51,672	29,977	6,680	8,231	822
78	92	**Prudential Insurance Co. of America**, Newark, N.J.	111,319	58.3	29,000	48,597	2,126	3,808	1,775	647
79	91	**Warner Communications**, New York	110,428	38.8	64,000	13,287	23,488	3,002	195	982
80	80	**Delta Air Lines**, Atlanta	108,636	3.4	33,000	14,030	12,901	3,245	0	19,671
81	78	**Wendy's International**, Dublin, Ohio	107,599	(0.7)	26,000	46,772	31,706	143	0	469
82	88	**Philips NV**, Eindhoven, The Netherlands	107,226	27.9	54,000	34,100	2,618	1,723	386	33
83	82	**B.A.T. Industries PLC**, Louisville, Ky.	105,294	7.2	47,000	0	4,768	0	0	3,157
84	90	**Daimler-Benz AG**, Stuttgart, W. Germany	105,018	31.8	27,000	19,546	7,435	529	0	7,629
85	61	**Gillette Co.**, Boston	103,831	(21.0)	48,000	29,892	5,512	7,909	1,399	340
86	64	**Stroh Brewery Co.**, Detroit	102,878	(19.8)	45,000	35,567	15,764	1,358	518	2,475
87	85	**Clorox Co.**, Oakland, Calif.	102,132	13.0	26,000	40,123	14,670	6,894	0	983
88	96	**BMW AG**, Munich, W. Germany	99,456	61.1	24,000	27,475	5,082	1,580	0	2,852
89	54	**S.C. Johnson & Son**, Racine, Wis.	96,397	(36.2)	43,000	20,862	9,892	878	1,957	1,903
90	66	**Goodyear Tire & Rubber Co.**, Akron, Ohio	95,027	(24.0)	57,000	14,150	14,828	307	2,198	592
91	97	**Hallmark Cards**, Kansas City, Mo.	93,913	53.9	38,000	36,230	1,608	77	1,300	2,426
92	70	**E&J Gallo Winery**, Modesto, Calif.	93,602	(19.7)	30,000	57,777	4,908	308	0	136
93	81	**MCA Inc.**, Universal City, Calif.	91,366	(12.6)	37,000	19,722	18,257	3,612	137	4,231
94	93	**Marriott Corp.**, Washington	88,523	27.4	56,000	2,758	22,157	106	0	558
95	100	**Franklin Mint**, Franklin Center, Pa.	86,620	71.0	19,000	0	3,966	1,295	0	0
96	98	**Southland Corp.**, Dallas	86,134	43.5	34,000	68	30,693	241	0	18,317
97	95	**United Biscuits (Holdings) PLC**, London	84,758	32.0	49,000	28,058	5,438	44	0	0
98	89	**Borden Inc.**, New York	84,743	5.3	56,000	238	14,729	120	0	4,896
99	86	**Monsanto Co.**, St. Louis	84,689	(4.4)	29,000	32,580	4,423	592	1,637	1,547
100	94	**Ameritech**, Chicago	83,445	21.4	46,000	980	16,851	45	0	4,529

Note: Dollars are in thousands. **Source:** Network TV, spot TV, network cable TV and network radio from BAR/LNA Multi Media reports; spot radio from Radio Expenditure Reports.; except U.S. government ad spending, which is from agencies of the federal government. U.S. Dairy Farmers include American Dairy Assn. and local dairy marketing boards. See "Where Ad Age got its data," Page 2. 1986 rank is restated to give historical reading.

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	General Motors Corp.	$174,889	$146,430	19.4	17.1
2	Ford Motor Co.	100,690	76,136	32.3	15.7
3	Chrysler Corp.	70,166	42,203	66.3	12.3
4	Texas Air Corp.	67,287	63,417	6.1	54.1
5	Philip Morris Cos.	49,740	57,590	(13.6)	3.2
6	AMR Corp.	36,195	25,194	43.7	23.7
7	American Telephone & Telegraph	35,920	31,106	15.5	6.8
8	UAL Corp.	29,368	26,900	9.2	21.3
9	Daimler-Benz AG	28,415	23,340	21.7	27.1
10	Toyota Motor Corp.	28,409	22,878	24.2	11.0
11	Honda Motor Co.	25,536	21,067	21.1	10.4
12	Volkswagen AG	25,141	15,914	58.0	15.0
13	Trans World Airlines	24,365	29,329	(16.9)	32.1
14	Mazda Motor Corp.	24,026	13,514	77.8	15.8
15	General Electric Co.	22,816	26,987	(15.5)	8.4
16	Nissan Motor Co. Ltd.	22,357	17,627	26.8	12.3
17	Delta Air Lines	22,011	22,309	(1.3)	20.3
18	Pan American World Airways	21,489	18,784	14.4	40.0
19	RJR Nabisco	20,242	50,347	(59.8)	2.4
20	Nynex Corp.	19,457	18,614	4.5	13.6
21	International Business Machines	18,915	16,646	13.6	7.9
22	CBS Inc.	18,384	20,116	(8.6)	26.6
23	Southwest Airlines Co.	17,572	14,143	24.2	NA
24	Liberty Travel	16,990	13,871	22.5	NA
25	BMW AG	16,143	10,924	47.8	16.2

Source: Media Records. Note: Dollars are in thousands.

sales were down.

Advertising for the AT&T telephone card doubled to $12.1 million in 1987 as US Sprint entered the card fray with its own offering.

AT&T Telephones advertising dropped 33% to $11.5 million in 1987, with most of the spending in network TV.

Spending for informations systems grew to $24.9 million from $15.7 million in 1986, virtually all in network TV.

Through alliances with computer leaders Microsoft and, in October 1987, Sun Microsystems, AT&T is attempting to unify the different versions of the UNIX computer operating system. Rather than sell stand-alone computers, AT&T is putting together an integrated system that is meeting with market acceptance.

This strategy is deemed essential since AT&T's share of business revenues for personal computers through retail stores, fell to 2% in the first quarter of 1988 and to only 1% in the second quarter, according to StoreBoard, a Dallas-based market research company for the computer industry. For the comparable time period in 1987, StoreBoard estimated a 2% share for AT&T.

Mr. Grubman projects that the computer operations will break even by the end of 1989, more from cost reductions than from revenues. "But at least it went from a huge drag on earnings to neutral," he said.

AT&T's ability to cut costs is a big reason Mr. Grubman continues to be high on the company.

He forecasts doubled earnings over the next four years starting in 1988, 25% from growth in business, the rest from cost cutting.

AMERICAN TELEPHONE
& TELEGRAPH CO.
195 Broadway
New York, N.Y. 10007
(212) 644-1000

Marketing personnel: J. Kent Planck, corp vp-adv; Robert W. Watson, corp media dir; Ross Markwardt, dir-corp adv; R. Zack Manna, mgr-corp adv; Jacqueline R. Byrne, Linda B. Urben, Alvin M. Winters, dist mgrs-corp adv; Steve Cross, dist mgr-corp event mktg; Douglas K. Ritter, corp broadcast mgr.

Brands/services by agency of record:

Corp adv

Ad agency: N W Ayer, New York: Fred McClafferty, sr vp-mgmt super.

■

Black adv
Hispanic adv

Ad agency: UniWorld Group, New York: Herman Morales, sr vp; Linda Dukette, vp-acct super.

AT&T Consumer Markets

Marketing personnel: Kim Armstrong, dir-adv.

Brands/services by agency of record:

Consumer long-distance

Ad agency: N W Ayer, New York: David Gantman, sr vp-mgmt super.

■

Ethnic adv

Ad agency: Bermudez Associates, Beverly Hills, Calif.: Jim Golightly, vp-acct super.

■

Business svcs

Ad agency: McCann-Erickson, New York: Tom Driscoll, sr vp.

■

Computers

Ad agency: Ogilvy & Mather Direct, New York: Shelly Lazarus, sr vp-genl mgr.

■

Special svc long-distance

Ad agency: Young & Rubicam, New York: Mort Lowenstein, sr vp-mgmt super.

AT&T Consumer Products

Marketing personnel: A. Lee Blitch, adv mgr.

Brands/services by agency of record:

Telephones

Ad agency: N W Ayer, New York: Alan Reisberg, acct super.

AT&T Business Markets

Marketing personnel: Charles L. Mitchell Jr., dir-adv & sales promo.

Brands/services by agency of record:

Business long-distance

Ad agency: McCann-Erickson, New York: Hank O'Brien, sr vp-group mgmt dir.

■

Business mkts
Business PBX
Business phone systems

Ad agency: Ogilvy & Mather, New York: Kelly O'Dea, sr vp-group dir.

■

US direct calling card

Ad agency: Young & Rubicam, New York: Mort Lowenstein, sr vp-group dir.

AT&T Network/Technologies

Marketing personnel: P. Mike Neavill, mgr-adv & promo.

Brands/services by agency of record:

AT&TNetwork/Technologies

Ad agency: Foote, Cone & Belding, New York: Jim Bernegger, sr vp.

AT&T American Transtech

Marketing personnel: Michael N. Granieri, dir-corp comm.

Brands/services by agency of record:

AT&T American Transtech

Ad agency: Husk, Jennings & Overman, Jacksonville, Fla.: Gary Husk, sr vp.

RANK
100

Ameritech

Chicago
ADVERTISING: **$ 83.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	9,536	9,362	1.9
Earnings	1,188	1,138	4.4
■ **Division sales**	**1987**	**1986**	**% chg**
Interstate access	1,793	1,881	(4.7)
Intrastate access	578	606	(4.6)
Toll svc	1,155	1,098	5.2
Directory, other	1,479	1,249	18.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8,889	7,532	18.0
Business pub	1,903	412	362.2
Magazine	3,047	4,346	(29.9)
Outdoor	1,200	1,179	1.8
Network TV	980	0	NA
Spot TV	16,851	13,676	23.2
Network cable	45	0	NA
Spot radio	4,529	3,620	25.1
Measured	37,445	30,763	21.7
Unmeasured	46,000	38,000	21.1
Total	83,445	68,763	21.4

Ameritech's corporate umbrella ad campaign themed "Solutions That Work" was severely challenged this spring when a suburban Chicago fire knocked out service, in some cases for several weeks, to about 35,000 Illinois Bell customers.

The Mother's Day fire tested the mettle of the Ma Bell spinoff as 400 workers were dispatched to rebuild a crucial Hinsdale, Ill., switching station that had relayed some 3.5 million calls daily before its meltdown in early May.

To combat the disruption in service that drifted into June, Illinois Bell quickly broke spot radio ads explaining the delay and advertised in the suburban and Chicago metro dailies about temporary telephone locations. A Small Business Administration loan-assistance program was set up in August to help businesses affected by the fire. Illinois Bell ultimately may have to set up a special fund to compensate customers for losses.

Clearly, the worse case scenario in Illinois was not what Ameritech had in mind when it launched the corporate campaign with a case studies approach on the heels of its Pan American games tie-in.

In 1987, Ameritech marketing highlighted its role as official communications company for the tenth games held in Indianapolis. It was the first use of Ameritech as a brand name in the marketplace. The "Solutions" campaign picked up where the Pan Am games marketing left off with case histories on other customers, including the University of Illinois and John Deere & Co.

Ameritech general promotion ad spending rose 9.8% to $4.5 million in 1987 to back "Solutions." The search is on for a new agency to replace J. Walter Thompson, USA, which had handled the $10 million corporate account before accepting the Bell Atlantic account. Finalists include Bayer Bass Vanderwarker, Grant/Jacoby, Tatham-Laird & Kudner, all Chicago and Ross Roy, Bloomfield Hills, Mich. The new agency will pick up the current theme, and focus on it in the business community, said David Parker, advertising manager. The new agency also is expected to develop an investor relations ad program, he said.

AA estimates Ameritech's 1987 overall ad spending at $83.4 million, up 22% from 1986. In seven measured media, ad spending rose 15% to $22.1 million in 1987, according to BAR/LNA. Aside from spending for Yellow Pages, the largest measured ad expenditure went to Illinois Bell. Spending doubled to $5.2 million from 1986, with about 86% of that allocated to spot TV. Residential and business campaigns were both themed, "Just Call."

Michigan Bell spending dipped by 5.3% to $1.8 million, with most of the spending in spot TV. Ohio Bell spending rose 7% to $1.5 million, almost all in spot TV. Its business campaign was themed, "Solutions that Work." Wisconsin Bell spending was about flat at $1.2 million, and Indiana Bell advertising declined 8% to $407,700. Its business advertising, was themed much like the rest: "Solutions without Problems."

In 1987, Ameritech formed two operating companies. Ameritech Bell Group consists of Bell companies serving Illinois, Indiana, Michigan, Ohio and Wisconsin, Ameritech Communications, Ameritech Services and Ameritech Applied Technologies. Results from this operating unit were flat.

The second company, Ameritech Enterprise Group—consisting of Ameritech Mobile Communications, Ameritech Publishing, Ameritech Credit and ADR (Applied Data Research)—accounted for Ameritech's revenue gain for the year, and for more than half its net income growth. ADR, a systems software firm, was sold for $170 million this month to Computer Associates International, Garden City, N.J.

Among new services introduced for residential customers were public announcement services offering time, weather reporting, traffic, health and sports reports, and Automated Pay-Per-View cable TV, which enables customers to order programs by dialing a certain number, is available in several communities.

Automatic reading of gas, electric and water meters via customer telephone lines is being tested in some markets. One quarter of the region's meters are expected to be read by phone by 1993.

Business customers accounted for nearly one third of Ameritech Bell Group revenues in 1987. Ameritech is developing new network architecture that includes the Integrated Digital Network which permits simultaneous transmission of voice, data and video communication over a single telephone line and is now in service at McDonald's corporate headquarters in Oak Brook, Ill.

Ameritech Mobile, now in 15 markets, increased [illegible] by 47% in 1987. Mobile Acce[illegible]ata Service was introduced to allow customers to use their cellular phone with lap top computers.

Ameritech Publishing, which grew 13% in revenues in 1987, publishes 500 PagesPlus directories and specialty directories. Ameritech's single highest ad expenditure backed Publishing—$7.1 million, up 16%. PagesPlus Video was tested at several company locations. It displays information on restaurants, shops, sports and more and has the capacity to print out information.

The division's first Industrial Yellow Pages directory outside the Ameritech region, in western Pennsylvania and western and central New York, debuted in 1987. Ameritech also established a five-year agreement with Nippon Telephone and Telegraph to publish English language directories in Tokyo and Osaka.

AMERITECH
30 S. Wacker Drive
Chicago, Ill. 60606
(312) 750-5000

Marketing personnel: Gary G. Drook, vp-mktg; [illegible] A. Koten, sr vp-corp comm; Sarina A. Butler, dir-adv & external affairs; David H. Parker, adv mgr.

Brands/services by agency of record:

Corp adv

Ad agency: unavailable at time of publication.

Illinois Bell Telephone Co.
Chicago

Marketing personnel: Allen J. Cizner, vp-mktg; Carol Comeaux, dir-adv.

Brands/services by agency of record:

Illinois Bell

Ad agency: N W Ayer, Chicago: Tim Prosch, sr vp-mgmt super, dir-acct mgmt; Sarah Flax, acct super.

Indiana Bell Telephone Co.

Herbert D. Crane, vp-mktg; James H. Irwin, dist mgr-adv.

Brands/services by agency of record:

Indiana Bell

Ad agency: Handley & Miller, Indianapolis: Larry Landis, acct super.

Michigan Bell Telephone Co.

Marketing personnel: Kenneth B. Lange, vp-mktg; Dennis A. White, div mgr-adv.

Brands/services by agency of record:

Michigan Bell

Ad agency: Ross Roy Inc., Detroit: Richard Simmons, sr vp-group mgr; George Petroff, vp-acct super.

Ohio Bell Telephone Co.

Marketing personnel: Robert Hudzik, vp-mktg; John P. Butler, div mgr-adv & planning; Fran Schiavo, dist adv mgr.

Brands/services by agency of record:

Ohio Bell

Ad agency: Lowe Marschalk, Cleveland: John Willse, sr vp-mgmt svcs dir; Leslie Baldizzi, vp-mgmt super.

Wisconsin Bell Telephone Co.
Milwaukee, Wis.

Marketing personnel: Dennis Johnson, vp-mktg; Carla M. Butenhoff, district mgr-adv.

Brands/services by agency of record:

Wisconsin Bell

Ad agency: Cramer Krasselt, Milwaukee: William Faude, sr acct exec; Karen Elsesser, acct exec.

Ameritech Mobile Communications
Chicago

Marketing personnel: Phillip D. Knell, vp-sales & mktg; Katherine R. Boudas, vp-comm; Ronald Jankowski, mgr-comm svcs.

Brands/services by agency of record:

Ameritech Mobile Communications

Ad agency: Ogilvy & Mather, Chicago: Curt Ippensen, sr vp-mgmt rep; Bob Gustafson, vp-acct super; Donna Albergo, acct exec.

Ameritech Publishing
Troy, Mich

Marketing personnel: Sam J. Iaquinta, dist mgr-adv & branding; Vicki Croxton, Jeff Natoce, adv mgrs.

Brands/services by agency of record:

Ameritech publishing

Ad agency: Ross Roy Inc., Detroit: James Quigley, sr vp-mgmt super; Kevin Wixted, acct super.

Applied Data Research
Princeton, N.J.

Marketing personnel: Lois Hilimire, vp-prod mktg; Robert G. Gordon, dir-comm

Brands/services by agency of record:

Applied Data Research

Ad agency: Ephron, Raboy, Tsao Advertising, New York: Dave King, acct exec

RANK
55

AMR Corp.

Dallas
ADVERTISING: **$ 152.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	7,198	6,018	19.6
Earnings	198	279	(28.9)
■ **Division sales**	**1987**	**1986**	**% chg**
Passenger	6,151	4,961	24.0
Other	1,047	1,058	(1.0)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	36,195	25,194	43.7
Business pub	2,533	1,379	83.6
Magazine	4,600	4,339	6.0
Newsp supp	58	0	NA
Outdoor	246	206	19.1
Network TV	26,115	18,453	41.5
Spot TV	23,971	31,215	(23.2)
Network cable	809	486	66.4
Network radio	976	433	125.3
Spot radio	16,106	14,390	11.9
Measured	111,609	96,098	16.1
Unmeasured	41,000	35,000	17.1
Total	152,609	131,098	16.4

Although AMR Corp. had a financially disappointing year in 1987, the parent of American Airlines posted record results for the first quarter of 1988.

The nation's No. 3 carrier attributed outstanding quarterly performance to a 21% increase in revenue passenger miles with a corresponding jump in capacity of 20%. Additionally, yield—the average price charged per revenue passenger mile—rose by 11%.

Heartened by first quarter results—net profits of $68.4 million on operating revenues of $1.96 billion compared to 1987 first quarter net profit of $19.9 million on operating revenues of $1.5 billion—Robert Crandall, chairman/president-CEO, told shareholders that positive financial results are due to the carefully executed growth strategy designed to reduce unit costs.

He attributed the net earnings decline for full-year 1987 to a strike threat in December, unusually severe winter weather that disrupted operations at several key cities and unrealized foreign exchange losses stemming from foreign currency financing.

Nevertheless, American anticipates strong growth in 1988 based in part on strategies initiated in 1987.

New hubs at Raleigh-Durham, N.C. and Nashville, Tenn., continue to expand while international service is growing.

The carrier inaugurated service from its Dallas-Fort Worth hub to Madrid and increased service to Paris by adding a daily

Top 25 business pub advertisers

Rank	Advertiser	Business publication expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	American Telephone & Telegraph	$16,507	$19,850	(16.8)	3.1
2	E.I. du Pont de Nemours & Co.	12,537	9,724	28.9	8.4
3	Hewlett-Packard Co.	11,594	8,036	44.3	25.6
4	General Electric Co.	10,936	13,737	(20.4)	4.0
5	General Motors Corp.	9,658	10,256	(5.8)	0.9
6	NEC Corp.	9,446	8,912	6.0	17.3
7	International Business Machines	8,926	13,307	(32.9)	3.7
8	3M	8,886	8,722	1.9	15.7
9	Tektronix Inc.	7,754	NA	NA	NA
10	Motorola Inc.	7,071	NA	NA	NA
11	Compaq Computer Corp.	7,001	NA	NA	NA
12	ITT Corp.	6,898	6,133	12.5	4.6
13	Honeywell Inc.	6,543	NA	NA	NA
14	Eastman Kodak Co.	6,045	5,707	5.9	0.9
15	Caterpillar Tractor Co.	5,669	NA	NA	NA
16	NCR Corp.	5,474	NA	NA	NA
17	Ford Motor Co.	5,448	5,251	3.7	0.9
18	Toshiba Corp.	5,321	5,127	3.8	12.1
19	Emerson Electric Co.	5,309	NA	NA	NA
20	McGraw-Hill Publications Co.	5,189	NA	NA	NA
21	Tyson Foods	5,148	3,528	45.9	12.2
22	Parker Hannifin Corp.	4,938	NA	NA	NA
23	Time Inc.	4,875	5,564	(12.4)	2.5
24	Texas Instruments	4,709	NA	NA	NA
25	Premark International	4,649	NA	NA	NA

Source: Basic data from MMS/Rome Reports. Parent company research by Kevin Brown and Donna Endy. **Note:** Dollars are in thousands.

flight from Raleigh-Durham. A non-stop flight from New York's JFK Airport to Zurich was added in May.

American's San Juan hub, launched in 1987, has made the carrier the largest in Puerto Rico, and the leading airline to and from the Caribbean. That status will be enhanced by the upcoming establishment of a flight crew base in Miami in January 1989. Further expansion will come from a flight attendant crew base in Nashville.

The carrier has reached the midpoint of its long-term growth plan and is on track except for delivery delays for aircraft which have delayed Raleigh-Durham expansion about six months, said an American spokeswoman.

American began to reap the benefits of its 1987 AirCal merger, which was completed smoothly. The airline now has a significant presence in the West Coast. Another expansion area centered on the acquisition of five of its seven American Eagle carriers, the smaller commuter airlines which service American hubs.

Deep discounts did not dominate airline fare advertising for the first six months of 1988. Instead, service quality was the theme for the top carriers.

American took the lead in this advertising message with its summer 1987 service campaign, followed by ads based on U.S. Department of Transportation performance data. American positioned itself as the top-rated major carrier—particularly in on-time performance.

To accentuate its theme, "Something special in the air," the carrier in spring 1988 began its "On-Time Machine" campaign based on the carrier's dependability performance. Media included TV, print and direct mail.

Like other major carriers, American matched Delta Air Line's triple mileage offer for frequent fliers during the first quarter of 1988. After that quarterly spurt, American re-evaluated the long-term cost of its frequent flier program. And like United Airlines, it announced revisions effective in 1989 to essentially raise mileage requirements and place a time frame on awards.

The company however said it remains committed to this marketing tool to reinforce brand loyalty. American was the first carrier to offer a frequent flier program.

Following the departure of R.A. McKinnon, VP advertising and marketing programs, Michael Buckman assumed the title of VP-passenger sales and advertising while George Mueller was named VP-customer services. Jim Simon, as managing director-advertising, took on advertising responsibilities formerly handled by Ann Smits, who left.

Donna Coyne was named to the new position of manager-domestic advertising.

AMR CORP.
P.O. Box 61616
Dallas-Fort Worth Airport,
Texas 75261
(817) 355-1234

Marketing personnel: Michael W. Gunn, sr vp-mktg; Michael Buckman, vp-passenger sales & programs; George Mueller, vp-customer svcs; Jim Simon, mng dir-adv; Donna Coyne, mgr-domestic adv.

Brands/services by agency of record:

Domestic passenger & freight

Ad agencies: Bozell, Jacobs, Kenyon & Eckhardt Southwest, Dallas: Paul Gold, exec vp; Thomas Hooke, sr vp-group acct dir; Patsy Tryon, sr vp-mgmt rep.

Milici Valenti Smith Park Advertising, Honolulu: Norm Blackburn, sr vp.

RANK
10

Anheuser-Busch Cos.

St. Louis
ADVERTISING **$ 635.1** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	9,019	8,402	7.3
Earnings	615	518	18.7
■ **Division sales**	**1987**	**1986**	**% chg**
Beer, beer-related	6,376	5,898	8.1
Food products	1,627	1,553	4.6
Diversified operations	264	247	6.7

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	11,409	11,744	(2.9)
Business pub	1,099	843	30.4
Magazine	11,893	18,335	(35.1)
Newsp supp	421	910	(53.7)
Outdoor	9,580	7,130	34.4
Network TV	186,948	177,496	5.3
Spot TV	83,767	97,999	(14.5)
Network cable	22,943	19,487	17.7
Network radio	23,456	16,529	41.9
Spot radio	43,350	50,420	(13.6)
Measured	395,067	400,893	(1.5)
Unmeasured	240,000	243,000	(1.2)
Total	635,067	643,893	(1.4)

Anheuser-Busch Cos. embarrassed the marketing departments of its beer industry rivals in 1987. By far America's largest and the world's biggest beer seller, the St. Louis brewer saw its U.S. market share rise to 42.1% from 1986's 39.7% even as total industry shipments dropped 0.4%.

Of A-B's $9.02 billion in revenue in 1987, $6.38 billion, or 70.7%, came from beer sales. That success, no doubt, was partly attributable to major advertising changes for two key rivals, Miller Brewing Co. and Stroh Brewing Co., which early this year switched advertising agencies or campaigns for major brews. In a sense, it also was responsible for Hal Riney & Partners resigning as an A-B agency; unwilling to depart from successful campaigns, A-B gave Riney little business.

The numbers tell the story. A-B sold 76.1 million barrels of beer, 42% of the total beer sold in the U.S. and 5.2% over the previous year. Four of its 12 beers were among the top 10 U.S. sellers. Flagship Budweiser grew 2.7%, shipping an industry-leading 50.4 million barrels, alone accounting for nearly 28% of all American beer sold.

Bud Light grew 19.7% partly on the strength of its association with Spuds MacKenzie. Spuds was so successful that A-B drafted it to do a corporate safe drinking campaign. Even competitor, Stroh Brewery, showed an English bull terrier of Spud's demeanor in its commercials.

Busch beer, A-B's subpremium-priced product, grew 11.7% and Natural Light grew 15.4%.

Only Michelob, A-B's superpremium beer, proved a trouble spot with sales for the three Michelob brands slipping 3%. Early in 1988, A-B dropped most separate advertising for Michelob Light and put the $31.5 million it saved into its main Michelob campaign. It also drafted Frank Sinatra, himself an A-B distributor, to do commercials for Michelob. And to further shore up the brand, A-B announced plans to bring out a dry beer under the Michelob name on Sept. 1.

A-B's overall ad spending showed little change in 1987 from 1986, with measured advertising reported at $395.1 million, down from $400.9 million the previous year, according to BAR/LNA.

A-B's success is more surprising in that A-B had no entry in the hot-selling draft beer category. A-B is continuing to test an Irish-style ale in two markets and this summer rolled out a dark German-style Anheuser Marzen beer in St. Louis. It also expanded distribution of its King Cobra malt liquor.

A-B's success allowed it to open a Fort Collins, Colo. brewery early this year and, in turn, expand distribution of the Busch beer brand westward. Last year A-B added Wyoming and Utah and this year Colorado and Montana to Busch's distribution. Busch beer now is distributed in all but nine western states and could go national within the next year. A-B also is expanding breweries in Newark and Tampa and has announced plans for a new brewery in Cartersville, Ga.

A-B's success at promoting its beers, not only through advertising but through sales promotion, sales meetings and production of its own TV programming, brought some side benefits.

A-B has been increasingly successful in selling those same services to non-competing companies. In April, Busch Creative Service opened its own Chicago office to serve non-A-B accounts.

Past sales promotion problems, however, continued to haunt A-B. Late in 1987, two top ex-officials, Joseph E. Martino, VP-sales, and Michael A. Orloff, director of marketing-wholesale operations, sued A-B over their departures. In May they were indicted and accused of scheming to take kickbacks from A-B external promotion agencies. The trial, due to start in September, was expected to reveal some common A-B practices.

If beer sales in the U.S. were A-B's strong point, sales of other products and overseas sales of beer proved weaker links.

After a second try at selling wine coolers, A-B's Dewey Stevens suffered the same fate as its first attempt, Baybry's Champagne Coolers, but Dewey Stevens was not so quietly put to sleep. Zeltzer Seltzer, another product of the beverage group, announced with great hoopla and featuring advertising from Hal Riney & Partners, failed to get the heavy advertising originally expected. Without the wine cooler volume, A-B sold off Zeltzer, and the rest of its beverage group, Saratoga and Sante mineral waters. A-B continues to produce Master Cellars wines.

Analysts said the beverage group's sales were too small for A-B to pay attention to the products, once A-B stopped selling wine coolers.

A-B also ran into trouble with its Eagle Snacks premium snack line and despite its having available capacity, A-B decided to keep distribution east of the Rocky Mountains until it solved some marketing problems. A-B began a new campaign early in 1988, featuring "Odd Couple" stars Jack Klugman and Tony Randall and said it expected national distribution by some products late in the year.

A-B had better success with Campbell-Taggart, its baking company, which reported improved profitability. A-B said its Busch Entertainment division, also had a successful years at its Busch Gardens in Williamsburg, Va. and Tampa. The A-B-owned St. Louis Cardinals won the National League pennant in 1987, losing the World Series in the last game.

In foreign markets, A-B gained greater distribution, but continued to have troubles in Great Britain and was being soundly beaten in Canada. In Japan, however, A-B captured 50% of the import market. A-B reorganized its European operations in May 1988, moving headquarters to Spain and putting the head of European operations on the company board.

ANHEUSER-BUSCH COS.
One Memorial Dr.
St. Louis, Mo. 63102
(314)577-2000

Corporate personnel: Michael Roarty, exec vp & dir-mktg.

Marketing personnel: Jack MacDonough, vp-brand mgmt; Charles B. Fruit, vp-corp media & sports mktg, vp-coo, Busch Media Group; Thomas Sharbaugh, group brand dir, Budweiser, Bud Light, Carlsberg, Carlsberg Light, Elephant Malt Liquor; Robert J. Goughenour, group brand dir, Michelob, Michelob Light, Michelob Classic Dark; Robert Merz, group brand dir, Busch, Natural Light, LA, King Cobra; Robert Gunthner, sr brand mgr, Budweiser; Joseph V. Corcoran, sr brand mgr, Bud Light; Michael J. Owens, sr brand mgr, Busch; Peter C. Rozzell, sr brand mgr, Michelob; Donald Meyer, sr brand mgr, Michelob Light & Classic Dark; Brian Porter, sr brand mgr, Natural Light, LA; William E. Bra[illegible], sr brand mgr, imports; Al Cummings, sr brand mgr, King Cobra; Dennis Murphy, dir brand planning, O'Doul's Irish Ale, Anheuser Marzen; Jerry Solomon, vp-genl mgr, Busch Media Group, New York; Bill Benz, vp-genl mgr, Busch Media Group, St. Louis; Terry Poulos, vp-genl mgr, Anheuser-Busch Beverage Group; Tony Ponturo, dir-media svcs; Joe Castellano, dir-sports mktg; Tom Barton, mgr-Budsports; Carol Kelleher, mgr-entertainment mktg group; Scott Murdock, dir-merch & sale promo; Michael O'Sullivan, mgr-merch dept.

Brands/services by agency of record:

Budweiser
LA
Natural Light
Corp adv

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Todd Abrams, sr vp-acct group dir; James Palumbo, sr vp-mgmt super, Budweiser; Timothy R. Rodgers, vp-mgmt super, Natural Light & LA; Richard Lalley, vp-acct super, Budweiser; Terry Lucas, vp-acct super, Natural Light & LA; Robert E. Murphy, vp-acct super, corp; Fred Wolter, acct super, Budweiser; Herbert D. Condie, vp-acct super, corp; Carl Strom, acct exec, corp.

■

Bud Light
Busch
Michelob brands
Ballygowan
Corp adv

Ad agency: DDB Needham Worldwide, Chicago: John Greening, group acct dir, beer; Ray Gillette, group acct dir, Ballygowan; Bob Lachky, mgmt rep, Busch, Bud Light; Don Richards, mgmt rep, Michelob brands; Bill Syrett, acct super, Busch; Ed Frechette, acct exec, Busch; Mark Leitner, acct super, Bud Lite, Brooke Chapman, acct exec, Bud Lite; Peter Kuntz, Alan Cohen, acct supers, Michelob; Senn Moses, acct super, Michelob Light; Scott Rabschnuk, acct exec, Michelob Light; David Beals, acct super, Ballygowan; Lisa Henson, acct exec, Ballygowan; Ralph Kurek, super-field activities.

■

Carlsberg
Elephant Malt Liquor
Eagle Snacks

Ad agency: TBWA Advertising, New York & St. Louis: Page Murray, acct exec, Carlsberg, Elephant Malt Liquor; Amy Cohen, acct exec, Eagle Snacks.

■

Campbell Taggart's Earth Grains Breads
Break Cake
Rainbow Bread
Country Hearth
Grant's Farm

Ad agency: Bloom Agency, Dallas: Charles J. Calise, mgmt super.

■

King Cobra

Ad agency: Equinox Advertising, Chicago: Stuart Rankin, partner.

■

Hispanic mktg

Ad agency: Castor Spanish International, New York: Robin Robert, acct super.

■

Black adv

Ad agency: Caroline Jones Advertising, New York: Gina Ross, acct super.

RANK
83

B.A.T. Industries PLC

Louisville, Ky.
ADVERTISING **$ 105.3** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	27,127	28,133	(3.6)
Earnings	752	843	(10.8)
■ **U.S.**	**1987**	**1986**	**% chg**
Sales	5,835	5,499	6.1
Operating income	886	844	5.0
■ **Division sales**	**1987**	**1986**	**% chg**
Tobacco	9,481	10,718	(11.5)
Retail	5,182	5,832	(11.1)
Paper	2,540	2,447	3.8
Other	777	1,189	(34.6)

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	8,344	5,139	62.4
Business pub	162	NA	NA
Magazine	24,331	18,651	30.5
Newsp supp	2,153	1,700	26.6
Outdoor	15,379	20,146	(23.7)
Spot TV	4,768	5,995	(20.5)
Spot radio	3,157	2,611	20.9
Measured	58,294	54,241	7.5
Unmeasured	47,000	44,000	6.8
Total	105,294	98,241	7.2

Batus Inc., the U.S. arm of B.A.T. Industries, added a "fourth business leg" of financial services to its tobacco, retailing and paper companies after it won its fight in August 1988 to take over Farmers Group Inc. of Los Angeles in a $5.2 billion deal.

With Farmers Group, B.A.T.'s reliance on its tobacco contribution will be reduced to 50% in operating income from 62%. Currently, B.A.T. obtains 23% of its operating income from retailing and 15% from paper—both of which provided disappointing results in 1987.

During 1987, Batus's tobacco operation—Brown & Williamson Corp.—experienced a "banner year" despite declines in its domestic market share. A key to B&W's strong performance was excellent sales growth in the Far East.

B&W claimed the largest share of Batus' measured advertising, or $39.4 million, up 4.5% from 1986, according to the seven media tracked by BAR/LNA. The expenditure counted for 67% of total measured spending at Batus.

B&Ws share of the total domestic cigarette market declined to 11% in 1987 from 11.7% in 1986, according to estimates by John C. Maxwell Jr., analyst with Wheat First Securities Inc., Richmond, Va. In 1985, B&Ws share was 11.9%.

B&W's flagship Kool brand fell to 6% of market in 1987 from 6.4% the year before, according to Mr. Maxwell, while its competitor—Loews Corp.'s Lorillard's Newport brand—increased its market share to 4.2% from 3.8% in 1986.

B&W also saw a decline in market share for its brands in the "price/value segment." The price/value category—which includes generic cigarettes—accounts for about 10% of the cigarette market. B&W products account for 22.4% of all price/value cigarettes sold in the U.S., down from 26.6% last year, according to Mr. Maxwell.

Top 25 farm publication advertisers

Rank	Advertiser	Farm publication expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**Imperial Chemical Industries PLC**	$8,299	$7,726	7.4	17.2
2	**Ciba-Geigy Ltd.**	7,159	6,622	8.1	12.0
3	**Monsanto Co.**	5,997	5,501	9.0	7.1
4	**Bayer AG**	5,647	5,341	5.7	3.9
5	**American Cyanamid**	5,423	5,376	0.9	2.2
6	E.I. du Pont de Nemours & Co.	4,978	3,832	29.9	3.3
7	Deere & Co.	4,366	5,904	(26.1)	NA
8	Rhone-Poulenc	4,284	1,874	128.6	NA
9	Ford Motor Co.	4,267	4,475	(4.6)	0.7
10	Elanco Products Co.	4,233	5,251	(19.4)	NA
11	**Tenneco Inc.**	3,378	2,715	24.4	9.8
12	**General Motors Corp.**	3,355	2,263	48.3	0.3
13	**FMC Corp.**	2,448	2,783	(12.0)	NA
14	**Sandoz Ltd.**	2,094	1,519	37.9	3.6
15	**MSD Agvet, Merck & Co.**	1,891	1,530	23.6	NA
16	Pioneer Hi-Bred International	1,881	2,146	(12.3)	NA
17	BASF Corp.	1,845	1,600	15.3	NA
18	IMC International	1,739	826	110.5	NA
19	Hoechst-Roussel	1,603	1,671	(4.1)	NA
20	Upjohn	1,575	1,909	(17.5)	NA
21	**Pfizer Inc.**	1,558	1,067	46.0	0.9
22	**Dow Chemical Co.**	1,488	1,388	7.2	1.1
23	**Ralston Purina Co.**	1,143	1,229	(7.0)	0.3
24	**Farnam Cos.**	1,122	716	56.7	NA
25	**Deutz/Allis Corp.**	1,101	1,006	9.4	NA

Source: Agricultural Marketing Information Services (AGRICOM). Note: Dollars are in thousands.

The largest branded generic, R.J. Reynolds Tobacco's Doral, had introductions of Ultra Lights and Full Flavor packings in late 1986. The brand achieved a 3% overall market share, which is more than 30% of the price/value segment. RJR had 37.8% of the low-price market overall last year.

Measured advertising for Kool continued its decline—and hit second place in the amount of money B&Ws spent on measured advertising for its brands. Kool dropped to $12.3 million in 1987, down 39.1% from 1986. In 1985, measured advertising for Kool had been $28.9 million.

Thomas E. Sandefur Jr., B&W's president-CEO, told trade specialists in May 1987 that the company is focusing more on in-store promotions and direct mail. Those areas are not measured by BAR/LNA.

In 1987, B&W started a "Kool & Milds Today" campaign involving heavy unmeasured advertising in regions where there is a large population of menthol smokers. The promotion involves "buy-one-get-one-free" promotions and point-of-purchase displays.

The brand that got the most money for measured advertising was Richland—a "value for money" products—with $13.2 million in 1987, down 8.2% from 1986. In late 1987, B&W began testing Richland 20s, with 20 cigarettes in the package compared to 25 cigarettes in Richland 25s.

Capri, an ultra-slim cigarette, received $11.7 million in measured media. Capri, which is designed to appeal to female smokers, was introduced nationwide in July after being in test since January 1987. In 1987, the brand sold one billion units. The brand has been heavily promoted in areas of non-measured advertising as well. A $2-off coupon was used in test markets to generate interest. In addition, a major sweepstakes promotion was begun in May.

As part of the promotion, customers could win a trip to Paris with $50,000 cash as a grand prize. Other prizes included pearl necklaces, gold bracelets and beauty baskets. The Paris "cachet" was expected to encourage Capri trial use among females and build excitement for the brand. Advertising for the brand is handled by Geer, DuBois of New York.

Two other brands in test were dropped in late 1987 and early 1988, respectively—Eli Cutter, a non-menthol male-oriented, full-flavored brand and Kim 25s, a full-value brand targeted primarily at women smokers. The company said results were below expectations.

In January, B&W announced that it is testing another brand with the new slender style—Barclay Lights Ultra Thins, which is the same size as Capri—17mm in circumference. Standard cigarettes are about 25mm; some thin cigarettes already on the market are about 21mm.

The slims market segment amounts to about 6% of total U.S. cigarette sales.

The new Barclay brand is aimed at women and men because the company has found that it appeals equally to both. B&W began testing them in Atlanta and other areas of Georgia in November 1986. That area was selected because Barclay has strong appeal there.

In February 1987, B&W switched ad agencies for Kool and Kim 25s to William Esty Co., New York (now Campbell-Mithun-Esty), from Ogilvy & Mather, Chicago. O&M had held the account only since April 1986.

Last June, Esty got another creative assignment from B&W—Viceroy cigarettes, which had not been getting any advertising. Esty also handles Barclay in the U.S.

All media buying for B&W products is done by O&M.

Batus sold about 40% of its retailing operations in 1986, including Fredrick & Nelson, Crescent, Kohl's and Gimbels department stores. The major continuing Batus retailing businesses are Saks Fifth Avenue, Marshall Field's, Ivey's, Breuners and Thimbles.

Measured advertising dropped at Marshall Field's by 9% to $3.38 million and at Saks Fifth Avenue by 23% to $1.61 million. Ivey's measured spending grew 44% to $520,500.

The company said 1987 was a difficult year for its retail business with sluggish consumer spending, higher import costs, competitor markdowns and the October stock market crash which affected the fourth quarter.

In fall 1987, Batus announced major investment plans, including a $110 million renovation of Marshall Field's historic flagship store in Chicago and a five-year, $300 million nationwide expansion and modernization of Saks.

Ivey's experienced a tough year as the consolidation of the Florida and Carolina divisions proved to be a greater disruption to the business than planned. The consolidation is now complete.

Farmers Group, founded in 1928, controls a variety of auto, home, property and casualty and life insurers that do business in 26 Western states. It is the nation's third-largest home and auto insurer, behind State Farm and Allstate, and the seventh-largest property and casualty insurance company. It has about $11 billion in assets and is involved solely in insurance except for a small real estate operation.

The insurer had sales of $1.1 billion (which includes $286 million in life insurance premiums, $169 million in life insurance investment income and $678 million in management fees, according to Tom Welch, director of corporate investments for Farmer's Group Inc.) and per-share earnings of $3.09 in 1986. Sales have grown at an annual rate of 19% and profits at 16% during the past five years.

B.A.T. INDUSTRIES
Windsor House, 50 Victoria Street
London SW1H 0NL

Batus Inc.
2000 Citizens Plaza
Louisville, Ky. 40202
(502) 581-8000
Appleton Papers
Appleton, Wis.

Corporate personnel: John W. Turner, chmn-ceo; Dale H. Schumacker, president-coo.

Marketing personnel: Daniel W. McIntosh, vp-mktg & sales; Steven Buggy, adv mgr.

Brands/services by agency or record:

Carbonless paper

Ad agency: Cramer-Krasselt, Milwaukee, Wis.: Cory Block, acct super.

■

Graphic arts
Thermal papers

Ad agency: Yelton-Kennerly, Appleton, Wis.: Jeff Yelton, acct exec.

John Breuner Co.
San Ramon, Calif.

Corporate personnel: Thomas G. Grimes, chmn-ceo.

Marketing personnel: Larry Gross, dir-mktg; Jim Wisniewski, adv dir.

Brands/services by agency of record:

Breuner stores

Ad agency: Media West, Oakland, Calif.: Gil Macey, president.

Brown & Williamson Tobacco Co.
Louisville, Ky.

Marketing personnel: I.D. MacDonald, dir-established brands; Robert J. Miller, group prod dir; James L. Hendricks, group prod dir; Walt Carpenter, group prod dir; R.D. Sharp, group prod dir, special projects; Susan H. Trebilcock, sr brand mgr; G.B. Miningham, sr brand mgr; N.G. Naughton, sr brand mgr; K.J. Brotzge, brand mgr; D.E. Seagle, brand assoc; Z.A. Crutchfield, brand assoc; Gail Lyttle-Green, brand assoc; N.J. Wilkerson, brand assoc; J.C. Land, brand assoc; C.L. Barlow, brand assoc; M.A. Canovan, brand assoc; R.M. Grimes, brand assoc; Fran Canary, mgr-mktg svcs; Nancy S. Spriggs, mgr-media svcs; D.A. Sutherland, adv & production asst; D.G. Fryman, super-promo couponing; F.A. Adams, special promo mgr; L.W. Butler, vp-sales; Charles Middleton, dir-sales devel & admin; Mark Kovatch, dir-natl accts & trade devel.

Brands/services by agency of record:

Capri
Richland 25s
Richland 20s

Ad agency: Geer, DuBois, New York: Michael Garcia, mgmt super; Tony Graetzer, acct super.

■

Kool
Viceroy
Barclay

Ad agency: Campbell-Mithun-Esty, New York: Lawrence Wassong, president-coo; John Neal, exec vp-acct dir; Michael Alrich, vp-mgmt super; Chuck Cilo, exec vp-exec creative dir; Dom Pelliccio, sr vp-sr creative dir; Al Saperstein, sr vp-creative dir; Paul Cimaglia, Tom Conrad, vps-art dirs.

Ivey's Carolina
Charlotte, N.C.

Corporate personnel: Donald Midkiff, president & ceo.

Marketing personnel: Richard L. Schwab, sr vp-sales promo.

Brands/services by agency of record:

Ivey's

Ad agency: (In-house): Richard L. Schwab, sr vp-sales promo.

Marshall Field's
Chicago, Ill.

Corporate personnel: Philip B. Miller, chmn-ceo; Burnett Donoho, president-coo.

Marketing personnel: Katharine Davis, vp-direct response; Christina Johnson, sr vp-home store & direct response; David Ball, vp-mktg; Robert Cappelli, sr vp-sales promo.

Brands/services by agency of record:

Marshall Field's stores

Ad agency: (In-house): Creative Field's: Robert Cappelli, sr vp-sales promo.

Saks Fifth Avenue
New York

Corporate personnel: Melvin Jacobs, chmn-ceo; Burton M. Tansky, president.

Marketing personnel: Paul Le Blang, sr vp-dir mktg; Helen O'Hagan, vp-pr; William Berta, sr vp-sales promo & adv; Becky Wong Young, creative dir; Linda Gaunt, dir-fashion publicity & pr mgr.

Brands/services by agency of record:

Saks Fifth Avenue stores

Ad agency: (In-house): Ross Bonanno, production mgr.

RANK
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Bayer AG

Leverkusen, W. Germany
ADVERTISING: **$ 145.4** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	20,700	21,335	(3.0)
Earnings	861	755	14.0
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	4,190	3,789	10.6
Operating income	123	107	15.2
■ ***Division sales***	***1987***	***1986***	***% chg***
Mobay	1,787	1,710	4.5
Miles	1,460	1,264	15.5
Agfa-Gevaert	467	449	4.0
Compugraphic Corp.	367	341	7.6

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	613	205	199.3
Business pub	2,353	3,264	(27.9)
Magazine	2,673	1,670	60.1
Newsp supp	1,052	913	15.2
Farm pub	5,647	5,341	5.7
Outdoor	167	119	39.8
Network TV	47,334	39,235	20.6
Spot TV	5,983	6,951	(13.9)
Network cable	1,697	1,158	46.5
Network radio	20,221	16,206	24.8
Spot radio	653	1,088	(40.0)
Measured	88,392	76,149	16.1
Unmeasured	57,000	50,000	14.0
Total	145,392	126,149	15.3

Bayer USA, the Pittsburgh-based American unit of West German parent, Bayer AG, got increased revenues across the board during an active year for product development.

Leading the growth in new products were consumer products marketed by Miles Inc. of Elkhart, Ind., and the specialized lines of Mobay Corp. of Pittsburgh; Agfa-Gevaert Inc. of Ridgefield Park, N.J. and Compugraphic Corp. of Wilmington, Mass.

The U.S. operations represented 20% of worldwide sales, down from 22% in 1986. Deutschmarks were converted to dollars at the average exchange rate of 2.17 DM to the dollar in 1986, the same conversion used by Bayer internally. The 1987 conversion rate was 1.79108.

Miles, which was second to Mobay in sales and first in growth among the American subsidiaries, dropped "Laboratories" from its name to reflect a broader focus.

Miles grew 15.5% in sales, but 59% in profit to $46.1 million during 1987. Miles, which does the vast majority of Bayer USA's advertising, also promoted heavily the familiar lines from which some of the new products sprang—especially Alka-Seltzer.

The Alka-Seltzer family accounted for 61% of the $79.1 million in measured advertising credited to Bayer USA by BAR/LNA. The $48.3 million spent on the line was up 25% from 1986, an increase that included expenditures for new entries, Extra Strength Alka-Seltzer and Alka-Seltzer Plus Night-Time Cold Medicine.

Miles believes it has strengthened its sales efforts in consumer healthcare by reorganizing into food and non-food divisions, as well as developing a unit to concentrate on national accounts.

The company claimed a 23% increase in sales for S.O.S. Glass Works, which competes with Drackett Co.'s Windex and Texize's Glass Plus. The window cleaner, in its second year, was assisted by a $6.2 million measured advertising expenditure, up 5.6%.

Miles also is capitalizing on the S.O.S. name with a lemon-scented steel wool soap pad, with a multimedia ad campaign launched at the beginning of this year.

Miles boosted advertising for its vitamin tablets to $17.6 million, up 39% from the prior year. The two components in the expenditure include Flintstones childrens chewable vitamins ($11.7 million advertising, up 33%) and One-A-Day Within vitamin tablets ($5.9 million, up 54%).

Marketing is building up for Cipro, which was approved by the FDA in the fourth quarter of 1987 for treatment of a variety of infections, and Prolastin, a drug for treatment of emphysema that was cleared in December. Still awaiting FDA approval are Baypress, for hypertension, and Nimotop, for treatment of hemorrhages.

Bayer places more than half its U.S. advertising in network TV. Network radio claimed another quarter of ad spending, according to BAR/LNA. The company tripled its tiny newspaper commitment and increased its magazine exposure by 60%.

Bayer USA spent more than $100 million on research and development for the fourth straight year. It finished the $36 million first phase of the Miles Research Center in West Haven, Conn., and selected its Berkeley, Calif. site to pilot production of DNA Factor VIII, for hemophiliacs.

Miles divested two small units, the disposable laboratory equipment business in Naperville, Ill. and the Cutter Biomedical cast business in Berkeley, Calif.

Mobay introduced the Salute broad-spectrum grass and broadleaf herbicide and Pryfon termite killer in its agricultural chemical line; launched new pigments, Quindo and Palomar and brought to market a dual-density shoe sole polyurethane system boasting a light, shock-resistant inner sole and an outer sole that is slip-proof and oil resistant.

Agfa-Gevaert, the photographic-product subsidiary, placed Agfa 35mm film in Walgreen drugstores during 1987 and converted Moto Photo to exclusive Agfa film product use. It also introduced an Agfastar photo-processing system, Supermaster offset duplication and other camera and darkroom products.

BAYER AG
K-KF Borsen, Weltpapiere
5090 Leverkusen
West Germany

Bayer USA
One Mellon Center
500 Grant St.
Pittsburgh, Pa. 15219-2502
(412) 394-5500.
Mobay Corp.
Pittsburgh, Pa.

Marketing personnel: Richard L. White, exec vp-mktg; Richard J. Donati, mgr-industrial adv.

Brands/services by agency of record:

Mobay Corp.

Ad agency: Della Femina, McNamee WCRS, Pittsburgh, Pa.: T.R. Erkman, vp-acct super.

Agricultural Chemicals Division
Kansas City, Mo.

Corporate personnel: H.K. Wehner, vp-genl mgr.

Marketing personnel: Hendrik Heesman, mktg dir; R.K. Miller, adv mgr.

Brands/services by agency of record:

Herbicides
Insecticides

Ad agency: Valentine-Radford, Kansas City, Mo.: Graeme Blasdel, acct super-herbicides; Phil Schroeder, acct super-insecticides.

Animal Health Division
Shawnee Mission, Kan.

Corporate personnel: F.O. Halter, vp-genl mgr.

Marketing personnel: F.G. Koring, mktg dir.

Brands/services by agency of record:

Small animal products

Ad agency: Richardson, Myers & Donofrio, Baltimore, Md.: Jim Palmer, acct exec.

■

Equine products

Ad agency: Stephens & Associates, Overland Park, Kan.: Chuck Stephens, acct exec.

Miles Inc.
P.O. Box 40
Elkhart, Ind. 46515
(219) 264-8111
Consumer Healthcare
Elkhart, Ind.

Marketing personnel: J.W. Howell, corp vp, div president; G.R. Fleischer, vp-mktg; R.C. Foyle, vp-sales; M.B. Streicker, dir-media operations.

Corporate media buying: Clifford A. Botway Inc., New York: Clifford A. Botway, chmn; Edward Kobza, president.

Brands/services by agency of record:

Miles overseas military
Miles trade adv

Ad agency: Boger, Martin, Fairchild & Co., Elkhart, Ind.: Robert M. Boger, president.

■

Hispanic adv

Ad agency: Conill Advertising Associates, New York: Maria da Silva, acct super.

■

Alka-Seltzer
Flavored Alka-Seltzer
Extra Strength Alka-Seltzer

Ad agency: McCann-Erickson, New York: John Dooner, exec vp.

■

One-A-Day vitamins
Bactine antiseptic
Bugs Bunny & Flintstones vitamins

Ad agency: Tatham-Laird & Kudner, Chicago: Bill Youngclaus, ceo.

■

Alka-Seltzer Plus Cold Medicine

Ad agency: Wells, Rich, Greene, New York: Kenneth Olshan, chmn-WRG Worldwide; John Costello, exec vp.

Consumer Household Products
Chicago

Marketing personnel: S.M. Reim, corp vp, div president; M.N. Redlin, vp-mktg; H.G. Fitts, vp-mktg svcs; R.R. Rowe, vp-U.S. sales.

Brands/services by agency of record:

S.O.S Soap Pads

Ad agency: Griffin Bacal, New York: Marsha Badanes, sr vp-group dir; Kristin Tartaglia, acct super.

■

Clinical hospital prods

Ad agency: Goble & Associates, Chicago: Ed Goble, president.

■

S.O.S. Glass Works Glass Cleaner

Ad agency: Zwiren & Partners, Chicago: Tim Collins, partner; Tom Lohr, sr acct exec.

Biotechnology Products
Elkhart, Ind.

Marketing personnel: K.E. Seeger, corp exec vp, div president; H.C. Stalter, vp-domestic mktg; J.A. Foster, dir-domestic mktg.

Brands/services by agency of record:

Biotechnology prods

Ad agency: Ash Advertising, Elkhart, Ind.: J.B. Ash, president.

Diagnostics
Elkhart, Inc.

Marketing personnel: R.G. Stoll, corp exec vp, div president; A.D. Fiorillo, exec vp-mktg & sales; K.M. Murphy, mgr-mktg comm.

Brands/services by agency of record:

Diabetes consumer & professional prods

Ad agency: Abelson-Taylor, Chicago: Dale Taylor, exec vp; Cindy Stone, acct super.

■

Clinical hospital prods

Ad agency: Goble & Associates, Chicago: Ed Goble, president.

Pharmaceutical
West Haven, Conn.

Marketing personnel: H.K.D. Wallrabe, corp exec vp, div president; G.B. Rosenberg, vp-mktg & sales; J.J. Patchen, dir-prod mgmt; Valerie English, group prod mgr-cerebro-cardiovasculars; M.G. Wokasch, group prod mgr-anti-infectives; R.J. Lamb, dir-sales.

Brands/services by agency of record:

Cipro
Mezlin

Ad agency: Medicus Intercon, New York: John Ibelli, sr vp.

■

New prods

Ad agency: Thomas J. Ferguson Associates, Parsippany, N.J.: Thomas Ferguson, president.

Hollister Stier
Spokane, Wash.

Marketing personnel: R.M. Galustian, group exec vp, head-allergy business unit; Rey Yvars, dir-mktg & sales; Charles Gursky, natl sales mgr.

Brands/services by agency of record:

Allergenic extracts

Ad agency: Clark-White & Associates, Spokane, Wash.: Doug Herd, acct exec.

Biological

Corporate personnel: R.M. Galustian, group exec vp, head-biological svcs unit.

Marketing personnel: W.G. Johnson, vp-mktg & sales; G. Horton, dir-sales.

Brands/services by agency of record:

Intravenous immune globulin
Alpha I proteinase inhibitor

Ad agency: Deltakos Inc., New York: Bob Vogel, acct exec.

■

Blood bag line

Ad agency: Rainoldi-Kerzner & Radcliffe, San Francisco: Jay Kerzner, vp-acct svcs.

■

Coagulation prods

Ad agency: Rolf Werner Rosenthal Inc., New York: Bruce Leeb, acct group super.

■

Gammune N

Ad agency: Carrafiello, Diehl & Associates, New York: Dave Ricco, acct exec.

Agfa-Gevaert
Ridgefield Park, N.J.

Corporate personnel: Robert Coppenath, president.

Brands/services by agency of record:

Corp adv

Ad agency: Wegman Associates, Wayne, N.J.: John Gallagher, acct exec.

■

Consumers prods

Ad agency: Kalmar Advertising, Fort Lee, N.J.: Doris Wiese, acct exec; Gloria Antonelli, media coord.

Compugraphic Corp.
Wilmington, Del.

Marketing personnel: David Costa, vp-domestic mktg; Peter Broderick, mgr-mktg comm; Audrey Smith, asst adv mgr.

Brands/services by agency of record:

Compugraphic Corp.

Ad agencies: (In-house): Audrey Smith, asst adv mgr.

■

Direct mktg

Ad agency: Rizzo Simons Cohn, Boston: Len Short, vp-direct mktg.

Haarmann & Reimer Corp.
Springfield, N.J.

Marketing personnel: James F. Reynolds, dir-mktg, flavor group; J.T. Murnane, dir-sales, flavor group; Robert A. Higgins, vp-sales & mktg, fragrance group; Eckhard H. Schmidt, dir-mktg, fragrance group; Robert F. Zutic, mgr-sales, aroma chemicals group; Horst A. Finkelmeier, mgr-mktg, aroma chemicals group.

Brands/services by agency of record:

Haarmann & Reimer

Ad agency: Peabody Corners, Hillsdale, N.Y.: Helga Buettner, acct exec.

RANK
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BCI Holdings Corp.

Chicago
ADVERTISING: **$ 223.2** MILLION

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	3,862	3,652	5.8
Business pub	4,038	2,800	44.2
Magazine	11,260	11,725	(4.0)
Newsp supp	331	195	69.9
Outdoor	222	227	(2.1)
Network TV	42,768	47,666	(10.3)
Spot TV	19,535	34,123	(42.8)
Network cable	1,005	517	94.3
Network radio	2,738	4,361	(37.2)
Spot radio	3,450	12,110	(71.5)
Measured	89,208	117,375	(24.0)
Unmeasured	134,000	176,000	(23.9)
Total	223,208	293,375	(23.9)

BCI Holdings Corp., the parent of Beatrice Co., had yet another watershed year in its roller coaster history.

Chairman-CEO Donald Kelly's resignation this August capped a year of twists and turns that had culminated in a July announcement that BCI no longer was actively involved in any acquisition or sale talks. That announcement came after a parade of possible buyers, including Quaker Oats Co., Unilever and RJR Nabisco, sized up the Beatrice's U.S. Foods companies.

President-CEO Frederick Rentschler assumed day-to-day control of the new Beatrice, which once again is an operating company—but of vastly diminished proportions. Reporting to Mr. Rentschler are the presidents of Beatrice's three remaining divisions: Swift-Eckrich, headquartered in Oak Brook, Ill.; Beatrice/Hunt-Wesson, located in Fullerton, Calif. and Beatrice Cheese, based in Milwaukee.

Gone are the nonfood brands Mr. Kelly placed under the E-II Holdings umbrella and planned to use as a foundation for future acquisitions. E-II was acquired in February for about $1.1 billion by American Brands, Old Greenwich, Conn., in a "Pac-Man" defense launched after Mr. Kelly first presented a tender offer for American Brands in January. Many of the E-II brands—including Culligan water treatment systems, Samsonite luggage, Stiffel lamps and Martha White Foods—were subsequently spun off from American Brands to Riklis Holdings.

Also gone from the Beatrice umbrella is Tropicana Products, the Bradenton, Fla.-based fruit juice marketer sold to Jos. E. Seagram & Sons in March.

BCI's 1987 measured media spending totaled $89.2 million, down 24%; excluding the divested brands, spending was $65.7 million.

Beatrice/Hunt-Wesson introduced a handful of new products during the past year. Notable were a canned Hunt's spaghetti sauce, rolled out nationally with $1.2 million in measured spending support and LaChoy Fresh & Lite Oriental frozen entrees and egg roll entrees,

Chicago doesn't need another Ad Agency.

When your business is creating advertising, it's all too easy to see it as the end instead of the means.

But if your company is going to prosper in the long run, the last thing you need is an agency that can't see past its advertising.

You need an agency that delivers long-term strategic thinking that is the cornerstone, not just of your advertising, but of every facet of your communications. Because advertising, public relations, sales promotion, direct marketing and Yellow Pages should all work together. To deliver a singular focused message that clearly tells everyone what you want him to hear.

At the same time, we don't think even the best strategies will take you anywhere in today's marketplace without compelling, gut-grabbing creative.

Now that's the kind of thinking Chicago does need. The kind of thinking you'll get from one of Chicago's newest, largest communications organizations. Ketchum.

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Ketchum
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Public Relations
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William A.
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Ketchum
Yellow
Pages

Ketchum Communications Inc.

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Top 25 consumer magazine advertisers

Rank			Magazine expenditures			Total spending		Measured spending		Mag. $ as %
'87	'86	Advertiser	1987	1986	% chg	1987	1986	1987	1986	'87 ad total
1	1	Philip Morris Cos.	$243,331	$225,132	8.1	$1,557,846	$1,451,170	$856,846	$875,170	15.6
2	3	General Motors Corp.	153,985	129,409	19.0	1,024,852	838,912	789,852	646,912	15.0
3	4	Ford Motor Co.	125,491	125,161	0.3	639,510	650,875	490,510	498,875	19.6
4	2	RJR Nabisco	105,674	120,281	(12.1)	839,589	894,237	472,589	503,237	12.6
5	6	Chrysler Corp.	100,446	95,994	4.6	568,722	503,571	443,722	892,571	17.7
6	5	Procter & Gamble Co.	79,611	87,105	(8.6)	1,386,710	1,500,268	762,710	825,268	5.7
7	7	American Telephone & Telegraph	76,270	74,015	3.0	531,018	522,551	345,018	339,551	14.4
8	11	Unilever N.V.	58,259	47,297	23.2	580,656	543,242	348,656	326,242	10.0
9	9	Time Inc.	51,404	50,528	1.7	196,579	190,026	158,579	153,026	26.1
10	25	Grand Metropolitan PLC	50,696	48,707	4.1	231,574	232,055	108,574	109,055	21.9
11	13	U.S. Government	44,164	48,179	(8.3)	305,843	354,927	161,843	187,927	14.4
12	18	Honda Motor Co.	42,701	32,518	31.3	245,365	205,307	178,365	149,307	17.4
13	20	E.I. du Pont de Nemours & Co.	41,676	31,613	31.8	149,749	110,681	101,749	75,681	27.8
14	24	American Brands	38,527	39,282	(1.9)	151,371	143,919	76,371	72,919	25.5
15	23	Bristol-Myers Co.	37,964	30,218	25.6	358,934	333,488	189,934	176,488	10.6
16	10	General Electric Co.	37,727	36,705	2.8	272,607	287,744	125,607	132,744	13.8
17	19	Revlon Group	36,517	36,031	1.3	165,239	171,402	83,239	86,402	22.1
18	14	International Business Machines Corp.	35,389	39,008	(9.3)	240,846	295,518	125,846	154,518	14.7
19	—	Eastman Kodak Co.	32,884	25,846	27.2	658,221	610,192	218,221	202,192	5.0
20	—	Johnson & Johnson	32,816	22,471	46.0	459,271	410,959	230,271	205,959	7.1
21	—	Sony Corp.	31,862	32,612	(2.3)	79,669	87,772	57,669	63,772	40.0
22	—	Franklin Mint	31,733	18,674	69.9	86,620	50,651	67,620	39,651	36.6
23	—	Cosmair Inc.	31,561	24,468	29.0	117,224	120,701	77,224	79,701	26.9
24	22	Capital Cities/ABC	30,783	30,555	0.7	64,974	63,346	56,974	55,346	47.4
25	8	CBS Inc.	30,193	27,910	8.2	69,090	67,854	59,090	57,854	43.7

Source: Publishers Information Bureau as reported by BAR/LNA reports. **Note:** Dollars are in thousands.

launched in late 1987.

Two new flavors, caramel and sour cream & onion, were added to the nation's leading microwave popcorn, Orville Redenbacher, which claims about a 30% share of the $300 million market. General Mills' Pop Secret is second with an estimated 24% share, with Pillsbury third at about 9%. Measured spending on the entire Orville Redenbacher line totaled $10.7 million.

Late last year, Hunt-Wesson pulled its remaining brands—LaChoy and Rosarita foods—from J. Walter Thompson, Chicago, and reassigned them to primary agencies Dailey & Associates, Los Angeles and Ketchum Advertising, San Francisco.

The Swift-Eckrich division introduced Swift International entrees, and Swift microwaveable breakfast sandwiches. It invested $2.5 million in measured spending in a continuing battle with Hillshire Farm for a stronger position in the $110 million precooked breakfast sausage market.

The bulk of the division's spending—$8.8 million—supported its Butterball turkeys.

County Line cheese, Beatrice's major branded cheese, received a new TV and print ad campaign from Bozell, Jacobs, Kenyon & Eckhardt's Midwest office. Measured spending rose 36.8%, to $1.7 million.

Tropicana, in its last year within the Beatrice organization, received about one-fifth of total BCI spending, or $20.7 million. In November, Tropicana added a 96-oz. plastic jug in selected markets, and in February, introduced Tropicana Twisters fruit beverages after a successful test.

BEATRICE CO.
2 N. LaSalle St.
Chicago, Ill. 60602
(312) 782-3820

Corporate personnel: Frederick B. Rentschler, president-ceo

Beatrice/Hunt-Wesson
Fullerton, Calif.

Marketing personnel: Albert J. Crosson, president-ceo.

Brands/services by agency of record:

Hunt's All Natural barbecue sauce
LaChoy prods
Sunlite oil
Peter Pan peanut butter
Hunt's Snack Pack
Swiss Miss cocoa and pudding
New prods

Ad agency: Dailey & Associates, Los Angeles: Michelle Mauk, vp-mgmt super; Mike Fiedling, acct super.

■

Orville Redenbacher prods
Fisher nuts
Hunt's tomato paste, sauce and spaghetti sauce
Hunt's ketchup
Manwich sauces
Rosarita
Wesson oils
New prods

Ad agency: Ketchum Advertising, San Francisco: Diane Snedaker, president; John Faville, vp, dir-acct svcs; Pat Martin, mgmt supers; Tony Balmer, Bill McGee, Dennis Sones, acct supers.

Swift-Eckrich
Oak Brook, Ill.

Marketing personnel: Lee O. Lochmann, president; Greg Ostrander, VP-mktg.

Brands/services by agency of record:

Eckrich smoked sausage, franks, cold cuts
Agency of record

Ad agency: Leo Burnett USA, Chicago: William Boris, exec vp; Michael Hall, acct dir.

■

Butterball turkey
Swift Premium Brown & Serve products

Ad agency: Grey Advertising, New York: Richard M. Karp, exec vp-creative svcs.

■

Butterball deli prods
Eckrich deli prods
Swift Premium deli prods

Ad agency: Zechman & Associates, Chicago: Richard Brayer, mgmt super.

Beatrice Cheese
Milwaukee

Marketing personnel: Robert H. Burns, president

Brands/services by agency of record:

Cheese

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Chicago: Ric Cooper, president.

RANK
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Beecham Group PLC

Brentford, Middlesex, U.K.
ADVERTISING: **$ 153.3** MILLION

What is my competition spending in advertising?
Turn to LNA for answers.
See page 151

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	3,796	3,342	13.6
Earnings	648	592	9.4
■ U.S.	**1987**	**1986**	**% chg**
Sales	1,024	903	13.4
Operating income	220	264	(16.7)
■ Division sales	**1987**	**1986**	**% chg**
Pharmaceuticals	661	NA	NA
Consumer prods	363	NA	NA

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	66	205	(67.8)
Business pub	675	398	69.5
Magazine	6,325	5,043	25.4
Newsp supp	23	0	NA
Farm pub	920	889	3.4
Outdoor	65	0	NA
Network TV	64,921	47,010	38.1
Spot TV	9,291	5,209	78.4
Network cable	1,989	1,142	74.2
Network radio	2,901	4,987	(41.8)
Spot radio	131	36	265.9
Measured	87,307	64,918	34.5
Unmeasured	66,000	49,000	34.7
Total	153,307	113,918	34.6

With an eye to the bottom line, Beecham Group PLC ended its nearly 10-year venture in the U.S. cosmetics business with its sale of Beecham Cosmetics Inc. this August, a sale that concludes a series of divestitures in the past two years.

Beecham's U.S. operations have become focused on more profitable pharmaceuticals, OTC medicines and toiletry businesses under the direction of Robert P. Bauman, chairman of the Brentford, Middlesex, U.K. company.

To support these core businesses, 1987 advertising spending rose to an estimated $154.9 million, a 34.5% increase that also included $7.3 million in ad spending on the disposed brands, according to BAR/LNA.

Ad growth largely came from increased expenditures for the Aqua-Fresh, Calgon and Massengill brands, including line extensions of all three.

By far, the largest spender was Aqua-Fresh toothpaste, with $16 million in measured media, nearly double 1986 spending.

The boost in part, can be attributed to the roll-out of Aqua-Fresh Tartar Control toothpaste in spring 1988.

The company reports a 77% increase in brand sales from the introduction.The brand's market share has been slipping since it notched a 12% share in 1984. It slipped to 11.5% in early 1986, and 10.5% in 1987, far behind Procter & Gamble's Crest, with 39% and Colgate-Palmolive's Colgate toothpaste at 23%.

Another line extension, Liquid Tums, introduced in 1988 may signify a push for Tums to become a category leader. Currently, it holds a 13% share of all antacids, including chewables, liquids and effervescents. Tums' share of the $360 million category (manufacturers dollars) is not far behind P&G's Pepto-Bismol's 18% share.

Of chewables—a $148 million business—Tums has 35% of the business, followed by Warner-Lambert's Rolaids with 30%. Spending for the brand was $10.2 million, up about 5%.

Other line extensions include N'ICE throat spray, supported with $1 million in measured spending and Aqua Velva Skin Conditioning Moisturizing Lotion After Shave.

New products include two children's bubblebath products, Miss Piggy's Pink Bananas and Kermit's Krazi Berri.

In 1987, Beecham pulled Delicare and a number of other products from Avrett, Free & Ginsberg. The Delicare casualty was directly related to Beecham's suit against Yankelovich, Skelly & White/Clancy, Schulman market research company for "faulty market research" provided Beecham in the launch of Delicare laundry liquid detergent—a product that received $8.2 million in measured spending in 1986 before being dropped in 1987. The $24 million suit was settled out of court in August 1988.

Another Beecham agency, Ogilvy & Mather, picked up creative work for Lectric Shave and Calgon water softener, both products previously handled by AF&G.

Lectric Shave advertising has been virtually nil until it got an infusion of $2.5 million, virtually all in network TV. Calgon advertising rose from only $1.5 million for the brand to $5.6 million for its varied extensions. Calgon Complete Laundry Aid was added to the line in 1987.

Massengill disposable douche received a medicated douche line extension and a big advertising boost to $9.9 million in measured spending, up from $2.6 million in 1986. Another extension, Massengill Soft Cloth Towelettes, has been added recently.

Amoxil, a broad-spectrum antibiotic, remains the company's largest selling pharmaceutical and continues to be the most frequently dispensed new prescription in the U.S., according to the company.

It is the mainstay in the profitable pharmaceutical segment at Beecham. The segment provided 82% of the operating income in North and South America in fiscal 1988, or about $180 million on sales of $661 million, while American consumer product sales of $363 million generated operating profit of $40 million.

British pounds in this report were converted to U.S. dollars at the exchange rate of 1£ = $1.5764 for both 1986 and 1987.

Augmentin, another broad-spectrum antibiotic from Beecham, showed strong growth in the U.S.

Applications were made to the FDA in June 1988 for Eminase, a new treatment for heart attacks. The drug already is available in West Germany and Belgium and is under review in the U.K. and the Netherlands.

In the executive suite, James G. Andress, former president of Sterling Drug, in June 1988 became chairman of Beecham Pharmaceuticals, based in London. He succeeds James Pollard, a 33-year Beecham veteran.

Beecham Cosmetics was bought for $91.5 million by Beecham executives and Bankers Trust Co. The business includes the Jovan and Vitabath brands and the U.S. licenses to manufacture and sell Yardley of London and Adidas fragrances and a production site in Bensenville, Ill.

Beecham earlier in the year sold to Revlon its lagging Germaine Monteil business, although Beecham will continue to market Jovan brands in the U.K., Germany, the Middle East and other countries. Beecham Cosmetics Inc. will continue to manufacture certain skincare products sold by other Beecham units in the U.S. The buyer was U.S.G. Industries, a unit of U.S.G. Corp. Beecham's other home-improvement line, Roberts Consolidated Industries, was sold earlier in the year to an investor group for $45 million. The disposed units contributed $7.3 million of Beecham's 1987 measured spending, according to BAR/LNA.

The beneficiary of this corporate infusion of cash from the sales is advertising, research and development, according to the company. Through the first quarter of 1988, research and development in pharmaceuticals is up more than 20% over the same period in 1987, while advertising and marketing in both pharmaceuticals and consumer products have grown by 10%.

BEECHAM GROUP PLC
Beecham House
Brentford
Middlesex TW8 9BD

Beecham Inc.
Three Garret Mountain Plaza
West Patterson, N.J. 07424
(201) 881-3000
Beecham Products U.S.A.
Pittsburgh, Pa.

Marketing personnel: Robert M. Lancaster, exec vp; Gordon J. McLaren, vp-mktg; Maurice L. Kelley, Jr., vp-mktg svcs & professional relations.

Brands/services by agency of record:

Aqua-Fresh
Aqua Velva
Calgon Bath
Geritol
Massengill
Sucrets
Vivarin

Ad agency: Grey Advertising, New York: Robert Burruss, exec vp; Richard Krain, Mel Sokotch, vps-group mgmt supers.

■

Calgon Water Softener
Cling Free
Fruit-Fresh
Lectric Shave
N'Ice
Sominex
Sominex Pain Relief Formula

Ad Agency: Ogilvy & Mather, New York: Peter Barnet, sr vp-group dir; Mary Gael Senko, vp-acct super.

Norcliff Thayer
Tarrytown, N.Y.

Corporate personnel: Theodore Williams, sr vp

Marketing personnel: Paul Fraioli, group mktg dir, dir-media svcs; Eileen Fischer, group mktg dir, dir-new prods; Wayne Whitney, sr prod mgr-NoSalt, Orafix, A-200; Paul Madzik, prod mgr-Tums Tablets; Karen Ahern, sr prod mgr-Oxy 10, Oxy 5, Oxy Clean; Maria Mirto, prod mgr-Tums Liquid, Esoterica, Liquiprin.

Brands/services by agency of record:

A-200
Esoterica
Liquiprin
NoSalt

Ad agency: Carrafiello Diehl & Associates, Irvington, N.Y.: Robert Brandt, exec vp-acct super; John Muhlfeld, vp-group acct super

■

Orafix
Oxy
Tums

Ad agency: Jordan McGrath, Case & Taylor, N.Y.: Robert Patton, sr vp-mgmt super; Claire Tondreau, acct super, Oxy; James Eiche, vp-acct super, Orafix, Tums; Barry Marek, Peter Goddard, acct execs; Sylvia Rodriquez, sr vp-media dir

Beecham Laboratories Division
Bristol, Tenn.

Corporate personnel: T.G. Wood, president; J.H. Miller, exec vp.

Marketing personnel: Edward Ruana, vp-sales; Robert L. Widerkehr, vp-animal health div; Jon Kacuper, vp-mktg; M.R. Hilton, dir-pr.

Brands/services by agency of record:

Amoxil*
Augmentin*
Injectable antibiotics
Nucofed*
Oral antistaphs
Timentin*

Ad agency: Frank J. Corbett Inc., Chicago: Jim Miller, exec vp; Bill Marotti, vp; Ken Stevens, acct super

■

Veterinary pharmaceuticals

Ad agency: Charles Tombras Advertising, Knoxville, Tenn.: John Welsh, Guy Seymour, acct execs

■

Anexsia-D*
Fastin*
Ticar*
Tigan*

Ad agency: Trunk Shea & McCaffrey, Clifton, N.J.: dePaul R. Trunk, president; Thomas Shea, vp

RANK
63

Bell Atlantic Corp.

Philadelphia
ADVERTISING: **$ 138.6** MILLION

Sales & earnings

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	10,298	9,921	3.8
Earnings	1,240	1,167	6.3
Division sales	**1987**	**1986**	**% chg**
Local service	4,198	4,164	0.8
Network access	2,722	2,685	1.4
Toll service	1,492	1,422	4.9
Directory adv	1,291	1,096	17.8

U.S. advertising by media

($ in thousands)

Media	**1987**	**1986**	**% chg**
Newspaper	5,776	6,233	(7.3)
Business pub	2,321	1,510	53.8
Magazine	8,865	7,546	17.5
Newsp supp	213	67	217.5
Outdoor	514	320	60.6
Spot TV	30,266	26,692	13.4
Network cable	382	232	65.0
Spot radio	11,281	6,542	72.4

Media	**1987**	**1986**	**% chg**
Measured	59,618	49,141	21.3
Unmeasured	79,000	65,000	21.5
Total	138,618	114,141	21.4

Bell Atlantic has outlined a strategy to build on the strengths of its networks, focus on unregulated businesses and integrate strategies and businesses. Strong management, innovation and a robust economy led to good performance, analysts say.

Bell Atlantic recorded $59.6 million in measured media spending in 1987, a 21% increase from $49.1 million in 1986. AA estimates overall advertising grew to $138.6 million, up 21.4% from 1986.

A strong economy in the mid-Atlantic region has helped as annual growth in business telephone lines was 6.3%, and toll volumes increased by more than 11%.

In June 1988, Bell Atlantic hired a new agency, J. Walter Thompson, New York, and severed ties with Ketchum Communications, Pittsburgh.

JWT's advertising assignments, corporate/informative, product line and international advertising, is expected to generate $50 million in billings over a 12-month period.

A corporate umbrella campaign prepared by Ketchum is running through this summer and positions the company as a provider and manager of high tech products and services. JWT has developed a new corporate campaign.

The biggest single ad expenditure was $12.2 million for general promotion, up 37%, with magazines and spot TV splitting the till. Bell of Pennsylvania telephone advertising grew only slightly to $6.7 million, with the bulk of that going to spot TV.

Advertising expenditures, mostly in spot TV, increased across the board for Yellow Pages advertising for Bell Atlantic's various operating units as revenues from the publishing classified directories increased nearly 10% over 1986.

Bell of Pennsylvania Yellow Pages advertising grew 34% to $4.7 million, and a new campaign broke in July and will run through November that features Martin Mull and the tagline, "The One that Works."

The company in late 1987 dropped its 3-year-old Dragnet themed campaign bearing the tagline "We Wrote the Book," and featuring David Leisure of Joe Isuzu fame.

New Jersey Bell Yellow Pages had $4.9 million in measured ad expenditures, up 58%. Chesapeake & Potomac Yellow Pages grew by 23% to $3.8 million.

Bell Atlantic boosted its directory business by joining with GTE in a venture, Chesapeake Directory Sales Co., to sell Yellow Pages advertising for four C&P telephone companies. C&P Telephone spending grew 37% to $2.6 million.

In March 1988, U.S. District Court Judge Harold Greene opened the way for the regional Bell companies to provide certain information services. On the heels of that decision, Bell Atlantic has begun a message storage service this June in Washington, D.C. which permits callers to access information stored electronically in a central office.

Telephone answering will be tested in northern New Jersey and northern Virginia in the fourth quarter; tests for voice mail will begin in those markets for selected customers; and videotex gateway, which will provide PC users with a single entrance point to multiple information services providers, will begin market tests in Washington, D.C. and Pennsylvania pending FCC approval.

Bell Atlantic has looked toward diversification to expand, including cellular phone business, customer services and financial services—all under the Bell Atlantic Enterprises heading. Enterprises contributed $47 million to Bell Atlantic's earnings last year while revenues totaled $877 million, nearly double the $447 million in 1986.

CompuShop, a computer distributor, was sold in February 1988 after reporting losses.

"That's another piece of evidence of the management skill at Bell. They made a bad move, but they didn't compound it. They cut their loss," said Jack Grubman, PaineWebber analyst.

The company also sold most of A Beeper Company's paging operations outside the mid-Atlantic states, saying the business didn't fit long-term strategy.

Bell Atlantic entered international markets via agreements with Siemens and IBM to market intelligent networks in Europe and with Telefonica in Spain to provide operating support systems for Spain's telecommunications network.

The company also acquired Bell Canada Enterprises' computer maintenance operations in Europe.

"Bell Atlantic, from the beginning, had the best technology (of all the regional Bell operating companies) the fastest, with the most interesting applications," Mr. Grubman said.

BELL ATLANTIC
1600 Market Street
Philadelphia, Pa. 19103
(215) 963-6000

Marketing personnel: Christopher E. Clouser, vp-corp relations & adv; Christine Davies, asst vp-adv; Keith Bodamer, dir-direct mktg; Roy Weitzell, dir-corp adv; Melissa Nichols, dir-small business/consumer adv.

Brands/services by agency of record:

Bell Atlantic Mobile Systems

Tampa Bay's
Largest
Newspaper
TIMES

Tampa Bay moves with the Times.

St. Petersburg. Tampa. Clearwater.

Many cities comprise Tampa Bay, Florida's largest and wealthiest market. But only one newspaper unites these communities, moving more products and services — the St. Petersburg Times.

Read by 693,100 adults every day and 775,800 adults on Sunday, the Times delivers Tampa Bay's largest audience.

It's an upscale audience, too. A single advertising insertion in the Times reaches more college educated adults, more chief wage earners and more top income households than the metro area's second newspaper. More importantly, the Times delivers Tampa Bay's largest share of buying prospects in nearly every product category.

If you're looking to move merchandise in America's 20th largest metro area, run with the newspaper that delivers more for your ad dollar — the St. Petersburg Times.

Source: 1987 Scarborough Report.

To move more merchandise in Tampa Bay, call General Advertising at (813) 893-8249 and ask for your copy of our 1989 Tampa Bay Market Profile.

Represented nationally by CWO&O.

St. Petersburg
TIMES
Tampa Bay's Largest Newspaper

Top 25 supplement advertisers

Rank	Advertiser	Newspaper supplement expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**Franklin Mint**	$17,497	$9,505	84.1	20.2
2	**Sony Corp.**	15,502	14,822	4.6	19.5
3	**RJR Nabisco**	12,518	36,431	(65.6)	1.5
4	**Commtron**	9,484	1,256	655.1	NA
5	**Philip Morris Cos.**	9,080	17,307	(47.7)	0.6
6	Bertelsmann AG	8,040	6,273	28.2	14.4
7	Primerica Corp.	7,967	4,726	68.6	21.6
8	General Motors Corp.	7,789	8,268	(5.8)	0.8
9	American Telephone & Telegraph	6,691	3,751	78.4	1.3
10	Hamilton Collection	6,413	3,693	73.7	NA
11	**Sears, Roebuck & Co.**	6,411	3,247	97.5	0.7
12	**Nutrition Headquarters**	5,944	5,530	7.5	NA
13	**Chrysler Corp.**	4,596	6,108	(24.8)	0.8
14	**Weekend Shopper**	4,101	NA	NA	NA
15	**Horn & Hardart Co.**	4,025	6,618	(39.2)	NA
16	Estee Lauder Inc.	3,999	3,028	32.1	4.8
17	Loews Corp.	3,861	6,861	(43.7)	3.4
18	Drake Walter & Sons	3,834	3,108	23.4	NA
19	Brown-Forman Co.	3,516	4,664	(24.6)	4.7
20	Prudential Ins. Co. of America	3,464	1,579	119.4	3.1
21	**Neutrogena Corp.**	3,237	2,492	29.9	10.5
22	**Grand Metropolitan PLC**	2,703	2,325	16.3	1.2
23	**Hallmark Cards**	2,618	1,335	96.1	2.8
24	**K mart Corp.**	2,603	1,103	135.9	0.4
25	**Kraft Inc.**	2,603	2,083	24.9	0.6

Source: Publishers Information Bureau as reported by BAR/LNA reports. Note: Dollars are in thousands.

Ad agency: W.B. Doner, Baltimore, Md.: James Dale, vice chmn-corp creative dir; Donald Riesett, exec vp-acct mgmt dir; John Havrilla, vp-mgmt super; Nancy Knox, sr acct exec

■

Sorbus

Ad agency: Ferrare, Clinch & Fleming, Plymouth Meeting, Pa.: Paul Fleming, mng super; Laurie Van Metre, acct super

■

Bell Atlantic Yellow Pages

Ad agency: Lewis Gilman & Kynett, Philadelphia, Pa.: John K. Kaiser, president & ceo; A. Thomas Tebbens, Jr., vp-mgmt super; Brian Goerke, acct super; Erin Armstrong, Maureen Duffin, Ted Kolota, acct execs; Rhonda Mariano, acct asst

■

New Jersey Bell Yellow Pages

Ad agency: Poppe Tyson, Morris Plains, N.J.: John Manos, vp-acct mgr; Paul Wry, acct super; Judy Henehan, acct exec

■

Centrex
Corp adv
Corridor svc
Wire maintenance

Ad agency: J. Walter Thompson, New York: Pete Hanley, sr vp-mgmt dir; Melissa Murphy, sr vp-mgmt dir; Judi Francis, vp-sr acct super; Chris Ellis, acct coord; Michael Martin, acct rep-Philadelphia; Abby Warner, vp-acct super-Washington; Vickie Dertler, vp-acct dir-Washington; Julie Westerman, acct super-Washington; Mary Moran, Melissa Ator, Willie Leedy, acct reps-Washington

RANK
88

BMW AG

Munich, West Germany
ADVERTISING: **$ 99.5** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	10,502	7,770	35.2
Earnings	202	150	35.2
■ ***Division sales***	***1987***	***1986***	***% chg***
Automobiles	8,102	5,618	44.2
Motorcycles	169	151	12.1
Other	1,259	882	42.7

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	16,143	10,924	47.8
Business pub	14	134	(89.9)
Magazine	22,311	11,902	87.5
Newsp supp	0	7	(100.0)
Outdoor	0	53	NA
Network TV	27,475	17,656	55.6
Spot TV	5,082	3,588	41.6
Network cable	1,580	709	122.9
Spot radio	2,852	1,767	61.4
Measured	75,456	46,740	61.4
Unmeasured	24,000	15,000	60.0
Total	99,456	61,740	61.1

BMW of North America pumped up its advertising, especially in support of its top-of-the-line 7-series, as it began in 1987 to challenge Mercedes-Benz for dominance of the $50,000-plus top end of the European luxury car segment.

BMW more than doubled its advertising expenditures for the 7-series (735i and 750iL) in 1987 to $14.6 million. And while it revitalized its world-class standing with the 7-series, the automaker gained an increased share of the mid-segment market by launching its M-series sport coupe and four-door sedan models, all designed by its BMW Motorsport division, Munich.

The big-ticket campaign proved successful for the automaker, which originally fashioned its reputation in the U.S. market with small, sporty sedans. BMW has an 11.2% share of the import market and 7% of the luxury performance vehicle market.

BMW positioned its limited edition M-3, M-5 and M-6 series as grand touring luxury machines powered by race-bred performance engines.

For BMW, the move into higher-priced models signaled the company was willing to give up volume in return for higher profits.

Despite a 44% increase in sales of its 7-series, coupled with sales generated by the new limited edition M-models, BMW's total U.S. sales of 87,839 represented a 9.2% drop from its record sales of 96,759 units in 1986.

BMW lost ground on its 3, 5 and 6-series models. Sales of BMW's 3-series dropped 5.2% to 57,757 from the 1986 total of 60,915. Sales of its 535i and 535is models, introduced in 1986, also dropped to 6,547 units, an estimated 11% decrease from the 7,377 total units sold their first year out. BMW has since pulled those models from its lineup in 1988 to undergo major model changes for 1989.

BMW's new 525i and 535i four-door sedans will be positioned similar to its 7-series, offering luxury and performance. The new 5-series will debut in late September 1988.

When BMW reintroduced the 635csi in 1986, some 2,979 units were sold. In 1987, the manufacturer's redesigned coupe failed to attract as many buyers, falling 35% to 1,944.

Industry observers noted that the overall decline in BMW sales paralleled what was happening in the rest of the European import category. With the value of the American dollar weakened against the West German mark and other currencies, prices of European vehicles soared. Stock market turbulence in October 1987 also had a negative effect on high-ticket items.

BMW was forced to increase prices on most of its cars during 1987, with the exception of its M-6 and 635csi models.

In the first half of 1988, BMW sales in the U.S. continued to follow the segment's trend of decline. BMW sold 34,786 cars in the first six months, a 19.1% decrease from the same period in 1987.

BMW of North America remains the largest of BMW AG's 14 subsidiaries, holding approximately 7% of the luxury performance market and 11.2% of the import market in the U.S.

BMW increased its network TV ad spending in 1987 to $27.4 million, up 55.6% from the $17.6 million spent in 1986, according to BAR/LNA.

Spot TV ad spending also rose from $3.6 million in 1986 to $5 million and the automaker spent $16.1 million on national newspaper advertising in 1987, up 47.8% from $10.9 million spent the previous year.

Unmeasured advertising totals include BMW's sponsorships and dealer promotions which are held regionally. BMW has limited involvement in national promotions. BMW sponsorships include the Mid-Atlantic Steeple Chase Series and additional equestrian events, as well as actively participating in Virginia Slims Tennis events and selected golf tournaments throughout the country.

BMW dropped its L6 and L7 luxury vehicles from its roster in 1987 to make way for new model changes and the introduction of the flagship 750iL.

BMW also introduced the 325ix, a reformulated 4-wheel drive version of its best-selling 325 model in November, priced at $33,290. In May 1988, BMW introduced the 735iL ultra-luxury version of the 735 model. The upscale version is equipped with BMW's acclaimed 6-cylinder engine and a longer wheel base like the flagship model.

BMW broke new advertising in April 1988, positioning its new 7-series at the pinnacle of the luxury market. "The Leadership Campaign" contains only the tagline, "The BMW 7-series. It brings new blood to a class of automobile that can certainly benefit from it." The campaign marked a departure from previous product-oriented advertising, by showing the cars in upscale settings such as horse auctions and a party at Embassy Row in Georgetown.

BMW eventually will extend the campaign to all of its models as well as continue to use the long-running "Ultimate driving machine" theme in its advertising.

In late October, BMW AG plans to relocate its North American headquarters from Montvale to Woodcliff Lake, N.J.

BAYERISCHE MOTOREN WERKE AG
Petuelring 130
8000 Munich 40
West Germany

BMW of North America
Montvale, N.J. 07645
(201) 573-2000

Marketing personnel: Hans Riedel, vp-mktg group; Carl Flesher, genl mgr-mktg comm; Mike DeMarco, mgr-mktg strategies; Jim Hamilton, mgr-prod strategy; Steve Wallmark, mgr-dealer mktg; Steve Woolford, natl comm mgr

Brands/services by agency of record:

BMW automobiles
BMW motorcycles

Ad agency: Ammirati & Puris, New York: Ralph Ammirati, chmn-creative dir; Martin Puris, co-chmn & ceo; Duncan Pollock, sr vp-group dir

RANK
98

Borden Inc.

New York
ADVERTISING: **$ 84.7** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	6,514	5,002	30.2
Earnings	267	223	19.7
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	5,355	4,044	32.4
Operating income	493	387	27.4
■ ***Division sales***	***1987***	***1986***	***% chg***
Chemical	1,638	1,443	13.5
Dairy	2,210	1,331	66.0
Niche grocery	1,516	1,192	27.2
Snacks	1,150	1,036	11.0

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	3,489	2,352	48.4
Business pub	1,387	920	50.8
Magazine	3,738	5,419	(31.0)
Newsp supp	81	238	(65.9)
Outdoor	65	77	(15.6)
Network TV	238	3,232	(92.6)
Spot TV	14,729	12,910	14.1
Network cable	120	202	(40.2)
Spot radio	4,896	2,115	131.5
Measured	28,743	27,464	4.7
Unmeasured	56,000	53,000	5.7
Total	84,743	80,464	5.3

The acquisition drive that Borden Inc. began in early 1986 continued full throttle in 1987 as the company absorbed 23 new companies at a cost of just under half a billion dollars.

Heading the list of new entries—mostly to the Borden food basket—was Prince Co., the leading pasta company in New England valued at an estimated $170 million. It not only vaulted Borden from a small presence in the New England pasta market, but boosted Borden's U.S. pasta share to an estimated 31%, far ahead of second place Hershey with an estimated 17% share.

The Prince acquisition reflected the strategies directed by Borden's Chairman-CEO R. J. Ventres: buying small companies that are either first or second in their markets, and creating a national network out of regional companies.

Also acquired during the year were Laura Scudder's Inc. snack company in Anaheim, Calif., Bordon's first entry into the California market, that also serves Nevada and Arizona; and The Snacktime Co., Indianapolis.

Adding Scudder's solidified Borden's No. 2 ranking among snack-food marketers with an estimated 15% share of the $6 billion market. Frito-Lay, a PepsiCo subsidiary, remains well ahead at a 51% share.

The corporation also gained more canned seafood lines than any other seafood supplier in 1987 with the acquisition of the Orleans line of canned shrimp, oysters, clams and crabmeat from Pet Inc.'s Southland Canning; the Cutcher and Harris lines of mainly crabmeat, but also oysters, clams and shrimps, from Blue Channel Inc. and the canned shrimp line of DeJean's, Biloxi, Miss.

Borden, with its Borden and Meadow Gold brands, is the world's largest dairy products producer; the leading or No. 2 producer of grocery specialties in 23 grocery categories; the leading producer of polyvinylchloride film wraps, forest product glues, household glues (Elmers) and consumer spray paints (Krylon).

Borden also is the top producer of sweet snacks in West Germany and has been expanding its international base in snacks, pasta, wallcoverings and chemical specialties.

Borden's sales and earnings were influenced by the heavy acquisition activity. Its net income rose 20% on a 30% increase in sales in 1987 over the prior year figures which do not reflect the acquisitions. Borden expects the heavy acquisitions of the past two years, which cost it $1.3 billion, to contribute more than $2 billion in sales once a full-year's worth of their returns are added to Borden's books.

The company's expanded presence is beginning to change Borden from a regional to a national advertiser. In 1987, virtually all its advertising was in magazines and spot TV, still reflecting its regional character.

A national ad campaign has just been launched for Creamette that reaches 43 states, said Nick Iammartino, Borden's director of financial communications. The company also has national products in its Cottage Fries, Cheez Doodles and Wise brand pre-popped popcorn, each developed by different regional companies.

At least two other products are being prepared for national launch—Krunchers, a thick, kettle-cooked potato chip, gained through the Laura Scudder's acquisition; and Classico pasta sauce, a premium bottled sauce that Mr. Iammartino calls "the hidden jewel of the Prince acquisition." Grey Advertising is planning a national ad campaign for Classico to run this fall.

Borden's regional marketing presence has helped the company try new products in various areas with little extra expense and without fear of severe losses resulting from a miscalculation.

It also has allowed the company to expand from the bottom up. "Grass-roots recommendations from divisions" let the company closely track the "pulse of the market and realities of business fit, rather than following top-down decisions by corporate management," said Mary Lynn Harden, analyst with Duff & Phelps.

Apart from consumer food products, Borden's fastest growing segment is wallcoverings which has margins in the high teens as opposed to the low-margin grocery products. Borden is the world's largest producer of wallcoverings.

BORDEN INC.
277 Park Ave.
New York, N.Y. 10172
(212) 573-4000

Chemical Division

Marketing personnel: A.S. D'Amato, exec vp, president; Joseph M. Saggese, sr group vp-adhesives & chemical, industrial resins, Acme Resins/Canada, graphics; John S. Bellecci, group vp-basic chemical & PVC operations

Brands/services by agency of record:

Wall-Tex
Satinesque
Guard
Sun-Tex
Borden Home wallcoverings

Ad agency: Lord, Sullivan & Yoder Advertising, Columbus, Ohio: Nancy Barr, acct super; Jane Fallin, acct exec

Grocery & Specialty Products Division

Marketing personnel: Jon G. Hettinger, exec vp, president; Lee N. Arst, group vp-confection & main meal; Jerry C. Dlowdus, group vp-specialty prods; John F. Dix, group vp-desserts & beverages; L. John Westerberg, group vp-pasta; Dale Schulz, vp-sales & mktg, pasta; Marti Yeager, adv mgr-pasta

Dairy Division

Marketing personnel: Richard W. Fowlkes, exec vp, president; Bill Baar, vp-sales & mktg, Borden Dairy; Jay T. Johnson, sr group vp-Borden Western/Meadow Gold; Kenneth W. Beaman, group vp-Borden Southeast; Robert E. Dawson, group vp Borden Southwest; Robert M. Maloney, group vp-Borden Northern

Snack Consumer Products Division

Marketing personnel: George J. Waydo, exec vp, president; Peter M. Duggan, group vp-snacks; Chris Abernathy, vp-mktg, snacks

Brands/services by agency of record:

Snacktime Co.

Ad agency: W.B. Doner & Co., Southfield, Mich.: Rick Friday, sr vp; Liz Conlin, acct super; Sharon Peters, asst acct exec

■

Jays foods

Ad agency: Grant Jacoby, Chicago: John Willie, sr vp-brand group mgr; Barry Hedden, acct super; Midge Mountain, acct exec; Andrea Murphy, creative dir

■

Cracker Jack
Eagle brand sweetened condensed milk
Borden processed cheese prods
ReaLemon
Creamette pasta
Elmer's prods
Krylon paint

Ad agency: Grey Advertising, New York: Stewart Hegleman, exec vp

■

Clover Club prods

Ad agency: Harris & Love, Salt Lake City: Kerry Lehtinen, sr vp-acct super; Charlie Seldin, acct exec

■

Borden snacks
Wise snacks

Ad agency: Jordan, McGrath, Case & Taylor, New York: Don Weir, sr vp-mgmt rep; Linda Schaler, vp-mgmt super; Shelley Sharkey, acct super; Paul Sorensen, acct exec

■

Creamettes (regional)
Ronco
Luxury
Globe
Anthony's pasta prods

Ad agency: M&H Advertising, Minneapolis: Steve Martin, president

■

Kava coffee
Bama
Fisher processed cheese prods

Ad agency: Sive & Associates, Cincinnati: Dave Siegel, Phil Mandel, acct supers; Tom Sagers, Linda Jackson, acct execs

■

Classico

Prince & Aunt Millie pasta sauses

Ad agency: Solin Associates, New York: Darrol Solin, president; Mary Ann Lambert, acct exec

■

Borden dairy prods

Meadow Gold dairy prods

Ad agency: Tracy-Locke, Dallas: Alan Burks, sr vp; Brian Maysent, acct super (Borden); Bart Johnson, acct super (Meadow Gold)

■

Coco Lopez Cream of Coconut

Ad agency: Venet Advertising, New York: Chuck Levy, vp mgmt supv

RANK
26

Bristol-Myers Co.

New York
ADVERTISING **$ 358.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	5,401	4,836	11.7
Earnings	710	590	20.4
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	3,950	3,595	9.9
Operating income	898	778	15.3
■ ***Division sales***	***1987***	***1986***	***% chg***
Pharmaceuticals	2,217	1,961	13.1
Health care prods	1,504	1,377	9.2
Toiletries	1,188	1,057	12.4
Household prods	491	439	11.8

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	553	1,880	(70.6)
Business pub	2,375	1,146	107.2
Magazine	37,964	30,218	25.6
Newsp suppl	41	630	(93.5)
Farm pub	485	536	(9.6)
Outdoor	87	0	NA
Network TV	134,419	128,521	4.6
Spot TV	8,239	8,055	2.3
Network radio	4,615	5,041	(8.4)
Spot radio	1,157	460	151.6
Measured	189,934	176,488	7.6
Unmeasured	169,000	157,000	7.6
Total	358,934	333,488	7.6

Bristol-Myers Co. became enmeshed in one of 1988's biggest health stories when a study using Bufferin aspirin showed that a daily aspirin dramatically reduces the risk of a first heart attack.

But although Bufferin was the aspirin used in the study, whose findings were published in the "New England Journal of Medicine," Bufferin competitors such as Sterling Drug Co.'s Bayer aspirin tried to capitalize on the findings much to the chagrin of federal authorities. The FDA ordered advertising about first heart attack halted until the study could be evaluated further by federal authorities. FDA approved the advertising of aspirin reducing second heart attacks in 1985.

B-M this year also witnessed new, heavy-hitting competition in the infant formula market as Nestle SA's Carnation Co. jumped into the $1.6 billion market now dominated by B-M and Abbott Laboratories. Carnation announced introduction of Good Start and Good Nature, two whey-based products, in July 1988.

And, looking to the future, B-M made a pact with Smith Kline & French Laboratories to develop and market an over-the-counter version of the ulcer drug, Tagamet. The drug won't carry anti-ulcer claims and will compete in the antacid category under brand names different from the prescription drugs.

In 1987, B-M's centennial anniversary year, each of its core businesses grew as total net earnings rose 20% on a 12% improvement in sales. Overall ad spending increased to $358.9 million, up 7.6% from year-earlier levels for both media advertising and promotional spending. Media advertising accounts for 53% of the total.

B-M's media spending held few surprises: The bulk of its ad budget continues to go to network and spot TV. Taking a hit were national newspaper advertising, down 71%, and supplements, down 93%, although both ad forms traditionally account for minor portions of B-M's media buy. Consumer magazines seemed the direct beneficiary of newspaper cuts: In 1987, magazine ad spending jumped 26%.

As expected, B-M put its heaviest spending behind key brands. Clairol brands got a 37% boost in media spending to an estimated $41 million. The spending hike coincides with a suddenly growing hair coloring market due largely to a graying population that wants only the hairdresser to know for sure. This trend helped expanded total Clairol sales 12% to $785 million. Clairol also experienced a 25% growth in beauty appliances.

Clairol's sales kept pace with the estimated $460 million hair coloring market (manufacturers dollars), which saw sales growth of 10% to 11% in 1987. Clairol has an estimated 60% market share, and competes directly with Cosmair's L'Oreal, which has a 26% total share, down from 26.6% in 1986. In food stores, Clairol's Nice 'n Easy and Miss Clairol brands garnered a 68.2% brand share in 1987.

B-M's OTC drug sales increased just 2% from 1986 to 1987, due largely to flat revenues of analgesics, according to DLJ Securities. However, the OTC outlook—particularly for Bufferin—could change dramatically if and when the FDA allows B-M to advertise the claim showing aspirin prevents a first heart attack. B-M is working with the FDA to promote that claim.

In the meantime, B-M has dramatically increased spending in 1988 for ads promoting Bufferin in the prevention of second heart attack. The ads promote a reformulated "Tri-Buffered Bufferin" which is easier on the stomach. It is aimed at "the millions who take aspirin more than once a week."

The company is believed to be spending $15 million, up from $9.6 million in 1987, on a campaign featuring heart attack victims Arthur Ashe and Geoff Kimball. Mr. Ashe was 1975 Wimbledon Tennis Champ; Mr. Kimball suffered a heart attack at the age of 27, and has since become a marathon runner and triathlete. B-M also is sponsoring educational TV spots with the American Heart Association about heart disease, which are then followed by a Bufferin ad.

Bristol-Myers' analgesic brands total "just over 15%" of the stagnant $1.7 billion (manufacturers dollars) analgesic market, and the company doesn't lead in any of the three main subsegments of the category.

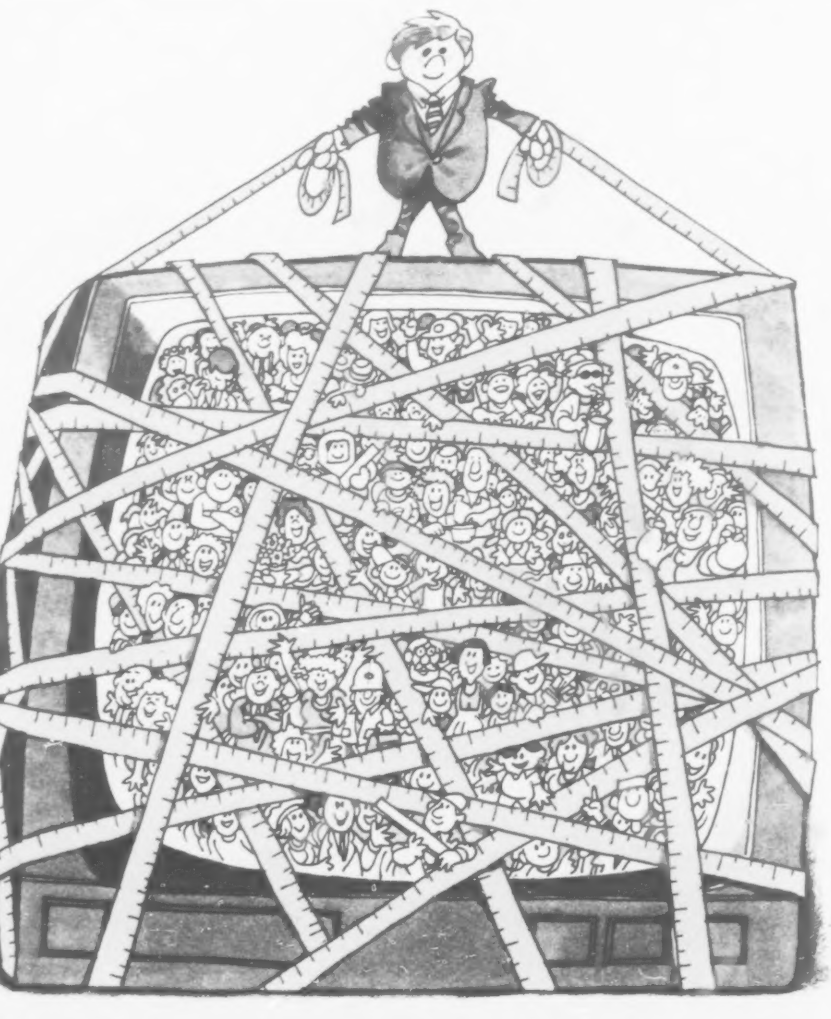
Bristol-Myers has third place in the total analgesic market with 13% in overall shares. Johnson & Johnson holds the No. 1 spot with 33%, while American Home Products has second with 18% and Eastman Kodak's Sterling Drug holds an 11% share, according to Joseph Riccardo of Bear Stearns Cos., New York.

In the aspirin subsegment, which represents $749 million in manufacturers sales, Bristol-Myers is in a tight race. Sterling Drug's Bayer led the pack with $114 million sales, up from $95 million in 1986. It was followed by American Home Products' Anacin at $107 million, up from $98 million. Bristol-Myers' Excedrin had $87 million sales, up from $82 million while its Bufferin brand registered $71 million sales, down from $73 million in 1986. In terms of aspirin brand share of the total analgesic market, Bristol-Myers ranks third with 5.5% for Excedrin and with less than a 5% share for Bufferin, behind Bayer's 6% and Anacin's 6.5% market shares. B-M's Excedrin is not expected to benefit as much from the heart study as its competitor brands because it contains the stimulant caffeine.

In the acetaminophen category, with $644 million sales, up from $638 million in 1986, Johnson & Johnson's Tylenol dominates the market with $500 million in sales during 1987. But acetaminophens are losing overall market share to ibuprofens.

With $310 million sales, up from $217 million in 1986, the ibuprophen subsegment growth was spearheaded by Bristol-Myer's Nuprin which boasted a 23.9% increase in sales to $74 million, according to Kline & Co., a pharmaceutical consultancy based in Fairfield, N.J. However Bristol-Myers was overshadowed b American Home Product's Advil wit $163 million in sales, up from $146 mi lion in 1986.

Johnson & Johnson's Medipren trail with $40 million sales, up from $10 m lion in 1986, its first year on the mark In terms of ibuprofen brand share of t total analgesic market, Bristol-Myers' N prin is ranked No. 2 with a 25% sh American Home's Advil has a 50% m ket share, while Johnson & Johnson ha a 13% share in the market. Althou h



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Top 25 outdoor advertisers

Rank	Advertiser	Outdoor expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	RJR Nabisco	$63,065	$78,458	(19.6)	7.5
2	Philip Morris Cos.	50,207	61,283	(18.1)	3.2
3	Loews Corp.	24,385	25,000	(2.5)	21.2
4	American Brands	19,834	14,183	39.8	13.1
5	B.A.T. Industries PLC	15,379	20,146	(23.7)	14.6
6	Seagram Co.	13,789	10,175	35.5	11.3
7	Anheuser-Busch Cos.	9,580	7,130	34.4	1.5
8	McDonald's Corp.	6,607	5,544	19.2	1.0
9	Grand Metropolitan PLC	5,696	7,758	(26.6)	2.5
10	Holiday Corp.	5,000	4,555	9.8	8.4
11	Brown-Forman Co.	4,692	4,938	(5.0)	6.3
12	PepsiCo Inc.	4,518	3,213	40.6	0.6
13	Allied-Lyons PLC	3,767	5,030	(25.1)	9.4
14	Guinness PLC	3,725	4,755	(21.7)	9.7
15	Liggett Group	3,394	711	377.4	NA
16	Adolph Coors Co.	3,041	1,161	162.0	2.1
17	Kroger Co.	2,892	2,357	22.7	2.5
18	Bacardi Corp.	2,464	1,280	92.4	10.3
19	Southland Corp.	2,414	2,986	(19.2)	2.8
20	Chrysler Corp.	2,383	1,881	26.7	0.4
21	U.S. West	2,295	427	437.2	3.5
22	Coca-Cola Co.	2,083	3,166	(34.2)	0.6
23	Wendy's International	2,026	1,294	56.6	1.9
24	General Motors Corp.	1,998	2,731	(26.8)	0.2
25	Argyll Group PLC	1,988	59	3,275.9	NA

Source: Outdoor Advertising Association of America and Institute of Outdoor Advertising as reported by BAR/LNA reports. **Note:** Dollars are in thousands.

B-M continues to wage a heavy ad battle for Nuprin, its media spending declined 11% last year to $32 million. Advil got $49 million in media ad spending in 1987, up 5%.

In household products, B-M's Drackett sales increased 12% in 1987 to $515 million after a particularly difficult 1986. Drackett's Windex glass cleaners received $4.3 million in measured advertising, up 30%. Windex is getting heavy competition from Miles' (Bayer USA) Glass Works. After suffering share erosion in 1986, Windex built its share to 46.9% for the year ending June 1988, compared to 44.6% for the year earlier. Texize's Glass Plus share dropped from 24% to 21.1% in the same period. Glass Works continued with a flat 15%.

And advertising was up 182% for Drackett's Renuzit to $6.3 million, which continues to battle Airwick Industries products in the $295 million (wholesale) air freshener category. According to a July 1988 Kidder Peabody data, Airwick has a 25% share, up from 23.3% in 1987, followed by Renuzit at 15% total (6% for Renuzit Spray, down from 6.5% in 1987) and Glade holds an estimated 14%, down 4 share points from 1986.

In infant formula, Nestle may force B-M to change the way it markets its Enfamil and ProSobee infant formula. Nestle's Carnation Co. is expected to spend anywhere from $50 million to $100 million to take on B-M and Abbott in the $1.6 billion market, and intends to go directly to consumers via mass media advertising. B-M and Abbott market mainly to physicians.

In infant formula, Abbott has an estimated share of 54% with its Similac and Isomil brands. B-M's Mead Johnson Pharmaceutical has a 38% share, followed by American Home Products 10% share with SMA, according to Salomon Bros.

BRISTOL-MYERS CO.
345 Park Ave.
New York, N.Y. 10154
(212) 546-4000

Marketing personnel: Marvin H. Koslow, sr vp-mktg svcs; Thomas D. McCann, vp-corp comm; Peter J. Spengler, vp-adv svcs.

Consumer Products Group

Corporate personnel: Ronald A. Ahrens, president; Stephen E. Bear, president-Bristol-Myers Products; Douglas G. Cowan, president-Drackett; Benjamin Brooks Jr., president-Clairol; Gerald C. Beddall, president-Clairol consumer prod div; Michael A. DeGennaro, president-Clairol professional prods div; Sidney Gibson, president-Clairol health & beauty appliances div; M. Arthur Wilson, president-Monarch Crown.

Marketing personnel: Peter R. Dolan, vp-mktg, Bristol-Myers Products; John C. Hassan, vp-mktg, Drackett; Michael Powell, vp-mktg, established brands, Clairol consumer prods div; Nancy Flinn, vp-mktg, professional prods div; Jeanne Hansen, Wayne Barnett, dirs-mktg, Clairol health & beauty appliances div; George Evans, vp-mktg svcs-Monarch Crown.

Brands/services by agency of record:

Excedrin
Final Net
Loving Care
Nice 'N Easy
Sea Breeze line
Highlighters

Ad agency: DDB Needham Worldwide, New York: Rein Luik, exec vp; Lucille Cotugno, sr vp-mgmt super; James Barickman, vp-acct super; Milton Harkrader, group sr vp (Clairol); Marianne Moore, vp-acct super (Clairol).

■

4-Way
Nuprin
Drano line
Windex
Claresse
Miss Clairol
Ultress

Ad agency: Grey Advertising, New York: Clark Montgomery, exec vp; Herbert Leiberman, sr vp; Harvey Robinson, mgmt super (Drano, Windex).

■

Ban Roll-on
Bufferin
Comtrex
Congesprin
Automatic Vanish line
Behold
Bowl Brite
Endust
Nutrament
Renuzit Roommate
Renuzit Adjustable
Fresh 'n Dry
Condition

Ad agency: Laurence, Charles, Free & Lawson, New York: Susan Holson, mgmt acct super; Robin Coval, mgmt acct super (Comtrex); Richard Goldschmidt, acct super (Drackett); Linda Tilton, mgmt super (Condition).

■

Twinkle
O'Cedar

Ad agency: Fahlgren & Swink, Cincinnati: Tim Seifert, president; Vincent Backley, vp-mgmt super.

■

Clairol appliances
Klorane

Ad agency: Calet, Hirsch & Spector, New York: Terri Gibralter, mgmt super.

■

Pazazz
Color Play

Ad agency: Gleckler & Co., New York: Gayle Gleckler, chmn-creative dir; Joel R. Spiegel, president; Micheal Levine, dir-acct svcs; Susan Roehlis, acct super; John Ansado, creative dir; Laura Zinn, copywriter; Heidi Amsterdam, art dir.

■

Monarch Crown

Ad agency: (In-house) George Evans, vp-mktg svcs.

■

Clairol PPD (salon)

Ad agency: Wiseltier & Partners, New York: Catherine Gorayeb, acct super.

Health Care Group

Corporate personnel: Charles A. Heimbold Jr., president; Ronald L. Davis, president-Zimmer; Robert J. Helbling, president-Medical Engineering Corp.; Joseph W. Cilurzo, president-Jobst; W. Patrick Cusick, president-Xomed.

Marketing personnel: Richard Stofla, vp-mktg, Medical Engineering Corp.; Stephen A. Dezember, vp-mktg & sales, Jobst; John Madding, vp-mktg, Xomed.

Brands/services by agency of record:

Jobst

Ad agency: Gerbig, Snell/Weisheimer & Associates, Worthington, Ohio: Robert L. Gerbig, president.

■

Zimmer

Ad agency: Naimark & Barba, Cedar Knoll, N.J.: George Naimark PhD, president.

■

Xomed

Ad agency: Ebey, Utley & Co., Mountain View, Calif.: Robert W. Ebey, ceo; Charles E. Utley, president.

U.S. Pharmaceuticals & Nutritional Group

Corporate personnel: Raymond C. Egan, president.

U.S. Pharmaceuticals Group

Corporate personnel: Bruce R. Ross, president; Al Herbert, vp-genl mgr, Bristol-Myers Oncology; Gary P. Gibson, vp-genl mgr, Bristol Laboratories; Frederick M. Brubaker, vp-genl mgr, Mead Johnson Pharmaceuticals.

U.S. Nutritional Group

Corporate personnel: Donald G. Harris, president; John Nordberg, vp-mktg; John M. Bullock, vp-genl mgr, Mead Johnson Nutritionals; Jerry McCabe, vp-genl mgr, Mead Johnson Laboratories; Jaffery B. Marsh, vp-genl mgr, Bristol-Myers Institutional Products.

Westwood Pharmaceuticals

Corporate personnel: Wilfred J. Larson, president.

Marketing personnel: Barry L. Burnside, vp-mktg & sales.

Brands/services by agency of record:

Alpha Keri
Keri lotion (medical adv)
Pre Sun
Staticin/T-Stat
Westcort
Sebulex/Sebucan
Desquam
Lac-Hydrin
Maxivate
Moisturel
Corp adv

Ad agency: Frank J. Corbett Inc., Chicago: John P. Burns, sr vp-acct exec.

■

Poly-Vi-Sol

Ad agency: Keller-Crescent Co., Evansville, Ind.: Al Samuelson, exec vp, dir-client svcs.

■

Keri lotion
Presun
Fostex
Lac-Hydrin

Ad agency: Laurence, Charles, Free & Lawson, New York: Linda Tilton, mgmt super.

■

Pharmaceutical adv:
Bufferin, Excedrin, Nuprin

Ad agency: Gross Townsend Frank Hoffman, New York: Alan Gross, president.

■

Tempra

Ad agency: Goble & Associates, Chicago: Jacqueline Fitzgerald, James Robinson, vps-client svcs.

RANK
41

Campbell Soup Co.

Camden, N.J.
ADVERTISING: **$ 230.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	4,490	4,287	4.7
Earnings	247	223	10.8
■ U.S.	**1987**	**1986**	**% chg**
Sales	3,645	3,576	1.9
Operating income	393	395	(0.5)
■ Division sales	**1987**	**1986**	**% chg**
Campbell U.S.	2,657	2,660	(0.1)
Pepperidge Farm	496	455	9.0
Vlasic Foods	283	263	7.6
Mrs. Paul's	149	137	8.8
Other U.S.	59	61	(3.0)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	2,579	2,236	15.3
Business pub	1,330	1,438	(7.5)
Magazine	22,766	19,173	18.7
Newsp supp	365	1,439	(74.6)
Outdoor	687	283	143.0
Network TV	60,687	58,561	3.6
Spot TV	30,481	32,070	(5.0)
Network cable	2,666	3,637	(26.7)
Network radio	14,763	5,399	173.4
Spot radio	3,383	2,375	42.5
Measured	139,708	126,610	10.3
Unmeasured	91,000	82,000	11.0
Total	230,708	208,610	10.6

Campbell Soup Co. has been attempting since mid-1987 to build up its flagship division, Campbell U.S. (soups, frozen foods and grocery products), which posted a 1% decline in sales and a 4% drop in operating earnings for fiscal 1987 ended July 31—its first such decline in years.

The company, citing market share losses in its soup and spaghetti sauce lines and disappointing new product introductions as the reasons behind the division's earnings decline, has revamped its internal marketing to emphasize convenience foods and out-of-home dining trends, and has slowed down its new product launches.

During this period, Campbell U.S. agencies were put on notice that it would be taking a hard look at all agency work, and possibly make changes—such as the "exportation" of its V-8 juice account to Saatchi & Saatchi, London. Campbell also expects to hike its spending by 15% to 20% to counter declining market shares for some brands.

But the going has been slow. Through the third quarter 1988 ended April 30, 1988, Campbell showed earnings of $201.9 million, up 13.9%, on sales of $3.7 billion, up 6.6% over the first three quarters 1987. However, in the Campbell U.S. division operating income of $202 million was down 3% on sales of $2.05 billion, up 3.3%.

Chief among Campbell's problems in 1987 were failed new product introductions. Its premium-priced Fresh Chef line of refrigerated pasta sauces, soups and salads foundered in regional testing before a full national rollout, falling far short of its $100 million sales goal. Other test products, including Soup du Jour line of frozen microwaveable soups, were pulled from test market.

As if this was not enough trouble, some successful new product introductions actually took market share away from existing Campbell products. Home Cookin', Campbell's highly successful line of ready-to-serve soups, drew business away from its Chunky Soup, according to Campbell. Home Cookin' was supported during calendar 1987 with $5.5 million in measured media, down 18% from introductory levels in 1986, according to BAR/LNA. At the same time, Chunky spending rose 63.8% to $8.4 million in a possible effort to curtail cannibalization.

Measured spending on other soup lines also rose, with Campbell's red-and-white brand soups at $26.5 million, up 36%. New categories included Creamy Natural Soups, at $4.8 million, and Special Request canned soup at $5.4 million in support of the line's national rollout.

Campbell continues to do battle with Lipton in the growing dry soup category. While condensed soup market has been stagnant, growing at a rate of about 2% per year, dry soups have been on the upswing. They now account for 27.5% of the total category, more than double their 13.3% share of 10 years ago.

Unilever's Thomas J. Lipton Inc. has been the undisputed leader in the dry soup mix category over the last few years, but recent activity has been from Oriental-noodle soup lines. These now account for as much as 66% of the dry soup category, according to Nissin, the marketer of Top Ramen, Oodles of Noodles and Cup o' Noodles. Campbell's Quality Soup & Recipe Mix products with some 3% of the dry soup market tried to build on the trend in late 1987 with the introduction of Campbell's Cup, a dry soup Oriental noodle product, with a $6.2 million spending blitz.

Campbell's competitors have taken advantage of the company's existing lines in the freezer case. Stouffer's Lean Cuisine and Heinz' Weight Watchers together control about 70% of the market for low-calorie frozen entrees, with Lean Cuisine at about 40%, according to 1987 Find/SVP DATA. In terms of premium entrees, Lean Cuisine held a 26% market share followed by Stouffer red box entrees at 18%, Armour Dinner Classics and D.C. Lite with a combined 17% share, Campbell's Le Menu at 13%, Kraft's Budget Gourmet at 12% and Weight Watchers with 10% in 1987.

Campbell's still leads all marketers in the prepared frozen-foods market worth an estimated $8 billion (including everything from entrees to desserts) with a 15% share, followed by ConAgra 13.8%, Pillsbury 11%, Stouffer Foods (Nestle) 9.4% and Kraft 7.5%, according to Find/SVP.

Spending on Le Menu climbed 150% to $2.7 million, while spending on Swanson Le Menu frozen dinners dropped 30% to $4.8 million.

Swanson Homestyle Recipe frozen entrees were introduced with $4.5 million in measured spending. Spending on Swanson Great Starts Breakfast entrees dropped to just under $1 million from introductory levels of $3.2 million.

Competition also has stirred up trouble for Campbell in the Italian foods arena. Its Prego sauce remains No. 2 behind Unilever's Ragu, though Prego has lost ground from 30% in 1985 to the low 20s while Ragu holds at 50%. Other competition in the market is coming from Borden, following its acquisition of Prince Co., with its Prince, Aunt Millie's and Classico sauce brands.

Spending for Prego sauce declined 20% in 1987 to $6.08 million. A line extension product, Prego frozen entrees, was helped with $2.3 million, up 29%.

The company reports strong sales of its Franco American canned meals, which were supported with $2.4 million in measured spending, up from just over $1 million in 1986.

A star performer for Campbell has been its Pepperidge Farm division, driven by its strongest cookie year ever. Its American Collection cookies were strongly received in test markets during the year, prompting Pepperidge Farm to add a companion line of frozen microwaveable American Collection Desserts.

Pepperidge Farm owns only 5% of the total cookie market, far behind Nabisco, with more than 50%, and Keebler, which has about a 17% share. Yet, it is the leader in the premium cookie segment, followed by General Foods Corp.'s Entemann's subsidiary.

Total advertising for Pepperidge Farm division rose 4% to $18.6 million. It was led by cookie advertising at $7.6 million, down 13%. Ad spending for Pepperidge Farm Frozen Pizza, climbed 146% to $7.3 million.

During 1987, Campbells made several acquisitions for its Vlasic subsidiary, which leads the $600 million pickle market with 35% share. Vlasic spent $4 million in measured media in 1987, down 29%.

Vlasic became leader in the $295 million per year olive market with the acquisitions of Early California from United Biscuit's Specialty Brands division, and Durkee brand from Reckitt & Colman North American Group. Durkee has approximately 20% of the green olive market, while Early California holds an estimated 27% share as the leader in the black, ripe olive segment.

As part of the Specialty Brands deal, Vlasic also acquired Marie's Refrigerated Salad Dressings. In a separate deal, Campbell bought Open Pit barbecue sauce from General Foods Corp.

During 1987, Campbell disposed of Champion Valley Farms (Recipe brand pet foods) to H.J. Heinz Co., as well as the remaining restaurant operations of H.T. McDoogal's, Annabelle's and Pietro's.

CAMPBELLS SOUP CO.
Campbells Place
Camden, N.J. 08103-1799
(609) 342-4800

Corporate personnel: R.G. McGovern, president; H.M. Baum, president, Campbell USA;

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C.V. Stinnett, president-Campbell Enterprises, vp- corp mktg & sales.

Marketing personnel: P.N. Mulcahy, vp-adv, president-CSC Advertising; A.J. Dale, president-Campbell Sales Co.; Zoe Coulson, vp-consumer issues; A.J. Adams, dir-mktg rsch; D.F. Macaulay, dir-design; G.D. Mahrlig, dir-media svcs; H.P. Pelouze, dir-promo; W.C. Culp, dir-special projects; M.P. Garrison, mgr-special projects.

Soup Group

Corporate personnel: D.L. Santangelo, vp-group genl mgr, soups.

Marketing personnel: Paul Masarracchio, genl mgr-category devel; D.E. Goerke, category genl mgr-condensed soups; Kathleen MacDonnell, category genl mgr-ready-to-serve soups; W.H. Allen, dir-Home Cookin' & Prego; Betty Cronin, dir-mktg, cooking soup; J.N. Haring, dir-mktg, Chunky; D.E. Bair, sr mktg mgr-cooking soup; R.L. Steenrod, sr mktg mgr-condensed soups; Roberta Kitchenoff, mktg mgr-condensed; T.L. Cruikshank, mktg mgr-Home Cookin'; Griff Parker, mktg mgr-new prods; Laura Klein, mktg mgr-ready-to-serve soups; Gregory Kane, asst mktg mgr-Chunky; B.G. Walker, asst mktg mgr-Special Request; M.A. Kane, asst mktg mgr-condensed soups.

Brands/services by agency of record:

Red & white label condensed soups
"Special Request" soups

Ad agency: Backer Spielvogel Bates Worldwide, New York: Robert Holmen, exec vp-ceo; Joseph Prior, sr vp-mgmt super; Pamela Marcus, Nancy Adler, Suzanne Brisedine, acct supers.

■

Chunky soup
Home Cookin'

Ad agency: BBDO, New York: Anthony Brescia, mgmt super; Robert McGreevy, acct super.

■

Hispanic adv

Ad agency: Conill Advertising, New York: Rafael Conill, chmn; Alicia Conill, president.

Dry Foods

Marketing personnel: P.W. Comisky, category genl mgr; J.K. Ouellette, assoc mktg mgr.

Brands/services by agency of record:

Dry quality soup & recipe mix

Ad agency: Backer Spielvogel Bates Worldwide, New York: Joseph Prior, sr vp-mgmt.

Convenience Foods

Corporate personnel: S.A. McNeil, vp & group genl mgr.

Marketing personnel: R.F. Bernstock, category genl mgr-traditional meals; W.R. Lorgus, category genl mgr-breakfast; P.F. Goodman, mktg dir-premium meals; G.S. Loesch, sr mktg mgr-Great Starts; M.S. Kessler, mkgt dir; R.M. Revelle, Jan Zielinski, Dann Kauffman, M.G. Smith, A.D. Van Beuren, L.C. Rohrer, mktg mgrs; J.P. Brennan, J.T. Dagrosa, J.T. Jury, R.A. Bader, Eugene Sung, assoc mktg mgrs.

Brands/services by agency of record:

Swanson meat pies
Swanson reg & Hungry-Man dinners & entrees

Ad agency: Hal Riney & Partners, San Francisco: John Yost, sr vp-genl mgr; Margaret M. ane, vp-mgmt super; Karen Wallenrich, acct super; Doug Rose, acct exec.

■

Canned poultry prods
Great Starts Breakfast
Le Menu
Le Menu Lightstyle
New prods
Swanson

Ad agency: Ogilvy & Mather, New York: Graham Philips, exec vp-super; Cliff Angers, sr vp-acct group dir; David Mechlin, vp-mgmt super; Myra Maultasch, acct exec; LaVida Dowdell, acct exec.

Grocery

Corporate personnel: Robert Subin, group genl mgr; Terry W. Simmers, president-Juice Bowl prods.

Marketing personnel: J.M. Dorsch, category genl mgr-beverages; B.E. Horlbeck, J.F. Van Stone, mktg dirs-beverages; F.P. DiRubbo, M.M. Muller, sr mktg mgrs-beverages; W.E. McLaughlin, D.J. Lowry, J.K. Schiffer, S.E. Reed, mktg mgrs-Italian foods; R.M. Plank, Timothy Sager, mktg mgrs-beverages; Verona Smith, A.E. Wilcox, assoc mktg mgrs-beverages; T.M. Chandler, A.S. Brown, asst mktg mgrs-beverages; G.K. Poirier, G.H. Warwick, J.A. Bertels, assoc mktg mgrs-Italian foods; Margaret Giannone, mktg coord-beverages.

Brands/services by agency of record:

Hispanic adv

Ad agency: Conill Advertising, New York: Rafael Conill, chmn; Alicia Conill, president.

■

Franco-American pasta

Ad agency: DDB Needham Worldwide, New York: Leo Mamorsky, acct super.

■

New prods
Prego
Prego frozen

Ad agency: FCB/Leber Katz Partners, New York: Bob Hirsch, sr vp-mgmt rep; Nancy Beck, vp-acct super; Beth Green, acct exec.

■

Juice Bowl
New prods
V-8 tomato juice

Ad agency: Saatchi & Saatchi, London: Andre Stanbridge, group acct dir; Chris McCann, acct dir; Chris Harris, acct dir.

Chilled Foods Group

Corporate personnel: Carl W. Calandra, group genl mgr.

Marketing personnel: T.C. Canard, genl sales mgr.

Brands/services by agency of record:

Chilled food prods

Ad agency: Britt Agency, Lynchburg, Va.: Frank Britt, acct exec.

Mrs. Giles Country Kitchens
Lynchburg, Va.

Corporate personnel: Carl W. Calandra, president.

Marketing personnel: Thomas Canard, vp-sales & mktg; R.S. Dow, mktg dir.

Brands/services by agency of record:

Mrs. Giles Country Kitchens

Ad agency: Britt Agency, Lynchburg, Va.: Frank Britt, acct exec.

Mrs. Kinsers Home Style Foods
Smyrna, Tenn.

Corporate personnel: C.W. Calandra, president; J.B. Griffith, vp-genl mgr.

Marketing personnel: R.S. Dow, mktg dir.

Brands/services by agency of record:

Mrs. Kinsers Home Style Foods

Ad agency: Britt Agency, Lynchburg, Va.: Frank Britt, acct exec.

New Ventures Group

Corporate personnel: P.S. Levy, genl mgr; J.A. Blood, category genl mgr-Convenience stores.

Marketing personnel: Diane Stalker, mktg mgr-Convenience stores; E.A. Senior, sr production mgr-Souper Combo; Joseph Herget, asst production mgr-Souper Combo.

Brands/services by agency of record:

Convenience stores

Ad agency: W.B. Doner & Co., Southfield, Mich.: R.J. Friday, sr vp-group mgmt super.

■

Souper Combos

Ad agency: BBDO, New York: Anthony Brescia, mgmt super; Marcia Wolcyk, acct super; Wendy Goralnick, acct exec.

Fresh Foods Group

Corporate personnel: K.W. Leighton, group genl mgr.

Marketing personnel: D.E. Herr, category genl mgr-fresh produce; F.A. Dudowicz, mktg dir-fresh produce; S.J. Stiles, mktg mgr-fresh produce; S.M. Regan, category mgr-salad dressing; M.D. Pommer, sr mktg mgr-salad dressing.

Brands/services by agency of record:

Fresh produce

Ad agency: (In-house) CSC Advertising: Paul N. Mulcahy, president.

■

Salad dressing

Ad agency: Margeotes/Fertitta/Weiss, New York: George Fertitta, president; John Margeotes, chmn & ceo; John Weiss, exec vp-creative dir.

Mendelson-Zeller Co.
Fresno, Calif.

Corporate personnel: Robert Reinecke, president; D.E. Eckert, vp-operations; M.R. Reed, sr vp; S.T. Casca, vp-natl sales; R.J. Kunkel, president-food svc.

Marketing personnel: G.W. Thompson, W.W. Gabrys, mktg mgrs; W.C. Lehners, L.L. Lynn, mktg dirs; D.S. Mora, sr mktg mgr.

Brands/services by agency of record:

Mendelson-Zeller Co

Ad agency: Della Femina, McNamee WCRS, New York: A.J. Rosenthal, chmn.

Godiva Chocolatier
New York

Corporate personnel: Tom Fey, president.

Marketing personnel: Robin Scheer, dir-mktg; Gail Seibel, dir-mktg, new prod; David Anderson, mktg mgr-retail; Margo Davis, Nancy Kanterman, brand mgrs.

Brands/services by agency of record:

Godiva

Ad agency: Margeotis/Fertitta/Weiss, New York: George Fertitta, president; John Margeotes, chmn & ceo; John Weiss, exec vp-creative dir.

Vlasic Foods
Bloomfield, Mich.

Corporate personnel: J.R. Scales, president.

Marketing personnel: R.W. Shaw, vp-mktg; L.T. Uhl, dir-mkt rsch; D.M. Striegel, vp-food svc business unit; David DeWalt, dir-mktg-food svc business unit; Thomas Bitterman, sr vp & genl mgr-gravies & sauces business unit; Timothy List, mktg dir-gravies & sauces business unit; E.C. Tazzia, vp-genl mgr-Hispanic business unit; David Willard, sr vp & genl mgr-olives business unit; B.B. Gesserman, mktg dir-olives business unit; D.L. Lunghino, sr vp & genl mgr-pickles business unit; M.J. Hammond, dir mktg-pickles business unit; S.J. Terry, Sr., production mgr-pickles business unit.

Vlasic foods

Ad agency: W.B. Doner & Co., Southfield, Mich.: Richard J. Friday, sr vp-group mgmt super; Steve LaGattuta, exec vp-creative; Ed Boasberg, Liz Conlin, acct supers.

Pepperidge Farm
Norwalk, Conn.

Corporate personnel: R.A. Shea, president.

Marketing personnel: W.R. Encherman, mktg dir-biscuit; David Albright, vp-mktg & genl mgr-biscuit; C.V. McCarthy, vp & genl mgr-bakery; P.J. Callaghan, mktg dir-bakery; C.W. Rydin, genl mgr-frozen; E.A. Anderson, mktg dir-frozen; B.L. Gustaitis, genl mgr-food service; C.E. Woodward, mktg dir-food service; R.E. Schmalz, genl mgr-mail order; J.E. Tierney, vp-corp relations.

Brands/services by agency of record:

Pepperidge Farm

Ad agency: Ogilvy & Mather, New York: N.R. Berry, president; R.N. Eastbrook, vp-sr mgmt super.

Domsea Farms
Bremerton, Wash.

Corporate personnel: C.M. Monaghan, genl mgr.

Brands/services by agency of record:

Domsea Farms

Ad agency: (In-house): CSC Advertising: Paul N. Mulcahy, president.

Mrs. Paul's Kitchens
Philadelphia, Pa.

Corporate personnel: W.J. Dowd, president.

Marketing personnel: G.W. Piszek, sr vp-sales & devel; R.R. Schnorbus, sr vp-operations; Daniel Lynn, vp-mktg; R.J. Johnson, mktg mgr; R.J. Davis, production mgr; W.J. Tullis, mktg mgr; J.A. Rasati, assoc production mgr; J.R. Bailey, mktg asst.

Brands/services by agency of record:

Mrs. Paul's Kitchen

Ad agency: DDB Needham Worldwide, New York: Leo J. Mamorsky, acct super; Lisa Baker, acct exec; Jeff Koss, asst acct exec.

Campbell World Trading Co.
Camden, N.J.

Corporate personnel: N.F. Barnes, president & genl mgr.

Marketing personnel: Jeanne Blauner, dir-mktg.

Brands/services by agency of record:

Campbell World Trading Co.

Ad agency: Margeotes/Fertitta/Weiss, New York: Betty Rauch, mgmt super.

RANK
14

Chrysler Corp.

Highland Park, Mich.
ADVERTISING: **$ 568.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	26,277	22,586	16.3
Earnings	1,290	1,389	(7.2)
U.S.	**1987**	**1986**	**% chg**
Sales	23,685	20,489	15.6
Division sales	**1987**	**1986**	**% chg**
Automotive	25,337	21,952	15.4
Aerospace	940	635	48.0

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	70,166	42,203	66.3
Business pub	2,214	1,257	76.2
Magazine	100,446	95,994	4.6
Newsp supp	4,596	6,108	(24.8)
Farm pub	608	418	45.5
Outdoor	2,383	1,881	26.7
Network TV	151,569	147,036	3.1
Spot TV	82,836	67,309	23.1
Network cable	6,684	7,642	(12.5)
Network radio	4,874	1,653	194.8
Spot radio	17,345	21,071	(17.7)
Measured	443,722	392,571	13.0
Unmeasured	125,000	111,000	12.6
Total	568,722	503,571	12.9

Chrysler Corp. experienced its first dip in its share of the U.S. retail car market in five years in 1987, although it was consoled by a substantial increase in truck market share related to its Aug. 5, 1987 acquisition of American Motors.

Despite its decline in car market share, Chrysler Motors, the vehicle-producing subsidiary of Chrysler Corp., enjoyed a banner year in 1987, including the acquisition of two well-known automotive nameplates—Jeep and Lamborghini—and further fine-tuning of its brand marketing program.

Chrysler, which held a 10.5% of the U.S. car market in 1987, down from 11.5%, boosted its U.S. truck market share to 15.9% from 12.1%. Share figures for 1987 calendar year include AMC, Renault and Jeep products from Aug. 6 to Dec. 31.

In total ad expenditures, Chrysler Corp. spent $568.7 million in calender year 1987, compared to $503.6 million in 1986. In 1987, Chrysler spent $125 million in unmeasured media and $443.7 million in measured media. In specific media categories, Chrysler spent $70.1 million in newspapers, $2.2 million in business publications, $17.3 million on spot radio, $608,000 in farm publications, $100.4 million in magazines, $151.6 million on net TV, $82.8 million in spot TV and $2.4 million in outdoor.

American Motors spent $116.2 million in total advertising in 1986 compared to $125.6 million in 1985. Ad expenditures for American Motors in 1987 are included in Chrysler figures for that year.

Chrysler continued to battle a tough automotive marketplace with costly consumer incentives and swallowed the expenses of its acquisition of American Motors. The company's net earnings of $1.29 billion compared to $1.39 billion in 1986 when Chrysler included a one-time net profit of $131.9 million from its interest in French automaker Peugeot.

All four of the company's car marketing divisions posted unit sales declines in 1987. The Dodge division sold 407,174 cars in the U.S. in 1987, down 20.2% from 510,136 in 1986. The Chrysler division sold 296,362, down 15.7% from 351,741 in 1986. The Plymouth unit sold 343,981, down 17.3% from 415,701. Eagle division (formerly the AMC car operations) sold 44,626, down 39.9% from 74,242 in 1986.

Dodge division truck sales in the U.S. for 1987 totaled 708,125, up 18.8% from 596,159. Jeep sold 208,440 units for the year, up 0.5% from 207,514 in 1986.

Among the leading nameplates, the Chrysler LeBaron coupe, including its convertible version, led the Chrysler unit in sales with 78,429 compared to 40,390 in 1986. The LeBaron received $28.7 million in measured ad spending, up from $13.6 million in 1986, according to BAR/LNA.

The aging Plymouth Reliant sedan paced Plymouth car sales with 83,415 compared to 99,727 in 1986. Advertising was measured at $5.3 million, up 23% from the prior year, according to BAR/LNA. More ad dollars, however, were spent advertising Plymouth's Sundance ($12.9 million, down 9%) and Voyager wagon, ($10.8 million, down 21%).

Reliant's sister car, the Dodge Aries, outsold the Dodge lineup with 81,182 compared to 80,581 in 1986. It received only $4.5 million, up 50%.

The Renault Alliance, although canceled after the 1987 model year, was the best-selling car for the Eagle Division in 1987 with 26,132 compared to 49,907 in 1986. It received $3.6 million, down from $14.8 million in 1986. The Renault Medallion pulled far greater ad support of $15.6 million, up from only $14,000 in 1986.

In 1988 model-year advertising, Chrysler introduced the Eagle Premier and its Jeep-Eagle division on Dec. 22 with its $25 million "Big Bang" promotion. William Estÿ Co. (now Campbell-Mithun-Esty), the ad agency used by AMC and retained by Chrysler after the takeover, created the ads.

The ad blitz included both ads for the European-designed sedan and introduction ads featuring Chrysler Corp. Chairman Lee Iacocca. Mr. Iacocca also appeared in a patriotic ad for the Jeep-Eagle division that appeared in the beginning of video cassettes of the movie "Platoon."

Esty also continued its "Only in a Jeep" campaign for Jeep with heavy concentration on the Cherokee and Comanche. In 1987, the two together received $33.7 million in measured advertising, up 17.4%, according to BAR/LNA. Dodge brought its car and truck products under one themeline for 1988—"It's got to be a Dodge." Dodge, which is handled by BBDO, Southfield, Mich., used b&w running footage with bright red vehicles in ads for its Dodge Daytona Shelby Z, Dodge Caravan and Dodge Dakota. Chrysler spent $67.9 million on these vehicles in 1987, compared with $24.5 million in 1986.

Plymouth continued to use the themeline "The pride's inside—Born in America" to stress the division's value and content attributes. Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich., handles Plymouth advertising.

Chrysler division advertising, also handled by BJK&E, stressed its luxury image with ads for its new New Yorker and New Yorker Landau. Ricardo Montalban returned as Chrysler division's spokesman after a one-year absence to help launch the two new cars and introduce a special "Crystal Key" comprehensive maintenance program for the two models. The Mexican-born actor has been a Chrysler spokesman for 14 years.

Chrysler also purchased three-quarters of the automotive TV spots on telecasts of the Winter Olympic Games, which aired in February. Jeep was the official truck of the Olympic Games.

A special campaign was created for the Winter Olympic spots called "Chrysler—We do it right" by Chrysler's corporate agency BJK&E. The nearly $40 million campaign featured Chairman Iacocca touting selected products from each division. He departed from his usual tough-talking spokesman role for the campaign to appear with an owl and a shaggy dog in the campaign.

The 1988 model year was filled with upscale products for Chrysler. It introduced a front-wheel-drive New Yorker and New Yorker Landau. Jeep-Eagle received the new Premier in December and Mitsubishi-built Eagle Summit in August 1988. The Renault Medallion, a product inherited by Chrysler when it purchased AMC, was rebadged the Eagle Medallion.

The company plans to introduce the Dodge Spirit and Plymouth Acclaim sedans and a four-wheel-drive version of the Plymouth and Dodge Colt wagon in the 1989 model year. The two-seater luxury convertible Chrysler's TC by Maserati is scheduled to bow in November 1988 as an 1989 model, after numerous introduction delays.

It also plans to introduce in the spring of 1989 the Plymouth Laser, a sporty coupe built by Diamond Star Motors, the Chrysler-Mitsubishi joint venture.

The 1988 model year was also a time for a personnel shakeup at the top. Harold K. Sperlich, Chrysler president, took an early retirement in January 1988. Bennett E. Bidwell, vice chairman of Chrysler Motors, was named president of product and marketing for Chrysler Motors. Robert A. Lutz, exec vp of international operations, trucks and components, was named president of operations.

In other corporate news, Chrysler was holding talks with a handful of companies in attempt to sell parts of its Acustar parts-making subsidiary in early 1988. The United Auto Workers, fearing huge job losses, threatened a walkout and later Chrysler reversed its decision to sell the parts maker.

Chrysler also met with resistance from the UAW when it announced it would close its aging Kenosha, Wis. assembly plant, formerly owned by AMC. The closing was a public relations nightmare and Chrysler agreed to set up an estimated $20 million trust fund to help Kenosha workers and their families.

Chrysler Corp. Chairman Iacocca also published his second autobiography, "Talking Straight," in May 1988, although literary critics had scant praise for the successor to his mega-hit autobiography, "Iacocca."

CHRYSLER CORP.

P.O. Box 1919
Detroit, Mich. 48288-1919
(313) 956-5741

Marketing personnel: Bennett E. Bidwell, president-prods and mktg; Joseph E. Cappy, group vp, Jeep-Eagle; Joseph A. Campana, vp-Chrysler-Plymouth; Jerome B. York, vp-Dodge car and truck div; Arthur C. Liebler, dir-mktg svcs; Ralph A. Sarotte, genl mktg mgr-Eagle; Martin L. Levine, genl mktg mgr-Jeep; Charles B. Kitz, genl mktg mgr-Dodge car; John MacDonald, genl mktg mgr-Dodge truck; Clark Vitulli, genl mktg mgr-Chrysler; Patrick Smorra, genl mktg mgr, Plymouth.

Brands/services by agency of record:

Dodge car and truck

Ad agency: BBDO Worldwide, Southfield, Mich.: William Kelly, exec vp-genl mgr; Michael Graham, vp-mgmt super, truck; Gene McCarthy, sr vp-exec media dir; Peter DeLorenzo, sr vp-exec creative dir; Tom Newman, sr vp, dir-planning & rsch; William Oswald, sr vp, car and truck; John Hammond, sr vp, car; David Jones, sr vp-mgmt super, Dodge Dealer Assn; Dave Harrelson, vp-operations mgr., Doug Rick, vp-prod info mgr; Allen Werneken, vp-assoc creative dir, Dealer Advantage Assn. svcs; Dennis Goschka, vp-corp legal counsel; Gordon Berg, Michael Gonyea, vps-acct supers; Marc Caroselli, Tim Miller, acct supers; Brian Juergens, William Freed, sr acct execs; Rich Babich, Michelle White, Mike Woods, Dan Hutzell, acct execs; Mike Suchara, Jeff Roberge, asst acct execs.

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Corp adv
Chrysler-Plymouth

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich.: Leo Arthur Kelmenson, chmn exec committee; David Bell, vice-chmn; Ron DeLuca, president; George Beech exec vp-genl mgr; Bruce Andrews, sr vp-assoc genl mgr; Alan Levenstein, exec vp-mktg; Lynn Vernon, sr vp-mgmt super; Chuck Russo, vp-acct super; Nancy Sparrer, sr acct exec; Jerry Strabbing, assoc acct exec; Meri Simons, legal counsel; Kathleen Corrigan, dir-adv clearance, coord-legal adv clearance; Phil Matz, sr vp-media dir; Elton Kruger, sr vp, dir-planning; Phil Floyd, assoc media dir; Dave Bean, media planner; Steve Larson, asst planner; Ken Duskin, exec vp-creative dir; Bruce Montgomery, sr vp-assoc creative dir; Robert Crothers, sr vp, dir-strategic & forward planning (New York); Phil Reuschle, sr vp, dir-forward planning (Detroit).

■

Jeep/Eagle

Ad agency: Campbell-Mithun-Esty, Southfield, Mich.: David C. Welch, chmn & ceo; David Van Peursem, exec vp-mgmt dir; Scott Thornton, vp-mgmt super, Jeep; Tom Luke, dir-consumer perspectives; Jim Bourdganis, acct super, Jeep; Walter Dunne, vp-mgmt super, mktg svcs; Len Miller, acct super, Jeep; William Wilcox, acct super, Eagle; Carl Chakmakian, acct super-dealer; John Gibson, acct super-prod info; Dan Williams, sr vp-mng dir; Tom Deska, vp-mgmt super; Jerry Acciaioli, acct super; William Tausch, acct super; Mike Belitsos, sr vp-creative dir; Frank Brugos, vp-assoc creative dir; Todd MacIntosh, Steve Goldsworthy, Charles Glass, vps-creative supers; Tom Thompson, Robert Zak, vps-deputy creative dirs; Colette Bukowicz, creative super-copy; Chuck Meeker, creative super-art.

■

Minority adv

Ad agency: Lockhart & Pettus, New York: Keith Lockhart, president.

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Corp merch & adv
for Chrysler svcs & parts
Chrysler Fleet operations
Corp merch for Chrysler Motors
Chrysler-Plymouth, Dodge car & Dodge truck
Chrysler Marketing Institute

Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Glen W. Fortinberry, chmn & ceo; Richard Ward, exec vp-genl mgr, RR Communications; Joseph Schulte, exec vp, dir-automotive; Joseph M. McNeil, exec vp-exec creative dir; R. John Oliver, sr vp-genl mgr, RR Productions; James Vehko, Donald Scheich, Michael Webster, sr vps-mgmt supers; Michael Labiak, sr vp-creative dir; Sidney Houghton, sr vp-assoc creative dir; David Garfield, sr vp, dir-rsch; Rex Smith, vp-mgmt super; Rick Betker, vp-group acct super; Arnold Burke, Robert West, Thomas Kemper, John Sych, Donald Baldwin, Michael Pinckes, Gary Reutenik, vps-acct supers; Judi Toundas, vp-genl mgr, incentives; Charles Gegenheimer, vp, dir-consumer prods div; James Hanna, Marvin Megison, William Taylor, vps-creative; Walt Garrett, vp-dir; George Abdullah, Clark Reid, Rollin Gish, Robert Nowak, John Graffius, vps-RR Productions.

RANK
87

Clorox Co.

Oakland, Calif
ADVERTISING: **$ 102.1** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	1,126	1,089	3.4
Earnings	105	96	9.7
■ ***Division sales***	***1987***	***1986***	***% chg***
Grocery prods	1,022	104	885.7
Architectural coatings	973	117	734.0

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	842	423	99.2
Business pub	2,740	1,165	135.2
Magazine	8,929	7,482	19.3
Newsp supp	936	0	NA
Outdoor	14	0	NA
Network TV	40,123	39,022	2.8
Spot TV	14,670	12,320	19.1
Network cable	6,894	5,444	26.7
Network radio	0	1,362	NA
Spot radio	983	150	557.1
Measured	76,132	67,367	13.0
Unmeasured	26,000	23,000	13.0
Total	102,132	90,367	13.0

Clorox Co.'s continued efforts to diversify beyond bleach, which accounts for nearly half of the company's profits, resulted in a 13% increase in ad spending and an 11.9% increase in sales for its last fiscal year.

That diversification effort, which has included salad dressings, charcoal, paints, cat litter, air fresheners and bottled water in recent years, will get perhaps its biggest thrust in 1988 when Clorox moves into the laundry detergent market with Clorox Super Detergent.

Tested for 18 months as Wave, the company decided to roll out the product in four Western states in June 1988, using the Clorox name. DDB Needham Worldwide, Chicago, is the agency.

Wave won market shares of 5.7% to about 8.5% in Denver, Salt Lake City, Memphis and Charleston, S.C., during its test encouraging the company to start the roll-out described by company officials as "more than a test and less than a commitment to a national brand."

While Clorox spent less than $2 million in measured media for Wave in 1987, analysts believe the company will have to spend more than $50 million for Clorox Super Detergent to impress consumers nationwide. Such spending would adversely affect company earnings in 1988, but analysts say the benefits of establishing a foothold in the $3.5 billion detergent market could positively affect the company bottom line for years to come.

If Clorox Super Detergent could command a 5% share, it would mean more than $175 million in annual sales further reducing the company's dependence on liquid and dry bleach. Clorox currently commands a 55% share of the total U.S. liquid and dry bleach market with some 45% of the company's profits directly attributable to bleach.

The challenge facing Clorox in the detergent world, however, is direct competition with heavy hitters such as Procter & Gamble, Colgate-Palmolive Co. and Unilever. P&G responded to Clorox Super Detergent by testing "lemon fresh" Comet liquid chlorine bleach in northern and central Indiana with a 12% to 15% market share. P&G is also testing Tide with bleach in the East, ostensibly to undercut Clorox Super Detergent's potential introduction nationwide.

John W. Collins, Clorox's chairman-chief operating officer, seems to relish the battle. "They're big, they're good and they're tough. But they're also reputable competitors. They play above board. To the extent that it's a fight, it will be a fair fight."

Clorox's heaviest measured ad spending is in support of its liquid chlorine bleach, totaling some $8 million for 1987, down 11%. The company also spent $6.1 million for Clorox 2 liquid in 1987, a tenfold increase over 1986, while decreasing measured spending for Clorox 2 bleach powder by 42% to $5.4 million, according to BAR/LNA.

The company is also testing Clorox Lemon Scent liquid chlorine bleach in Houston as a possible extension of its premium-priced Fresh Scent Clorox liquid introduced in January of 1986.

Among its other household products, according to BAR/LNA, measured spending increased the most for Formula 409, up 45% to $4.5 million which is near the product's 1985 level of support. Clorox spent $3.9 million in measured spending on Liquid-plumr in 1987, the same as 1985 and 1986, and $5.5 million on Soft Scrub Cleanser, down about 8% from 1986. The company also introduced Soft Scrub cleanser with bleach to two-thirds of the country in 1988 as a companion to regular Soft Scrub, but has yet to gauge sales.

Act, a concentrated laundry detergent in pre-measured "action pak" previously in test, has been dropped as the company concentrates on Clorox Super Detergent this year.

But as the company awaits the results of the laundry detergent roll-out in 1988, it is taking steps to become a more significant factor in food. The company is testing two pasta salad dressing mixes, Creamy Ranch and Ranch Style Italian, and a potato salad mix, Ranch with Bacon, in Cincinnati, Denver and Miami. Young & Rubicam, San Francisco, is the agency.

Measured spending for its various Hidden Valley Ranch dressings and mixes totaled $10.7 million in 1987, a 32% increase, according to BAR/LNA.

In addition the company is developing new products in the "barbecue/picnic/leisure time" area under the Kingsford brand. Clorox spent $3.6 million to introduce K.C. Masterpiece barbecue sauce nationally through its Kingsford division in 1987. Young & Rubicam, San Francisco, is the agency. Spending for Kingsford charcoal briquets remained virtually unchanged at $5.6 million, while Match Light, a test product in 1986, received $3 million in measured spending for its 1987 roll-out.

In the non-retail foodservice area, Clorox introduced Moore's beer-battered Monterey Jack cheese sticks, zucchini slices and mushrooms as a line extension to its popular Moore's onion rings.

Clorox expanded its bottled water holdings in 1987 by acquiring three small Florida companies that will likely be consolidated with Lodi, N.J.-based Deer Park Spring Water Co. and Aspen Water Co. in Tampa, Fla, two companies Clorox purchased in January 1987.

Earnings for the company's paints and stains business improved significantly last year because of a decision to stop marketing the Olympic and Lucite lines in the same outlets. Now the Olympic line is selling to independent retailers while the Lucite line is sold to mass merchandisers. Measured spending for Lucite also dropped about 37% to $2.3 million in 1987.

The company's architectural coatings business (paints and stains) has consistently contributed about 10% of total company sales, but its profits have been only marginal. Some analysts predict an eventual divestiture if performance does not improve.

Clorox also purchased its office building this year, reinforcing its ties with the city of Oakland.

CLOROX CO.
1221 Broadway
P.O. Box 24305
Oakland, Calif. 94623
(415) 271-7000

Corporate personnel: John W. Collins, president-coo; R.C. Richter, vp-Olympic Home Care prods; W.E. Lynn, vp-Kingsford prods; G.C. Sullivan, vp-household prods; A.W. Biebl, vp-food service prods.

Marketing personnel: David L. Goodman, vp-public affairs & mktg svcs; R.P. Johnson, adv mgr-household prods; Jack Robertson, adv mgr-Kingsford prods; K.S. Koelman, dir-mktg, food service prods; R.C. Anton, mgr-Lucite paint prods; D.S. Gregory, brand mgr-Olympic prods; R.K. Heinemann, mgr-professional mktg, Olympic prods; R.H. Bolte, dir-media operations.

Brands/services by agency of record:

Hidden Valley Ranch
Domani Italian food prods-food service

Ad agency: Anderson/Rothstein, San Francisco: Kim Rothstein, acct super.

■

Clorox Pre-Wash
Liquid plumr
Match light
Soft Scrub
Soft Scrub with bleach
Kingsford charcoal
Kingsford BBQ Bag
Clorox Super Detergent

Ad agency: DDB Needham Worldwide, Chicago: Colby Kerr, group acct dir.

■

Clorox bleach
Clorox Fresh Scent
Clorox 2
Liquid Clorox 2
Formula 409
Tackle
Twice As Fresh
Tilex
New prods

Ad agency: Foote, Cone & Belding, San Francisco: John Loden, mgmt super.

■

Moore's frozen foods
Clorox liquid bleach
Formula 409
Kitchen Bouquet for Clorox
Food service customers

Ad agency: Scott Advertising, Milwaukee: Charles E. Reynolds, mgmt super.

■

Fresh Step
Hidden Valley Ranch dry salad dressing
Bottled Hidden Valley Ranch
Olympic pains & stains
Lucite interior and exterior paints
K.C. Masterpiece
New prods

Ad agency: Young & Rubicam, San Francisco: Craig Branigan, genl mgr.

RANK
25

Coca-Cola Co.

Atlanta
ADVERTISING: **$ 364.7** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	7,658	6,977	9.8
Earnings	916	934	(1.9)
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	3,459	3,278	5.5
Operating income	385	274	40.4
■ ***Division sales***	***1987***	***1986***	***% chg***
U.S. soft drinks	2,120	2,016	5.1
Intl soft drinks	4,109	3,629	13.2
Foods	1,414	1,320	7.2
Corporate	15	12	23.5

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	5,467	5,227	4.6
Business pub	584	668	(12.6)
Magazine	4,087	5,694	(28.2)
Newsp supp	35	161	(78.0)
Outdoor	2,083	3,166	(34.2)
Network TV	111,153	99,381	11.8
Spot TV	71,061	82,993	(14.4)
Network cable	8,766	5,997	46.2
Network radio	2,449	2,222	10.2
Spot radio	13,051	16,608	(21.4)
Measured	218,737	222,117	(1.5)
Unmeasured	146,000	148,000	(1.4)
Total	364,737	370,117	(1.5)

Coca-Cola Co. has been absorbed over the past two years by its sweeping financial restructuring while counting up healthy returns from its foreign operations.

On the heels of the 1986 move to buy many of its major bottlers and spin them off into a separate corporation called Coca-Cola Enterprises Inc., the Atlanta-based soft drink company performed nearly the identical maneuver with its entertainment businesses in 1987.

Coke's Columbia Pictures entertainment group was merged with Tri-Star Pictures, Inc. and the combination spun off into Columbia Pictures Entertainment Inc. As was the case with Coca-Cola Enterprises, the parent company maintained a 49% interest in the new Columbia Pictures business. The majority of stock was distributed to the existing shareholders of Coca-Cola and Tri-Star.

Altogether, Coke's investments in such businesses brought in $119 million in profits during 1987 and left its marketing wizards free to concentrate on its robust soft drink business and still-troubled foods division.

Coca-Cola spent $720 million worldwide on media advertising in 1987, up 11% from 1986—a percentage increase resulting primarily from the decline in the dollar, said the company. Coca-Cola's foreign operations represented about 55% of net operating revenues in 1987, compared with 46.5% only two years ago when the dollar was stronger.

For Coca-Cola, market hegemony in its core soft drink business has become more a way of life than a fact of business. Dominance continued in 1987 with all Coca-Cola Co. soft-drink brands holding a 40 market share—up 0.2 share points from 1986, according to an analysis by the trade magazine *Beverage World*. Chief rival PepsiCo kept pace but was unable to decrease Coke's lead by also moving up 0.2 share points to 30.9%. In the fast-rising diet segment, Coke brands achieved a 50.6% share well ahead of PepsiCo's 38.6%.

"The diet category has been growing and it's an area where the companies obviously believe there is movement to be made in market share," said Lee D. Wilder, senior VP of Robinson-Humphrey Co. Inc., and soft-drink industry analyst.

"Coke and Pepsi may swap half a percentage point in the sugar cola segment, but they are obviously trying to establish market position in the diet segment, even at the risk of margins."

If Coke is an awesome presence in the U.S. soft drink market, it is an overwhelming force overseas. Coca-Cola derives some 77% of its soft drink operating income from its international operations. Moreover, analysts note that the company's foreign sales are expected to grow at about twice the rate of the company's domestic sales.

In January, Coca-Cola USA undertook a management shakeup and the realignment of the corporate structure. As a result of the Coca-Cola Enterprises spinoff, the parent Coca-Cola USA was no longer playing mother hen to a clutch of independent bottlers. This left expendable some 200 staffers at Coca-Cola USA, who were laid off. The company also restructured its management to separate the advertising functions from the promotion, media and packaging functions. Mike Beindorff was named advertising manager and the key contact for the company's major agencies: Lintas:New York, Lowe Marschalk and McCann-Erickson.

The foods sector, which lost ground in sales during 1986 from the prior year, rebounded in 1987 with a 7.1% increase in revenue. But the company struggled to reposition its Minute Maid orange juice line for popular taste—premium orange juice, which is chilled and pasteurized and not made from concentrate.

Minute Maid, however, ran into hot water with its premium offer, called Premium Choice, that it launched in December in 16 Midwestern states. Tropicana, in a law suit, challenged Minute Maid's ad claim: "Straight from the orange." Coca-Cola removed the claim from its advertising rather than contest the suit.

Minute Maid is the overall orange juice market leader with a 22% share compared to Tropicana's (Seagram) 18%, according to A.C. Nielsen figures of May 1988, but trails Tropicana (32% to 19%) in the rapidly growing ready-to-serve segment worth about $1.4 billion.

Emblematic of the company's problems outside the soft drink business is the steady decline in market share of its coffee segment. Maryland Club and Butternut coffees declined in the marketplace from about 2.5% in 1983 to 2% in 1987. Coca-Cola does not budget any major media spending for the products.

As Coke and Pepsi have done to their competitors in soft drinks, so General Foods and Procter & Gamble have done to coffee, increasing their combined shares from 57.8% in 1983 to 65.8% in 1987.

For the second year in a row, Coca-Cola's total U.S. ad expenditures dropped, according to AA estimates, 1.5% to $364.7 million. TV continued to dominate measured spending. And while the company spent virtually the identical sum of $182.3 million for network and spot TV combined in 1986 and 1987, it shifted emphasis to network in 1987 as that medium grew from 54% to 61% of the total TV expenditure.

COCA-COLA CO.
P.O. Drawer 1734
Atlanta, Ga. 30301
(404) 676-2121

Coca-Cola USA

Corporate personnel: Edwin R. Mellet, sr vp.

Marketing personnel: Mike Beindorff, vp, dir-adv & assoc dir-mktg; Don Lenahan, dir-mktg, Cola brands; Dan Sayre, dir-mktg, non-Cola brands; Jayar Dailey, dir-mktg, New Coke.

Coca Cola Foods

Corporate personnel: H.E. Teasley Jr., vp-Coca-Cola Co., president-ceo, foods business sector; Grady Tiller, president-coffee unit.

Marketing pesonnel: Pierre V. Ferrari, sr vp-mktg, planning foods business sector; Richard M. Helmey, sr vp-food service; Marion J. Campbell, vp-trade mktg; George G. Woody, vp-consumer mktg.

Brands/services by agency of record:

Black adv-Coca-Cola USA

Ad agency: Burrell Advertising, Chicago: Tom Burrell, president; Sarah Burrough, Bill Sharp, sr vps-genl mgrs; Chuck Wimbley, sr vp-acct svcs; Neva Richardson, acct super.

■

Hispanic adv-Coca-Cola USA

Ad agency: Castor Spanish International, New York: Castor Fernandez, president; Carlos Delgado, media dir; Roberto Manzano, creative dir.

■

Sprite
Diet Sprite
Mr. PiBB
Minute Maid orange soda
Fresca
Mello Yello
Coca-Cola Foods

Ad agency: Lowe Marschalk, New York: Richard Vilante, exec vp-genl mgr; Eric Einhorn, Dan Cohen, exec vps-acct svcs; Joseph DePreta, Peg Jump, mgmt supers; Lil Panettiere, mgr.

■

Coca-Cola Classic
Caffeine-Free Coca-Cola
Fanta

Ad agency: McCann-Erickson, New York: Edward Comiskey, sr vp-group dir; Marsha Badanes, sr vp-mgmt rep; Melvin Philpott, vp-mgmt rep.

■

Diet Coke
Caffeine Free Diet Coke

Ad agency: Lintas:New York: F. Stone Roberts, chmn & exec vp, strategy review board; Rudy Bechtel, exec vp; Becky Broers, vp-acct super; Terry Rosenquest, exec vp, Michael Skoletsky, vp-acct super; Lisa O'Connell, Sheila Dailey, acct execs.

RANK
30

Colgate-Palmolive Co.

New York
ADVERTISING: **$ 279.8** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	5,647	4,985	13.3
Earnings	54	177	(69.6)
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	2,487	2,286	8.8
Operating income	164	189	(13.3)
■ ***Division sales***	***1987***	***1986***	***% chg***
Household	4,242	3,675	15.4
Health care	1,022	994	2.8
Specialty mktg	384	315	21.9

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	1,754	1,102	59.1

■ *Media*	*1987*	*1986*	*% chg*
Business pub	362	117	208.7
Magazine	7,810	11,514	(32.2)
Newsp supp	411	120	242.1
Outdoor	4	0	NA
Network TV	68,572	65,886	4.1
Spot TV	22,614	13,415	68.6
Network cable	342	1,369	(75.1)
Network radio	197	672	(70.8)
Spot radio	749	1,089	(31.2)
Measured	102,813	95,284	7.9
Unmeasured	177,000	164,000	7.9
Total	279,813	259,284	7.9

Colgate-Palmolive Co., in its quest to become the leading international packaged-goods marketer by 1991, refined its global marketing structure in 1987, which resulted in a $211 million pretax charge, a net loss in the third-quarter and the elimination of 600 middle-management jobs.

Colgate chairman, president-CEO Reuben Mark said the restructuring will "improve the management of our global business and new-product momentum."

To stay competitive with Unilever and Procter & Gamble Co., Mr. Mark said Colgate, which introduced 201 new products and line extensions worldwide in 1987, would sell the remaining units of its Kendall Co. healthcare division as early as the fourth quarter of 1988. Kendall accounted for $1 billion, or 18%, of Colgate's $5.6 billion in sales in 1987.

Colgate already had divested two Kendall units and other investments for proceeds of $223 million. The impending sale of Kendall's hospital products groups will give Colgate seed money to invest in new global personal-care and household products, said A. Courtenay Shepard, president of Colgate-U.S. That includes healthcare products such as the Ectra line of analgesics, and allergy and stomach remedies now testing in selected U.S. markets.

Colgate in 1987 acquired Disposer Care, a garbage-disposal deodorizer from Twinoak Products, Plano, Ill., and purchased the liquid soap businesses of Minnetonka, including Softsoap, the leading liquid-soap brand; Sesame Street children's bath products and Village Bath adult bath additives. The company retained Minnetonka agency Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis, to work on the estimated $5 million account.

BJK&E joins a select agency roster which lists Young & Rubicam and FCB/Leber Katz Partners, both New York, as Colgate's main agencies. Business was consolidated with the two agencies in 1986.

Colgate management earlier this year told analysts it spent $500 million on promotion and $385 million on media advertising worldwide in 1987. The company is working on weaning both consumers and the retail trade from dependency on promotional spending, said Clay Timon, Colgate worldwide VP-advertising. Industry sources say that Colgate is getting a big return on coupons.

However, he would not comment on whether the reduced dollars in promotional spending would show up on the media side.

During the year, Colgate subsidiary Hill's Pet Products acquired Veterinary Cos. of America Inc., which is the largest independent distributor of Hill's therapeutic and nutritionally-balanced pet foods.

Overseas, where sales of Colgate's household and personal-care products jumped 17% to $3.2 billion, the company took a major step into the bleach business with the acquisition of certain household-product lines of Cotelle SA, the leading French producer of bleach, and the Klorin Group of Denmark, the bleach category leader in the Nordic countries. The company said the acquisitions moved Colgate into the front ranks of the worldwide bleach category, with strong market positions in seven European markets.

While ranked as a leading marketer outside the U.S., analysts say Colgate-U.S. has not demonstrated it can sustain the momentum of major new-product introductions over an extended period of time.

Colgate's major introduction of 1987 was Fab 1 Shot, a single-dose, washer-to-dryer packet filled with detergent, fabric softener and anti-static ingredients. The estimated $50 million advertising and promotion campaign via FCB/Leber Katz Partners netted the new brand an initial 4% share of the $3.25 billion heavy-duty detergent category, but its share slipped to less than 2% by mid-1988. Colgate is planning a promotional blitz in the fourth-quarter of 1988 to help boost the brand.

Overall, Colgate has only a 14% share of the laundry detergent category, trailing Procter & Gamble, which has more than a 51% share. Colgate during 1987 reformulated its three other heavy-duty detergents—Fab with Fabric Softener, Fresh Start and Dynamo II. More softening agents were added to Fab; a new stain-fighting formula was incorporated into Fresh Start; and Dynamo II liquid detergent was relaunched with a drip-free pour spout and a new stain-fighting formula.

An $18 million network TV and print effort for Fresh Start for the first time took on P&G's Tide by name in a hard-hitting, comparative campaign. The spots compared reformulated Fresh Start's stain fighters with those found in Tide powder, the category leader. Y&R handled.

Although Colgate is the No. 1 toothpaste marketer worldwide, its Colgate brand domestically holds only a 30% share compared to P&G's Crest, which is the leading brand with a more than a 38% share of the $1 billion U.S. toothpaste category.

Colgate in May 1988 broke its first celebrity spokesman campaign for Colgate toothpaste with four TV spots featuring actor Pat Morita as the Colgate "Wisdom Tooth." It pitches both regular Colgate fluoride toothpaste and Colgate Tartar Control Formula, providing a breather in the monotonous tartar war between Colgate and P&G. Y&R handles the $30 million toothpaste account.

To boost its share of the oral-care category, Colgate introduced nationally Colgate Tartar Control Formula mouthwash, which the company claims is the first product to combine a tartar-inhibitor with a breath freshener; rolled-out an improved, easier-to-use pump toothpaste dispenser, and launched Colgate Plus, a toothbrush with a compact head.

Colgate maintained its leading position in the $140 million liquid (at retail) automatic dishwasher detergent segment with Palmolive Automatic, but in the last year the brand has steadily been losing market share as competitors enter the new category.

In mid-June, Palmolive Automatic had a 41.3% share, down from 65.7% a year earlier. During the same time period, P&G's Cascade jumped to 31.6%, up 11 share points, while Lever Bros.' Sunlight earned a 22.5% share in its first year of national distribution. Palmolive Automatic created the liquid dishwashing detergent category two years ago and was the lone player for six months before its rivals entered with their own products. The liquid subsegment dominates growth in the total dishwashing detergent category that grew only 1% to $443.5 million in 1987.

Colgate is betting that a reformulated Palmolive Automatic, introduced in August 1988, will strengthen its market-share position. Y&R produced the $15 million TV campaign themed "Clean the first time around" to support the relaunch of the brand.

Palmolive light-duty dishwashing liquid was extended with a new lemon-lime scent and supported with more than $6 million in national advertising. The brand holds an 18% share of the $660 million category, down 1.5 share points from 1986.

The company reformulated its Irish Spring deodorant soap with skin conditioners, and is testing the waters for the first line extension of the brand with Irish Spring deodorant. Irish Spring soap holds a 5.5% share of the $1.15 billion category, up a half-share point since 1986. Palmolive bar soap had a 1.8% share of the category, unchanged from the previous year.

Overseas, Colgate extended the strong Palmolive haircare franchise from shampoos and conditioners into mousses and hairsprays; completed the global launch of Colgate Tartar Control Formula toothpaste; continued expansion of Axion dishwashing paste through the Third World, and rolled Protex anti-bacterial soap throughout Latin America.

Colgate's measured media spending in 1987 totaled $102.8 million, an 8% increase from $95.2 million in measured media in 1986, according to AA. The acquisition of Softsoap, Sesame Street and Village bath products from Minnetonka added $2.12 million in measured spending.

Much of the increase went into network TV, up 4.1% to $68.6 million, and spot TV, up 69% to $22.6 million, according to BAR/LNA, which also indicated Colgate slashed cable TV spending to almost nothing, spending $342,000, a 75% drop from $1.4 million the previous year.

The national introduction of Palmolive Automatic dishwasher detergent was supported with $11.1 million in network TV and magazines, while spending behind Palmolive light-duty dishwashing liquid declined 19.7% to $6.1 million.

Colgate Tartar Control Formula toothpaste and Colgate Tartar Control Mouthwash were supported with more than $27 million in measured media spending. Colgate spent more than $10 million behind the reformulated Irish Spring with skin conditioners bar soap, a 67% increase from the previous year.

COLGATE-PALMOLIVE CO.

300 Park Avenue
New York, N.Y. 10022
(212) 310-2000

Corporate personnel: Reuben Mark, chmn, president-ceo; William S. Shanahan, sr exec vp-coo, Colgate; J. Dale Sherratt, John M. Watkins, sr exec vps; William G. Cooling, exec vp-chief technological officer; Benjamin C. Davis, vp-human resources; Katharine R. Tarbox, vp-investor relations.

Marketing personnel: Roderick L. Turner, sr exec vp, coo-specialty marketing; Clay S. Timon, vp-worldwide adv.

Colgate U.S.

Corporate personnel: A. Courtenay Shepard, president, Colgate-U.S.; P. Gordon McArthur, exec vp-Colgate U.S.; Anthony M. Dente, vp-finance; Robert J. Joy, vp-human resources; Robert L. Swinney, vp-operations; Grace E. Richardson, vp-consumer affairs; William R. Peters, vp-legal; Grant L. Wood, president-Softsoap Enterprises; Cyrill Siewert, vp-new business devel & planning.

Marketing personnel: Ralph A. Champlin, vp-sales; Ariel A. Allen, vp-creative svcs; Robert E. Blanchard, vp, genl mgr-home care div; David Bluestein, vp, genl mgr-body care div; Lewis Pauker, genl mgr-laundry care div; Joe Uzzolina, mgr-new business.

Brands/services by agency of record:

Softsoap
Village Bath
Sesame Street
Ajax disposer care

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Terry Gruggen, sr vp-mgmt super.

■

Palmolive dishwashing liquid
Dynamo detergent
Fab 1 Shot
Ajax all-purpose cleaner
Palmolive soap
Dentagard
Curad bandages
Ultra Brite toothpaste
Fluorigard dental rinse
Axion Paste

Ad agency: FCB/Leber Katz Partners, New York: James McConnell, exec vp-worldwide acct; Colleen Gowl, sr vp-group mgmt dir, U.S.; Denny O'Hearn, Patti Albanese, acct dirs.

■

Hispanic adv

Ad agency: Siboney Advertising, New York: Roger Pisani, genl mgr; David Cole, acct super; Maria Bota, acct exec.

■

Colgate dental cream
Colgate Tartar
Control mouthwash
Fresh Start detergent
Irish Spring soap
Colgate toothbrushes
Shave prep
Palmolive automatic dish detergent

Ad agency: Young & Rubicam, New York: Philip Asche, sr vp-worldwide acct dir.; Robert Fane, sr vp-mgmt super, domestic; Garth Anderson, Adrienne Darling, Harry Mosher, category supers.

Hill's Pet Products
Topeka, Kansas

Corporate personnel: Robert C. Wheeler, president; Stephen J. Fogarty, exec vp-mktg & sales; James C. Humphrey, vp-new business devel.

Marketing personnel: David Geier, vp-mktg comm; J.R. Woodall, vp-sales; Ted Freese, dir-brand mgmt; Dr. Elizabeth Hodgkins, mgr-technical affairs; Dr. John Mara, dir-professional affairs.

Brands/services by agency of record:

Prescription Diet

Ad agencies: Harmon Smith Advertising, Kansas City, Mo.: Scott Johnson, acct super.

■

Science Diet

Ad agency: Y&R Wunderman Worldwide, Detroit, Mich.: Mark Zucco, acct super.

Institutional Financing Services
Benicia, Calif.

Corporate personnel: E. Peter Raisbeck, president-ceo.

Marketing personnel: Jim Cascino, exec vp-sales; Michael Takagawa, dir.-mktg.

Brands/services by agency of record:

Institutional Financing Services

Ad agency: Krupp-Taylor USA, San Francisco: Gordon Cawthray, acct rep.

Princess House
North Dighton, Mass.

Corporate personnel: Richard C. Brown, president.

Marketing personnel: John Crowley, vp-sales; Elizabeth Bowes, vp-mktg.

Brands/services by agency of record:

Princess House

Ad agency: Leonard Monahan-Saabye, Providence, R.I.: Cathy Ottavinas, vp.

CPL Industries
Tenafly, N.J.

Corporate personnel: Kenneth E. Snyder, president.

Marketing personnel: Bernard J. Rafferty, vp-sales; Wulf Paulick, vp-mktg.

Brands/services by agency of record:

CPL Industries

Ad agency: H.J. Delaney Co., New York: Patrick Furness, vp-client svcs.

RANK
61

Adolph Coors Co.

Golden, Colo.
ADVERTISING: **$ 144.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	1,351	1,315	2.7
Earnings	48	59	(18.9)
■ ***Division sales***	***1987***	***1986***	***% chg***
Beer business	1,133	1,085	4.5
Ceramics business	134	118	13.4
Other business	83	112	(25.5)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,607	1,486	8.1
Business pub	318	271	17.5
Magazine	1,680	942	78.3
Outdoor	3,041	1,161	162.0
Network TV	54,883	45,857	19.7
Spot TV	23,770	28,186	(15.7)
Network cable	1,284	1,562	(17.8)
Network radio	8	0	NA
Spot radio	10,073	7,637	31.9
Measured	96,664	87,101	11.0
Unmeasured	48,000	44,000	9.1
Total	144,664	131,101	10.3

Adolph Coors Co. has given its advertising a new look in the past 18 months as it expanded into new areas of the country, rolled out new brands and opened a new East Coast packaging plant.

Coors market share for all eight of its brands has inched up to 8.2%, an 0.1 market share point gain, and was the fifth largest brewer behind G. Heileman Brewing Co. (8.5% share), according to 1987 year-end ranking by trade specialists, *Beer Marketer's Insights* and *Modern Brewery Age*. The two breweries are running neck-and-neck this year, with Coors ahead slightly by 200,000 barrels, according to Jerry Steinman, publisher of *Beer Marketer's Insights*.

Coors Original Draft held a 3.8 share of market in 1987 with 7.2 million barrels, down 8.9% in volume from the previous year, said Mr. Steinman, but Coor's Light countered the decline by building a 4.27% share with 7.9 million barrels, up 9.7% in volume.

The company's net sales rose 2.7% in 1987, but competitive price pressure from the two top brewers, Anheuser-Busch (40% share) and Miller Brewing (20.7%), as well as startup expenses for the company's new Shenandoah Brewery near Elkton, Va., reduced net income to $48.1 million, down 18.9% from 1986. Earnings got back on track in the second quarter 1988 when they rose 10.5% over 1987 levels.

Brewing industry growth as a whole is flat. The aging baby boomers are drinking less and the new generation of beer-drinkers (20- to 30-year-olds) has been declining in numbers. In spite of the demographics, Coors boosted its barrelage of all brands in 1987 by 2.8% to 15.66 million barrels sold, one of three major breweries to record an increase. In the first half of 1988, barrelage increased to 7.64 million, up 4.7% over the prior-year period.

Following the industry trend of offering a different brew for every taste, Coors introduced two new brands—Herman Joseph's Light in September 1987 and Turbo 1000, a malt liquor, which began testing this summer in four markets.

As the new kid on the block, Turbo faces a tough challenge against G. Heileman's Colt 45 and Stroh's Schlitz Malt Liquor, which dominate the malt liquor market. TV spots with the tag "Looking for the man with a Turbo in his hand" by Tatham-Laird & Kudner, Chicago, support Turbo in the test markets.

Its 115-year-old Coors brand got a new look and name, Coors Original Draft, manifested by dropping the "Banquet Beer" ribbon on the can and adding "Original Draft" under the Coors name. Can color was changed from buff yellow to almond. A new TV, radio and print campaign by GSD&M of Austin with the tagline "The American Original" was introduced with the name change. Revisions are in production to feature the new packages.

In 1987, the Coors brand was moved from Foote, Cone & Belding to GSD&M of Austin, which previously handled Coors' Hispanic advertising. GSD&M also took over Extra Gold, previously handled by Tatham-Laird & Kudner, Chicago, which now handles Turbo 1000.

FCB still handles Coor's Light, Herman Joseph, HJ Light, Killian's Irish Red Ale and Winterfest as well as all media buying.

Coors Light has replaced its "Silver Bullet Bar" campaign with one featuring the tag "The Right Beer Now" by FCB. In 1987, it also began targeting women with a print campaign featuring women engaged in sports.

With the switch from TLK to GSD&M for Extra Gold, the "No beer's as bold as Coor's Extra Gold" was replaced with a new GSD&M campaign, "Full tilt taste."

Coors remains heavily into sports promotions including: Sugar Ray Leonard Boxing team; Jimmie Huega Free Style Ski Team; Coors International Bicycle Classic; Coors/Motor Craft Thunderbird race car team with Bill Elliott, driver and Silver Bullet stock car.

Coors continues its country-wide expansion started in 1980 when the company abandoned its regional status and crossed the Mississippi for the first time. A big push in the last 18 months into the Northeast partially accounts for increased expenses, but it also boosted sales. Expansion into New York and New Jersey in first quarter 1987 was backed by a $25 million ad budget. Foote, Cone & Belding, Chicago, prepared TV spots for Coors and Coors Light featuring a Coors truck hauling the "Taste of the Rockies" from the brewery at the foothills of the Rocky Mountain to the boroughs of the Big Apple and the Jersey shore. Ethnic markets received special targeting with TV and radio ads aimed at blacks created by Uniworld Group and with TV and radio spots in Spanish created by Austin-based GSD&M.

Although industry analysts predicted Coors would encounter resistance in these union strongholds because of past labor relations problems, demand in the market accounted for most of the volume gains in 1987 and offset declines in Texas and California. The timing of the AFL-CIO's decision in August 1987 to call off a Coors boycott may have helped. Coors agreed not to resist unionization.

Beer business analyst John Collopy, of the Milwaukee brokerage firm Cleary, Gul, Reiland, McDevitt & Collopy, suggests the novelty of Coors in the northeastern states may wear off. New entries "usually lose some of that initial thrust," Collopy said, noting "it's too early to tell what those markets are going to be in the long run for Coors."

Entry into Pennsylvania and Delaware this year almost completes the country-wide expansion. Only Indiana remains unconquered because of its law prohibiting beers that require refrigerated storage.

Coors also expanded distribution of Extra Gold, a heavier beer introduced in 1985-86, to all markets and the demand has outpaced supply, according to the company. "They're (Coors) meeting the trend in the industry which right now is extreme segmentation," said Mr. Collopy. All brands in the Coors line are now available nationwide including a holiday brew, Winterfest, sold from Thanksgiving to New Year's.

Coors began testing this summer a new mini-keg package, Coor's Party Ball, in eight cities.

In April 1987, the company entered the Japanese market in a licensing agreement with Asahi Breweries Ltd., and is second only to Anheuser-Busch for American imports there. Sales have exceeded production capacity at Asahi Breweries requiring Coors to airlift its product to Japan this summer.

Joe Coors, who had worked for 41 years with the company his grandfather founded, retired from day-to-day operations in 1987 but will remain as vice chairman of the board. His brother, Bill Coors, continues as chairman. Coors also hired Steve Ritter as manager of brand development, a new marketing slot.

ADOLPH COORS CO.
Golden, Colo. 80401
(303) 279-6565

Marketing personnel: Bob Rechholtz, exec vp-sales & mktg; Gary T. Naifeh, vp-brand mgmt; Robert Fox, dir-Coors, Coors Extra Gold; June Smith, dir-Coors Light; Robert McBride, brand mgr-Coors Light; Gary Skovsted, brand mgr-Coors Extra Gold; Betsy Ross Krieg, brand mgr-Herman Joseph's Original Draft; George Mansfield, brand mgr-George Killian's Irish Red Ale; Craig Guthrie, mgr-new prods; Mark Reiss, dir-media, field mktg; Michael Marranzino, dir-sales & mktg operations; Cully Marshall, mgr-field mktg; Bob Hobbs, mgr-mktg svcs; Mark Stankovic, mgr-intl mktg; Steve Ritter, mgr-brand devel.

Brands/services by agency of record:

Corp community relations

Ad agency: Evans/Bartholomew Pollock Norman, Denver: Charles Bartholomew, president-acct super; Susie Davis, acct coord.

■

Coors Light
George Killian's Irish Red Ale
Herman Joseph's Original Draft

Ad agency: Foote, Cone & Belding, Chicago: Bill Melzner, sr vp-group acct dir; Kent Vlautin, vp-assoc media dir; Dave Moeller, sr vp-creative dir; Bob Simon, vp-group creative dir.

■

Coors
Coors Extra Gold

Ad agency: GSD&M, Austin, Texas: Roy Spence, president; Chuck Grady, sr vp-acct exec; Raoul Rodriguez, vp-Hispanic svcs, Coors; Gary Brahl, Jim Anderson, sr creative dirs; Hank Olguin, public affairs dir.

■

Turbo 1000

Ad agency: Tatham-Laird & Kudner, Chicago: Rawdon Parry, sr partner; Dick Salyer, mgmt super; Tom Blim, acct exec; Carrie McCarthy, asst acct exec.

■

Black mkts ads

Ad agency: UniWorld Group, New York: Ron Campbell, vp-mng super; Bill Allen, sr vp-creative svcs; Valerie Graves, vp-creative group head; Phil Costa, Aaron Bell, vps-assoc creative dirs.

RANK
71

Cosmair Inc.

New York
ADVERTISING **$ 117.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	750	725	3.4

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	859	835	2.9
Business pub	14	NA	NA
Magazine	31,561	24,468	29.0
Newsp supp	990	873	13.5
Outdoor	2	0	NA
Network TV	28,797	37,293	(22.8)
Spot TV	13,832	14,830	(6.7)
Network cable	0	1,021	NA
Network radio	356	0	NA
Spot radio	813	381	113.7
Measured	77,224	79,701	(3.1)
Unmeasured	40,000	41,000	(2.4)
Total	117,224	120,701	(2.9)

Cosmair, embattled by a flood of new products from competitors on the low end of the market, experienced marginal sales increases for its L'Oreal line that kept a lid on overall sales growth in 1987.

Its high-end business, Lancome beauty lines, traveled much better as sales rose about 13%, according to industry sources. Perhaps reflecting some of this sales movement, ad spending patterns showed measured media advertising for the mass-market L'Oreal cut by 4% to $31.6 million, but increased by 4% to $13.4 million for Lancome—the net effect producing an overall reduction in advertising of 3.3% by the company.

While Cosmair pared its ad spending, two of its biggest competitors raised theirs—Noxell by 21% and Revlon by 3.4%.

Cosmair is fighting the competition with a steady flow of new products of its own. Lancome plans to market Forte-Vital Serum, a facial skin-firmer, later this year. Earlier in 1988, it introduced Teinte Majeur, a cream compact and Poudre Majeur, a loose powder makeup, both with "microbubbles," to lend the products smoother texture, said Joan Lasker, VP public relations, Lancome. Both products are performing strongly in the marketplace, according to industry consultant Suzanne Grayson of *Grayson Reports*. Lancome in October plans to extend the Majeur line with Blush Majeur, a cream blush.

This February Cosmair began U.S. marketing of Biologics 30, 40, 50, a skincare treatment for different age groups, marketed throught its Biotherm division. It is selling well, according to Ms. Grayson. Biotherm also is planning to launch Tonicite firming eye cream and Bio-Cils eye makeup remover this September.

Biotherm began marketing in April a product to battle body cellulite—Creme Contour Chauffante 10 Jours (10 day thermo-active body contouring treatment).

On the L'Oreal side, Plenitude will enter U.S. test market in Dallas this September. Plenitude is a European skincare line that includes five cleansing care products and four skincare creams for round-the-clock use.

Results for L'Oreal haircare products, traditionally one of Cosmair's most successful divisions, were mixed in 1987. Preference hair color again turned in a solid performance but Avantage, a newer hair coloring, was being blamed for food store market share dip as overall L'Oreal share dropped to 26% from 26.6% in 1986.

Cosmair's single largest ad budget for one product went to Preference with $10.6 million in measured media support, 84% of which was spent on network TV, according to BAR/LNA. Preference ranks first in the $760 million hair-coloring market where total market volume grew 8% in 1987, according to industry estimates. Clairol's Nice 'N Easy and Miss Clairol ranked second and third, respectively. Clairol remains the overall leader in food stores with a combined 68.2% share, according to Diana Temple, analyst at Solomon Brothers.

Cybill Shepard is entering her third year of endorsing Preference, which will get four new colors in February: light golden topaz, light golden reddish topaz, light topaz red and jet black.

L'Oreal's six Studio Line products also continued to grow. Because of the Studio Line success, Cosmair has launched four new products under the label: Mega Spritz, a non-aerosol hard holding spritz, Soft Sculpting Lotion, an aerosol Fixing Spray and Mega Fixing Spray, a maximum-hold aerosol. There are now 10 products in the Studio Line.

Sales of L'Oreal cosmetics, particularly lipstick and nail enamel, have dropped almost $15 million in dollar volume, say industry sources. L'Oreal's own problems may be related more to packaging than price. Sources say L'Oreal is trying to go toward a "whiter" look in packaging to better accent its cosmetics colors.

Lash-Out, a new mascara product launched in August 1987, is packaged in such a manner and is performing strongly, according to both industry and company execs. The product has received the bulk of TV and print support out of L'Oreal's budget for new cosmetics products, which includes Glossique, a new gloss product, which is doing well even though no ad dollars have been spent on it.

In 1987, Cosmair integrated its retail fragrance division into L'Oreal's cosmetics division, combining the marketing staff as well.

In Cosmair's designer fragrance division, 2-year-old Drakkar Noir men's cologne increased sales 100% to $40 million in the past 12 months, industry sources say, capturing fourth place in the Goldman-Sachs department and specialty store buyer survey. Total measured media spending for this product was $4 million, three-fourths of it in spot TV, according to BAR/LNA.

Chaps, marketed under the Ralph Lauren name, held onto its 7.5% market share. It drew $2.4 million in measured ad support, mostly on network TV. Cosmair's Polo ranked first in a recent Goldman-Sachs department store survey, aided by $3.1 million in ad expenditures, mostly spot TV, notes BAR/LNA.

But Cosmair's women's fragrances have not been as strong as the men's lines. Cosmair's new women's fragrance, Cacharel's Lulu, is expected to hit strong sales of nearly $20 million in 1988, but its Vanderbilt brand is being slightly cannibalized by the spinoff called Glorious launched in 1987 and backed with $7.1 million in ad spending.

The new women's fragrance from Ralph Lauren, Notorious, will appear finally in the spring of 1989. The fragrance originally had been scheduled for an early 1988 release.

In media spending, magazines showed the largest increase—28.8% to $31 million—and basically represented a budgetal swing from network TV, which drew $28.8 million, down 22.8% from 1986.

Cosmair is a privately-held French company, with 62% of its stock owned by Nestle SA and the remainder held by L'Oreal interests.

COSMAIR INC.
575 Fifth Ave.
New York, N.Y. 10017
(212) 818-1500

Corporate personnel: Jacques Correze, chmn; Guy Peyrelongue, president-ceo; Michel Somnolet, exec vp & coo; James Nixon, Joseph Augeri, exec vps; Roy Benjamin, president, retail div.

L'Oreal Hair Care Division

Marketing personnel: Joseph Campinell, vp, genl mgr; Carol Hamilton, vp-mktg; Carroll Vanik, vp-sales.

Brands/services by agency or record:

L'Oreal hair care prods

Ad agency: McCann-Erickson, New York: David Weiss, sr vp-group dir; Jeanne Davidson, vp-acct super.

L'Oreal Cosmetic and Fragrance Division

Marketing personnel: Beatrice Dautresme, vp, deputy genl mgr; Joe Lamia, vp-sales; Amy Frankel, asst vp-cosmetic mktg; Ron Rolleston, asst vp-fragrance mktg.

Brands/services by agency of record:

L'Oreal cosmetics
Vanderbilt, Glorious fragrances
Vanderbilt, Glorious cosmetics

Ad agency: McCann-Erickson, New York: David Weiss, sr vp-group dir; Linda Joselow, sr vp-mgmt rep, L'Oreal; Robin Fry, sr vp-mgmt rep, Vanderbilt & Glorious.

■

Chaps

Ad agency: Image Group, (Wells, Rich, Greene), New York: Chris Hansen, exec vp-group head; Roberta Mell, mgmt super; Julie Treacy, acct super; Michelle Montrone, asst acct exec.

Lancome Division

Marketing personnel: Simon Critchell, sr vp, genl mgr; Robert Fernandez, vp-sales; Tony Michaels, vp-mktg & adv.

Brands/services by agency of record:

Lancome prods

Ad agency: Publicis Inc., New York: Fred Rhines, president; Anne Lacombe, acct exec.

Designer Fragrance Division

Marketing personnel: John R. Wendt, sr vp-genl mgr; Jane Terker, vp-mktg; Camille McDonald, vp-mktg, Ralph Lauren fragrances; David Calkins, dir-mktg, Polo; Beth Ledy, dir-mktg, Lauren; Susan Fried, dir-mktg, Anais Anais; Vicky Nielson, dir-mktg, Loulou; Betsy Schaper, dir-mktg, Paloma Picasso; Dallas Haden, dir-mktg, Drakkar Noir, Giorgio Armani.

Brands/services by agency of record:

Polo
Lauren

Ad agency: Image Group, (Wells, Rich, Greene), New York: Chris Hansen, exec vp-group head; Sandy Carlsen, exec vp-creative; Roberta Mell, mgmt super; Julie Treacy, acct super.

■

Paloma Picasso
Anais Anais
Loulou
Giorgio Armani fragrances
Drakkar Noir

Ad agency: McCann-Erickson, New York: David Weiss, sr vp-group dir; Robin Fry, sr vp-mgmt rep; David Edwards, acct super; Natalie Moore, acct exec; Victoria Harper, asst acct exec.

Biotherm Division

Marketing personnel: Margaret Sharkey, vp, genl mgr; Ben Gillikin, vp-sales.

Brand/services by agency of record:

Biotherm prods

Ad agency: McCann-Erickson, New York: Phyllis Califano, vp-acct super.

L'Oreal Professional Division

Marketing personnel: Ray Mager, sr vp, genl mgr; Claire Bruno, vp-mktg & adv.

Brands/services by agency of record:

L'Oreal professional salon prods
Keralogie, L'Oreal Paris prods

Ad agency: (In-house) Claire Bruno, vp-mktg & adv.

RANK
72

CPC International

Englewood Cliffs, N.J.
ADVERTISING **$ 115.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	4,903	4,549	7.8
Earnings	355	219	62.1
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1,600	1,680	(4.8)
■ *Division sales*	*1987*	*1986*	*% chg*
Grocery prods	3,317	2,772	19.7
Corn refining	1,586	1,671	(5.1)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	703	857	(18.0)
Business pub	1,724	1,432	20.4
Magazine	6,928	11,309	(38.7)
Newsp supp	265	321	(17.3)
Outdoor	812	162	400.9
Network TV	13,480	15,976	(15.6)
Spot TV	18,302	13,781	32.8
Network cable	2	67	(97.0)
Network radio	54	0	NA
Spot radio	2,059	2,842	(27.6)
Measured	44,329	46,747	(5.2)
Unmeasured	71,000	75,000	(5.3)
Total	115,329	121,747	(5.3)

CPC International's restructuring program begun in 1986 continued through 1987, aimed at expanding its consumer foods business, increasing the domestic portion of total revenues, realigning its organizational framework and repositioning its corn refining operations. In the process, CPC cut domestic ad spending.

CPC's newest success story is Hellmann's and Best Foods reduced-calorie mayonnaise that rolled out nationwide in January 1987 and ranking among the top five new supermarket products for the year, according to CPC's annual report.

Company officials say the low-calorie products helped CPC's total mayonnaise business gain 7% in volume and three share points. Hellmann's currently holds its highest-ever share, 50%, according to John McMillin, an analyst with Prudential Bache Securities. Following is Kraft at 24%, although Kraft commands 53% of the sandwich spread category and 92% of spoonable salad dressing. Combined with corn oil, CPC mayonnaise had $820 million in sales for 1987, up 11%.

Altogether for CPC, consumer foods sales increased 21%, contributing 82% of worldwide sales from continuing operations, up from 62% before restructuring. The domestic portion of worldwide revenues grew from 37% to 46%.

Corporate reorganization included consolidation of CPC's North American, European, Latin American and Asian food businesses into one entity: Worldwide Consumer Foods. Its creation signals an increased commitment to advertising and marketing and brings sales-leader Knorr, centered mainly in Europe, under U.S. stewardship.

CPC's worldwide corn refining business was substantially reduced through divestiture of European operations that had contributed nearly a billion dollars in sales.

Sales of baking products and pasta doubled to $530 million, and volumes increased 89%. Contributing to the gain were the recent acquisitions of the Arnold and Old London specialty baking businesses and volume growth of 4.4% in Thomas' English muffins. Thomas', the country's No. 1 English muffin, had its greatest growth in a decade, stemming mainly from a three-year geographic expansion, making the brand now available in 70% of U.S. households.

Mueller's, the largest single pasta brand in the U.S., holds a 15% share; approximately the same as last year. CPC brought to market this year its Chef Series, a new pasta main dish offering. Hershey's six brands account for 17% of the market. Borden pushed way ahead of the rest with its purchase of The Prince Co. that increased its share from 9% to 31%.

Mazola Corn Oil dropped from a 17% share of the vegetable oil market to its present 16%. Other leading brands also declined in this competitive market. Last year's No. 1, Procter & Gamble's Crisco, fell from 22% to 18.3%, and Beatrice Cos.' Hunt-Wesson Foods' Wesson oil went from 21% to 18.6%. Mazola Light Spread, a reduced-calorie margarine, was introduced in 1988.

Worldwide volumes of bread spreads were 10% lower, although sales increased 1%. The volume decrease resulted primarily from a 30%-plus rise in peanut costs that led to higher consumer prices and a negative effect on the entire peanut butter category. Skippy increased its share from 22% to 23%, however, P&G's Jif boasts a 29% share and Beatrice's Peter Pan 15%.

Knorr soups, sauces, bouillons and seasonings were the company's largest-selling product group. Worldwide sales rose 23% to approximately $930 million, with new products, broader distribution and changes in product mix all contributing. Volumes increased 7%.

Total measured advertising for CPC in 11 monitored media declined 5.2% to $44.3 million, with magazine expenditures receiving the largest percentage decrease of 38.7% to $6.9 million. Spot TV, however, increased 32.8% to $18.3 million.

The greatest jump in ad expenditures was for Mueller's Salad Bar Pasta Mixes, introduced in 1986, which catapulted from a mere $178,900 to almost $6.4 million. Still-new Hellmann's Light underwent much heavier advertising as well, up from $765,600 to $3.9 million. Spending on Hellmann's regular mayonnaise fell 14.8% to $7.1 million. The Mueller's increase was concentrated on spot TV; Hellmann's Light on network TV. CPC was one of the top 24 spenders on ABC's Winter Olympics, with a $5 million total.

CPC purchased six food companies last year and early 1988: two in the United Kingdom—Napolina (Italian foods) and Garrick Foods (flavors and seasonings); Ubena Co. in Germany (spices and herbs); Nutrial SA in France (beverage powders, desserts and cereals); Sansoned in Colombia (seasonings, spices and food colorings); and San-Co in Brazil (packaged enriched and flavored corn starch).

Additional divestitures included the Peterson/Puritan packaging business, the remainder of Penick Corp. (producer of specialty chemicals). Ajinomoto, CPC's joint venture partner in Japan, became the joint venture partner in wholly-owned subsidiaries in six Asian countries, while 50% equity positions in joint ventures in Japan and Australia were sold.

CPC INTERNATIONAL
International Plaza
Englewood Cliffs, N.J. 07632
(201) 894-4000

Best Foods
Englewood Cliffs, N.J.

Corporate personnel: Robert J. Gillespie, president.

Marketing personnel: Jan A. van Ameron-gen, vp-mktg svcs; Stanley M. Hakmiller, vp-sales; Joan S. Dargery, Malcolm Fletcher, vps, business unit dirs; Sue B. Huffman, dir-consumer affairs; Robert T. Viscardi, media dir; Aaron Strauss, dir-info & mktg rsch.

Brands/services by agency of record:

Mazola corn oil

Ad agency: Bravo Group, New York: Daisy Exposito, sr vp.

■

Hellmann's/Best Foods mayonnaise

Ad agency: Saatchi & Saatchi DFS Compton, New York: John Kaiser, mgmt dir; David Srere, mgmt super; Mitch Roberts, acct super; Vicki

Which companies spend the most in newspapers?

Turn to LNA for answers.
See page 151

Seiden, Chuck Hirsch, Stuart Westland Peter Schwartz, acct execs.

■

Hellmann's/Best Foods mayonnaise-
Hispanic adv

Ad agency: Conill Advertising, New York: Liz Castells, vp.

■

New prods

Ad agency: Drossman, Lehmann, Marino, New York: Neil Drossman, Charles Lehmann, Domenick Marino, partners.

■

Mazola corn oil

Ad agency: Medicus Intercon, New York: Dorian Slater, acct super.

■

Mueller's pasta prods
New prods
Salad Bar pasta

Ad agency: Ogilvy & Mather, New York: Cliff Angers, acct group dir; Karen Green, mgmt super; Ben Kline, Sue Bolle, acct execs.

■

Argo corn starch
Golden Griddle syrup
Karo syrups
Mazola corn oil
Mazola margarine
Skippy peanut butter

Ad agency: Saatchi & Saatchi DFS Compton, New York: John Kaiser, mgmt dir; David Srere, mgmt super; Mitch Roberts, acct super; Vicki Seiden, Chuck Hirsch, Stuart Westland Peter Schwartz, acct execs.

Best Foods Baking Group

Corporate personnel: Robert B. Snyder, president

Marketing personnel: Donald Berman, vp-business mgmt

Brands/services by agency of record:

Arnold bread, rolls
Arnold croutons & stuffing
Brownberry breads
Devonsheer Melba prods
Old London Melba prods

Ad agency: North Castle Partners, Greenwich, Conn.: Kyle Wilcox, acct super.

■

Thomas' English Muffins

Ad agency: Young & Rubicam, New York: John Swan, mgmt super.

CPC Food service
Englewood Cliffs, N.J.

Corporate personnel: Albert A. Witz, president

Marketing personnel: Robert J. Nemec, vp-mktg & sales; Steve Moore, dir-sales training & manpower devel; Mike Taylor, sr production mgr; Donna Micali, production mgr.

Brands/services by agency of record:

Argo
Hellmann's/Best Foods mayonaise
Karo
Knorr prods
Mazola oil
Skippy peanut butter
Thomas' English Muffins

Ad agency: Sirey-Schulkin, Maloney, New York: William Schulkin, Charles Sirey, Joanne Maloney, acct execs.

Knorr Special Products

Corporate personnel: Nina Z. Henderson, president

Marketing personnel: Bruce Hillenbrand, mktg dir; Charles Lloyd, production mgr.

Brands/services by agency of record:

Knorr bouillons

Ad agency: Font & Vaamonde Associates, New York: Pedro Font, president.

■

Knorr soups, sauces, bouillons
Rit Dye

Ad agency: Warwick Advertising, New York: Wilder Baker, vp; B. Mary Penrose, mgmt super; Laura Backe, acct exec.

RANK
84

Daimler-Benz AG

Stuttgart, W. Germany
ADVERTISING: **$ 105.0** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	37,540	30,160	24.5
Earnings	99	81	21.7
■ U.S.	**1987**	**1986**	**% chg**
Operating income	41	54	(24.2)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	28,415	23,340	21.7
Business pub	1,266	1,458	(13.2)
Magazine	13,025	1,412	822.4
Newsp supp	164	102	60.5
Outdoor	10	84	(88.7)
Network TV	19,546	25,183	(22.4)
Spot TV	7,435	3,424	117.1
Network cable	529	153	245.7
Spot radio	7,629	3,542	115.4
Measured	78,018	58,697	32.9
Unmeasured	27,000	21,000	28.6
Total	105,018	79,697	31.8

Mercedes-Benz of North America, the U.S. auto sales and distribution subsidiary of Daimler-Benz AG, fought rising prices, stiffer competition and sagging demand in its key market segment in 1987, as its car sales tumbled for the first time in eight years.

The importer faced increasing competition from the likes of BMW, Jaguar and Cadillac in the ultra-luxury segment which accounts for 80% of its sales just at a time when this segment was contracting and a strong deutschmark was driving up the price of its products.

As a result, its U.S. retail car sales declined by 9.5% in 1987 to 89,918 units.

Officials, pointing to a continued contraction in the ultra-luxury segment in 1988, anticipated a further sales falloff into the 80-85,000 unit range.

In line with declining car demand, net income also fell for Daimler-Benz of North America Holding, New York, including Mercedes-Benz of North America in Montvale, N.J., Mercedes-Benz Credit in Norwalk, Conn., Freightliner in Portland, Ore., and two company-owned retail dealerships, Mercedes-Benz Manhattan and Mercedes Hollywood.

The North American holding company alone reported net income of $41 million, down from $54.1 million in 1986. Worldwide, Daimler-Benz AG fared much better, with production of its Mercedes passenger cars climbing to 598,079 in 1987 from 594,080 the previous year. On the financial side, much of D-B's growth was exchange rate-related. Total growth in revenues of 24.5% was influenced heavily by the deutschmark's 17.3% growth against the dollar. Average annual rates of exchange used in this profile were DM1 = $0.5564 in 1987 and DM1 = $0.4605 in 1986.

Mercedes-Benz successfully completed a major task last year of converting its traditional diesel engine car buyers to the new gasoline engine models that it was forced to shuffle its lineup in order to to comply with stiff federal emissions regulations.

As part of its product revamping, it brought out the 300 SE which marked its return to standard wheelbase models in the S-Class series. This series includes its big sedans. Previously, they were all built on the SEL long wheelbase chassis.

Still, Mercedes faced stiffer competition, particularly from BMW which took a strong run at the Mercedes traditional stronghold market with a new $67,000 750i model and its $53,000 735i.

To fight off such incursions, Mercedes increased its advertising/marketing efforts, most notably with a new dealer marketing support program launched in April of last year.

Under this co-op program, the company and its dealers each contribute $100 per car for local and regional advertising/marketing support.

The program, successful enough to spawn imitation by some competitors, at this point involves mostly newspaper and radio advertising and some TV in the bigger designated marketing areas. Mercedes is now on the verge of expanding the program into direct marketing.

Typically, the dealer marketing groups make the choices and spend the money; but the company, in conjunction with its agency, McCaffrey & McCall, advises them on a course of action designed to provide consistency with its national efforts.

The new co-op effort was all incremental spending. In fact, Mercedes increased its regular national budget as well while introducing the various gasoline engine and other special models, like the 300 SE. The overall effect was a sharp 31.8% increase in the company's ad expenditures to $105 million.

Magazines, where spending jumped to $13 million from a token $1.4 million the previous year, reaped the biggest benefit of this increase, according to BAR/LNA.

However, newspapers, also scoring an extremely strong 21.7% gain, dominated all the company's other media categories with expenditures of $28.4 million, according to Media Records.

Meanwhile, Mercedes trimmed its network TV by a sharp 22.4% and hiked spot by 117.1%.

Newspaper supplements' spending was up 60.5%. Business publication outlays were off 13.2% and outdoor advertising declined precipitously to a negligible level.

Daimler-Benz, which is on a major diversification plan, named Edzard Reuter its new board chairman last year. He was a key figure in the company's successful shift into electronics and aerospace.

He replaced Werner Breitschwerdt who resigned almost two years before his contract was due to expire. Mr. Breitschwerdt, an engineer, provided key leadership during the growth as an auto/truck manufacturer, but was regarded as experienced in the consumer and industrial product markets the company has mapped out for its expansion.

DAIMLER-BENZ AG
Postfach 60 02 02
D-7000 Stuttgart 60
West Germany

Mercedes-Benz
of North America
One Mercedes Drive
Montvale, N.J. 07645
(201) 573-0600

Corporate personnel: Erich Krampe, president-ceo

Marketing personnel: Hans Jordan, sr vp-mktg; Albert Weiss, genl mgr-mktg comm, adv dept; Kevin Davidson, adv mgr.

Brands/services by agency of record:

Mercedes-Benz automobiles
Dealer co-op

Ad agency: McCaffrey & McCall, New York: William Metzger, exec vp-acct mgmt.

RANK
80

Delta Air Lines

Atlanta
ADVERTISING: **$ 108.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	6,915	5,318	30.0
Earnings	306.8	263.7	16.0
■ Division sales	**1988**	**1987**	**% chg**
Passenger	6,443	4,922	30.9
Cargo	350	280	25.0
Other	122	116	5.2

U.S. advertising by media

($ in thousands)

■ Media	1988	1987	% chg
Newspaper	22,011	22,309	(1.3)
Business pub	1,325	949	39.6
Magazine	1,092	1,228	(11.1)
Outdoor	1,360	1,779	(23.5)
Network TV	14,030	3,754	273.7
Spot TV	12,901	16,882	(23.6)
Network cable	3,245	4,448	(27.0)
Spot radio	19,671	21,708	(9.4)
Measured	75,636	73,056	3.5
Unmeasured	33,000	32,000	3.1
Total	108,636	105,056	3.4

Atlanta-based Delta Air Lines is flying high on a stronger route structure following its December 1986 acquisition of Western Airlines, higher fares, lower costs and disarray at Eastern Air Lines, its principal competitor.

The Western acquisition and internal growth made Delta the nation's third largest air carrier in 1987 in terms of revenue passenger miles (RPM) with a 13.4% share, compared with 17.5% for No. 1 United Airlines and 15.1% for No. 2 American Airlines, according to an analysis by PaineWebber. RPM is a standard measure of the revenue gained by carrying one paying passenger one mile.

The addition of Western accounted for much of the 30% jump in operating revenues to $6.9 billion for the fiscal year ending June 30, 1988, but Delta also cited contributing factors such as the carrier's expanded hub in Cincinnati and the addition of Atlantic and Pacific routes, including Dublin in June 1988, Taipai in the fall 1988, Seoul and Tokyo in the fall 1987. International revenues grew by 78% and accounted for 9.2% of Delta's total operating revenues in 1987.

Delta's measured spending in 1987 rose to $75.6 million, up 3.5% over 1986. Increased spending in 1987 was attributed mainly to promote new markets and programs, not for retail fare-related spending, said Judy Jordan, Delta's director of advertising and sales promotion.

"There is a greater emphasis on brand image and promotion at Delta. We're focusing on the thing that differentiates our product, which is our people," she said.

As part of this brand-oriented strategy, network TV spending jumped 274% in 1987 to $14 million, compared with combined network TV spending for both Western and Delta in 1986. A portion of the network increase in 1987 came from budgets for spot TV, which fell 24% to $12.9 million in 1987. In the spring 1988, Delta launched five new executions of its campaign: "We Love to Fly and it Shows." The campaign, launched in September 1987, replaced "Delta Gets You There With Care."

The $787 million buyout of Los Angeles-based Western gave Delta immediate presence in virtually all sections of the U.S. in which it lacked a substantial presence. Specifically, the April 1, 1987 merger of operations added 44 cities to Delta's route system, including important markets in Alaska, Hawaii, western Canada and Mexico, and gave Delta size and strength in the western and northwestern U.S., in addition to providing new hubs at Salt Lake City and Los Angeles.

The merger positioned Delta for a variety of new marketing thrusts. It enabled Delta to win status as the official carrier of Anaheim, Calif.-based Disneyland in June 1988. Delta also became the official carrier for Orlando, Fla.-based Disney World on July 1, 1987. It is believed to have paid upwards of $40 million for the right to become official carrier of Disney World, replacing Eastern Airlines, which held the contract for 15 years. Such a designation enables Delta to hold joint promotions with Disney, offer travel packages with rooms in Disney hotels and build attractions inside Disney theme parks.

Delta has been gearing up to build market share in Orlando with $7 million in terminal improvements and the addition of flights. In June 1988, Delta began service between Orlando and Frankfurt, West Germany. The carrier is promoting its Disney connection heavily in European gateway markets.

Eastern still is largest in Orlando, the world's No. 1 vacation destination used by 12.3 million passengers in 1987. Eastern had 23% market share in 1987, down from 25% in 1986. Delta was the No. 2 carrier in 1987, with 17%, about even with 1986.

Despite the outlay for Western, Delta is the strongest airline financially in the U.S., according to a June 1988 report by Salomon Brothers, New York.

Other analysts agree. "The amazing thing is that Delta essentially has no outstanding debt," says Paul Karos, airline analyst with First Boston Corp., New York. "It's unbelievable, especially when you consider it made a major acquisition just over a year ago."

DELTA AIR LINES
Hartsfield Intl Airport
Atlanta, Ga. 30320
(404) 765-2600

Marketing personnel: W. Whitley Hawkins, sr vp-mktg; R.W. (Bob) Coggin, asst vp-mktg devel; Al H. Kolakowski, asst vp-sales; Marcey McCann, asst vp-reservations sales; Matt Guilfoyle, dir-consumer mktg; Harry Dunham, dir-industry programs; John Such, dir-mktg automation, Keith Anderson, dir-mktg automation & support; Judy Jordan, dir-adv & sales promo; Sandy Rowan, mgr-adv.

Brands/services by agency of record:

Delta Air Lines

Ad agency: BDA/BBDO, Atlanta: Don Mitchum, president; Jack Walz, exec vp-mgmt super; Jim Garrison, Peter Shelton, sr vps-mgmt super; Mike DiPrima, vp-acct super; Bill Cromartie, vp-mgr, broadcast; Chris Kean, acct super; Marina Costarides, Ann Dillard, Diane Richardson, acct execs.

RANK
36

Walt Disney Co.

Burbank, Calif
ADVERTISING: **$ 249.8** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	2,877	2,166	32.8
Earnings	445	247	79.8
■ Division sales	**1987**	**1986**	**% chg**
Theme parks	1,834	1,524	20.3
Film	876	512	71.1
Community devel	167	130	28.5

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	5,040	3,835	31.4
Business pub	1,184	1,443	(18.0)
Magazine	7,978	6,665	19.7
Newsp supp	175	98	78.6
Outdoor	277	184	50.7
Network TV	19,326	10,515	83.8
Spot TV	54,402	42,684	27.5
Network cable	1,672	965	73.3
Spot radio	14,770	2,537	482.2
Measured	104,823	68,925	52.1
Unmeasured	145,000	95,000	52.6
Total	249,823	163,925	52.4

With the hit movies "Three Men and a Baby" and "Good Morning, Vietnam" generating more than $100 million in sales, as well as "Who Framed Roger Rabbit" packing in summer movie-goers, Walt Disney Co. is having another record year.

Sales and net income for the company's third quarter and the nine months which ended June 30 are the highest in the company's history. Third quarter sales were $915.7 million, up 21.9% from the previous year, and income was $165 million, a 28.5% increase. Nine-month totals show sales of $2.44 billion, up 15.3%, and income of $385.6 million, up 24.6%.

The company also broke all previous records in 1987, as Disney repositioned itself to concentrate on its three core divisions—theme parks and resorts, filmed entertainment and consumer products.

It sold real estate development division, Florida-based Arvida Disney Corp., to JMB Realty Corp., Chicago, for approximately $400 million, and agreed to purchase its first TV station, KHJ-TV in Los Angeles, for $320 million from RKO General Inc. The FCC approved the sale in July and Disney expects to take over management of the station in December, says Erwin Okun, VP-corporate communications.

In October Disney switched its advertising from Young & Rubicam, New York, to Los Angeles-based Western Media International.

Disney's theme parks and resorts—Disneyland in California, Walt Disney World and Epcot Center in Florida, and Tokyo Disneyland—showed a 20% growth in revenues and a 36% growth in operating income.

Attendance increased 9% at Disney's U.S. theme parks, which matched the industry average, according to the International Association of Amusement Parks and Attractions, Alexandria, Va. Buoyed by a year-long, heavily advertised 15th anniversary celebration, Walt Disney World showed an 11% increase. Attendance rose 7% at Disneyland.

Advertising spending for the theme parks totaled $27.9 million, or 33.2%, of Disney's $83.8 million in seven-media BAR/LNA totals, an increase of 5.7% over 1986. Disney World and Epcot Center garnered $18.4 million and $9.5 million went to Disneyland.

The $2 billion Euro Disneyland a 4,800-acre park located 20 miles east of Paris, is slated for 1992 completion. This summer TV production began at the new Disney-MGM Studios at Disney World; a studio tour is scheduled to open in 1989.

Disney's filmed entertainment division showed a 71% growth in revenues and a whopping 153% increase in operating income. Disney profited from a string of box office successes, including the 50th anniversary re-issue of "Snow White and the Seven Dwarfs," which grossed $46 million, and two Touchstone Pictures releases, "Outrageous Fortune" ($53 million), and "Stakeout" ($64 million as of November 1987). The division's strong performance also was due to higher revenues from domestic television and home video, and growth in subscribers to The Disney Channel.

Disney Productions ranked second in market share, with 14% (behind Paramount's 20%), up from a 10% third place share.

Measured advertising for films totaled $38.4 million, up 64% from 1986, with the heaviest concentration in spot TV, notes BAR/LNA. The jump in spending reflects two more new releases than in 1986, as well as heavier advertising for "Snow White"—$4 million in measured spending—than Disney usually allocates to animated re-releases. Mr. Okun says Disney plans to release 14 to 18 films this year. Disney-Buena Vista ranked second among motion picture companies in North American theatrical film rentals. Paramount led the group with 20%. Warner Bros. kept the heat on Disney with a 13% share.

Disney moved to second in the home video market. A Christmas 1987 campaign, built around "Lady and the Tramp," broke industry records, resulting in seven million unit sales, including three million of "Lady" alone. Measured ad spending for home video totaled $7 million, up 59%.

"The Golden Girls," airing on NBC, continued to be the jewel in Disney's network TV crown, garnering Emmy Awards for best comedy series and best actress in a comedy series for the second straight year. Disney's 1987 network TV offerings also included "The Disney Sunday Movie" on ABC and "The Adventures of the Gummi Bears" on CBS.

Disney's Buena Vista TV, a New York syndication subsidiary, is scoring a hit with its original programming. "DuckTales," an animated children's program, was the highest rated syndicated children's animated series as of November. Buena Vista also syndicates "Win, Lose, or Draw" and "Siskel and Ebert." In the area of existing programming, Buena Vista is distributing "Wonderful World of Disney" and two movie packages, and has announced plans to take "Live with Regis and Kathie Lee," a top talk show on WABC-TV, New York, to a national audience. Buena Vista's $50 million budget for 1988 also will go toward syndicating "The Golden Girls."

The Disney Channel achieved a 25% increase in subscribership to 3.8 million.

Revenues for Disney's third division, Consumer Products, went up 29% and operating income went up 34%. Licensing, which covers 50 countries, jumped from 1,600 licenses making 8,000 products to 3,000 licenses and 14,000 products.

In 1987, Disney took a number of steps to expand its Consumer Products activities. The company opened its first three retail stores (outside of its theme parks) in Glendale, San Francisco and Costa Mesa, all in California and plans to open at least six more this year. Disney signed a wide-ranging alliance with Chicago-based Sears, Roebuck and Co.'s Merchandise Group, including development of Sears/Disney products; and also signed a worldwide licensing agreement with Mattel, Inc.

Some 2.8 million copies of the 24-page, 200-item Walt Disney Family Gift Catalog were mailed in 1987, up 87% from the previous year. Disney plans to mail over eight million copies this year.

WALT DISNEY CO.
500 S. Buena Vista St.
Burbank, Calif. 91521
(213) 845-5000

Walt Disney Studios

Marketing personnel: Jeffrey Katzenberg, chmn; Richard H. Frank, president; Bob Levin, sr vp-mktg; Ed Pine, vp-publicity & promo; Robert Jahn, vp-creative svcs.

Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.

Brands/services by agency of record:

Waly Disney Studios

Ad agency: (In-house): Robert Jahn, vp-creative svcs.

Disney Consumer Products

Marketing personnel: Barton K. Boyd, president; Stephen W. McBeth, vp; Paul S. Pressler, vp-licensing.

Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.

Brands/services by agency of record:

Consumer prods

Ad agency: Janklow-Bender & Associates, New York: Bruce Janklow, president.

Walt Disney Attractions

Marketing personnel: Richard A. Nunis, president; Tom Elrod, vp-mktg, Walt Disney World; Phil Lenyel, dir-mktg admin, Walt Disney World; Mike McPhillips, mgr-adv, Walt Disney World; Bob McTyre, vp-mktg, Disneyland; Ron Kollen, mgr-adv, Disneyland.

Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.

Brands/services by agency of record:

Attractions

Ad agency: (In-house): Vista Advertising, Orlando, Fla.: Jani Lopez-Mead, media dir.

RANK
65

Dow Chemical Co.

Midland, Mich.
ADVERTISING: **$ 135.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	13,377	11,113	20.4
Earnings	1,240	732	69.4
U.S.	**1987**	**1986**	**% chg**
Sales	5,946	5,165	15.1
Operating income	1,037	601	72.5
Division sales	**1987**	**1986**	**% chg**
Basic chemicals	4,676	3,903	19.8
Basic plastics	2,318	1,621	43.0
Industr specialties	3,853	3,339	15.4
Consumer specialties	2,530	2,250	12.4

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	267	47	463.2
Business pub	3,974	4,314	(7.9)
Magazine	17,237	15,281	12.8
Newsp supp	332	73	356.7
Farm pub	1,488	1,388	7.2
Outdoor	49	56	(13.1)
Network TV	64,678	65,208	(0.8)
Spot TV	5,677	12,200	(53.5)
Network cable	2,132	1,218	75.0
Network radio	6,423	4,621	39.0
Spot radio	433	523	(17.3)
Measured	102,689	104,931	(2.1)
Unmeasured	33,000	34,000	(2.9)
Total	135,689	138,931	(2.3)

Dow Chemical Co. hit record sales and income in 1987 while it simplified corporate structure from four main segments to three, and launched into personal care and crop biotechnical fields.

The company reported total advertising grew 6% in 1987 to $329 million worldwide, which included many forms of sales-related charges Dow attributes to cost of marketing.

AA estimated Dow's advertising for the U.S. only at $135.7 million, a drop of 2.3% from 1986 caused largely by sizable cuts in ad backing from several Dow household brands. At the same time, measured support for Merrell Dow Pharmaceutical group climbed nearly $5 million.

Dow continues to build on its strong financial performance of 1987. In the first half of 1988, sales have grown 28% to $8.23 billion, operating income has leaped 81% to $1.94 billion and net income of $624 million is double that of the prior year.

Dow's big consumer efforts, and hence its heavy advertising, backed products in two segments of its Consumer Specialty division, the combo unit—Merrell Dow and Lakeside Pharmaceuticals—and Consumer Products.

Merrell Dow and Lakeside Pharmaceuticals combined rang up more than $1.1 billion in sales for 1987. Consumer Products (soon to be Dow Brands Inc.) rose 9.3% in sales to $597 million. It includes Ziploc bags and Saran and Handi-Wrap plastic wraps and also the Texize and Dow brands of household cleaners.

At Merrell Dow, Terfenadine, a nonsedating antihistamine sold as Seldane in the U.S., topped U.S. antihistamine sales just four weeks after its 1986 introduction. Its sales rose 60% to $240 million worldwide in 1987. Merrell Dow has high hopes that forthcoming research data will aid sales of another prescription drug, Lorelco, used in treating high cholesterol.

Big changes in ad spending were recorded in pharmaceuticals where 1987 BAR/LNA seven-media expenditures climbed 50%, to $19.3 million. The biggest chunk of this was $17.1 million for the Cincinnati-based Merrell Dow prescription products line, leaving $2.2 million for the Lakeside Pharmaceutical OTC products.

After initial heavy spending of $3.7 million in 1986 for the debut of Merrell Dow's brand new methylcellulose bulk fiber laxative Citrucel, competitor to long-established Metamucil from Procter & Gamble, expenditures in 1987 dropped nearly 30% to $2.6 million in 1987.

In the Consumer Products segment, the adaptation of Ziploc bags to commercial packaging was one of the big successes in 1987. ZipPak has given marketing leverage to a number of brands and renewed spokesman Steve Allen as a familiar household face in America.

To move its Ziploc bags firmly into the commercial packaging field, Dow in November 1986 formed a joint venture, ZIP PAK Inc., Northbrook, Ill., with package engineering specialists, the Signode Co. The resealable bags now are used by General Foods' Post Cereals, Sargento Cheese, Oscar Mayer, Louis Rich and Pilgrim's Pride meats and Saratoga potato chips. Kraft is said to be considering Zip Paks for some of its cheeses.

Among individual household brands, a major change came in support for Dow Tough Act Bathroom Cleaner, where advertising plummetted to just $507,200 in 1987 after reaching $4.2 million in measured spending the year before. HandiWrap measured support also was cut back sharply to less than 20% of its 1986 level, falling to $793,800 from $4.1 million in 1986. At the same time, Saran Wrap spending rose 9% to $4.1 million and Texize Spray'n Wash was up 53% to $3.9 million.

By now widely familiar, the print and electronic corporate advertising, "Dow Lets You Do Great Things" series was at first criticized as sometimes too syrupy. That has changed, said corporate ad manager Richard F. Dalton. "That may have been true for the first ones but now they're well received, and we're continuing them." D'Arcy Masius Benton & Bowles is the agency.

Much more focused is a print series in industrial coatings trade books for the Dow Resins Products Coatings Group in Plastics Group Services done by Anderson & Lembke of Stamford, Conn. Ads showed how Dow employees met the needs of their customers but failed at other endeavors. The first of the ads, for example, was headlined: "Dave Hill helped to develop seven new epoxy resins for his marine and maintenance customers. Still, he can't get elected mayor of Clute, Texas." According to Marjorie Kaplan, marketing communications manager for polyurethanes and epoxy resins, "We hadn't ever done much in advertising. We were hiding our light under a bushel. Then we built this new lab in Texas, and we needed a new ad approach."

Two acquisitions made in the latter part of 1987 give Dow Chemical access to new marketing areas. In September 1987, Lamaur Inc., St. Paul, Minn., mainly a hair-care products marketer, was purchased for $173.5 million. Lamaur spent an estimated $30 million in 1987 to advertise its shampoo, conditioner and other hair-care brands, including Textra, Perma Soft and Style. Campbell-Mithun-Esty, Minneapolis, continues as agency under Dow ownership.

Another move into a new area was the purchase in late 1987 of United Agri-Seeds Inc., a crop biotechnology company based in Champaign, Ill. Dow paid $45 million for the new subsidiary which has four seed companies in Massachusetts, one in Minnesota and one in France (owned 67% by Dow). This is now part of the third segment of the Consumer Specialty division: Agricultural Products, which recorded sales of $819 million in 1987, up 6%.

President Frank Popoff in December 1987, took on the added responsibilities of CEO, succeeding Paul F. Oreffice who is now chairman of the board. In other management advances, J. Pedro Reinhard, moved up from VP-Dow Europe and general manager of Dow Italy to corporate treasurer and Enrique Falla became CFO after a number of earlier financial positions and presidency of Dow's Latin American unit. Newly elected as a board director in January 1988 was Michael L. Dow, CEO of General Aviation Inc., Lansing, Mich. and a grandson of Dow Chemical founder, Herbert Dow.

THE DOW CHEMICAL COMPANY
2030 Willard H. Dow Center
Midland, Mich 48674
(517) 636-1000

Corporate personnel: Paul F. Oreffice chmn; Frank R. Popoff, president-ceo.

Dow Chemical USA

Corporate personnel: Keith R. McKennon, president; William S. Stavropoulos, group vp-plastics & hydrocarbons; Enrique J. Sosa, commercial vp-Industrial Specialties & Services; Thomas K. Smith, vp-govt & public affairs; Richard K. Long, dir-corp comm; Richard F. Dalton, mgr-corp adv.

Brands/services by agency of record:

Corp program

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: H.J. Hogan, sr vp-mgmt super; W.L. Gaer, vp-acct super.

Chemicals & Performance Products

Marketing personnel: John W. Tysse, dir-mktg, chemicals and metals; Stewart D. Brown, dir-mktg, performance prods, latex & new ventures; Ron S. Ihrig, dir-mktg, separation & process prods; Timothy W. Noonan, group mgr comm.

Brands/services by agency of record:

Plastic-lined piping prods
Salt brine prods
Separation & process prods
Specialty chemicals

Ad agency: Alexander Marketing Services, Grand Rapids, Mich: Robert Milroy, president, acct group super; Richard Hill, vp-acct super; Christopher Beaudoin, acct exec.

■

Chemicals & metals-promo support

Ad agency: Gibbs & Soell, New York: Cos Malozzi, president; Richard Kerrigan, acct super.

■

Chemicals & metals

Ad agency: Sefton Associates, Grand Rapids, Mich.: Gary Petertyl, sr vp; Greta Bolger, vp-acct exec.

■

Gas specialty business

Ad agency: Seller & Gaddis, Craig, Lamm, Houston: Rob Godwin, exec vp.

■

Latex prods

Ad agency: Weller, Cook & Misamore Advertising, Grand Rapids, Mich: Robert Cook, vp.

Plastics Group Services

Marketing personnel: Lee A. Schobe, vp-sales & mktg; Gordon E. Butte, comm group mgr; Michael G. Caparon, comm consultant; Richard J. Proskow, comm mgr-automotive; Henry W. Steffens, comm mgr-urethane & epoxies; Linda L. Druskins, comm mgr-Styrofoam prods.

Brands/services by agency of record:

Urethanes
Epoxies

Ad agency: Anderson & Lembke, Stamford, Conn.: Hans Ullman, acct exec.

■

Styrofoam prods

Ad agency: Jayme Organization, Cleveland: Lawrence Cavanaugh, exec vp; Mike Romans, vp-acct mgr.

■

Automotive prods

Ad agency: Sefton Associates, Grand Rapids, Mich: Gary Petertyl, sr vp.

Consumer Specialties
Agricultural Products

Marketing personnel: Robert C. Spears, mgr-mktg resources & comm; Jan R. Larson, mgr-mktg resources, industrial and specialty materials mktg comm; Ev Germon, mgr-mktg resources, agri-crop mkts.

Brands/services by agency of record:

Infestational materials
Infestational vegitative mgmt
Small grains specialty crops

Ad agency: Bader Rutter & Associates, Milwaukee: Miller Hogan, acct super.

■

Midwestern agriculture
Coastal agriculture

Ad agency: Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa: Randy Thompson, vp-acct super.

■

Media planning

Ad agency: Vitt Media, New York: F. Richard Olsen, vice chmn.

Merrell Dow
Pharmaceuticals U.S.
Cincinnati

Marketing Personnel: Vaughn Kalian, president; Kirk R. Schueler, dir-mktg; Randall Madsen, dir-prod mgmt; John Bruton, dir-adv.

Brands/services by agency of record:

Targocid

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt Healthcare, New York: Joyce Knapp, vp.

■

Allergy adv

Ad agency: Medicus Consumer Communications, New York: Joe Davis, exec vp-mng dir.

■

Seldane

Ad agency: Medicus Intercon, New York: Jennifer Greenblatt, vp-acct super.

■

Lorelco
Norpramin

Ad agency: (In-house): Merrell Dow, Cincinnati: John Bruton, dir-adv.

Lakeside Pharmaceuticals
Cincinnati

Marketing Personnel: William Robertson, president; Herbert Lund, dir-promo & prod mgmt; Ryan Abbate, adv mgr.

Brands/services by agency of record:

Cepacol Gold
Cepacol Mint
Citrucell
Novahistine
Tussend

Ad agency: Rubin, Reed, Noto & Ehrenthal, New York: Herb Ehrenthal, acct super.

■

Nicorette

Ad agency: Rubin, Gace & Associates, New York: Francis Gace, exec vp-acct dir.

■

Bentyl
Singlet
Tenuate

Ad agency: (In-house): Lakeside, Cincinnati: Ryan Abbate, adv mgr.

DowBrands Inc.
Home Care Division
Greenville, S.C.

Marketing personnel: Jim Bernhardt, vp-mktg; Gary Warren, group prod mgr-laundry prods; Don Mueller, group brand mgr-hard suface cleaners; Mike Cooper, group prod mgr-deodorizing & devel prods; Susan Crow, group prod devel mgr-new prods.

Brands/services by agency of record:

Home care div

Ad agency: Henderson Advertising, Greenville, S.C.: Mike Zeller, sr vp-group acct dir; Beverly Grant, sr vp-mgmt super; Rich Stoffer, vp-mgmt super; Mark Klein, vp-acct super; Erica Kieffer, acct super; Tom Dunn, acct exec.

Food Care Division
Indianapolis

Marketing personnel: Joe Bucci, vp-mktg; Steve Johnson, vp-new prod devel; Debi Burns, group brand mgr-wraps; Rick Field, group brand mgr-bags; Jane Judd, adv mgr.

Brands/services by agency of record:

Food care prods

Ad agency: Della Femina, McNamee WCRS, New York: Ed Pedeschi, exec vp, dir-acct svcs; Mike Jeary, exec vp-group acct dir; Phil Juliano, exec vp-mgmt super; Barbara Johnston, Nadine Saker, acct supers.

Personal Care Division
Minneapolis

Marketing personnel: David Drum, vp-mktg; Nina Diamond, group brand mgr.

Brands/services by agency of record:

Personal care prods

Ad agency: Campbell-Mithun-Esty, Minneapolis: Howard Liszt, sr vp; John Purdy, vp-mgmt super; Jordon McElwain, acct super.

RANK
75

Dr Pepper/ Seven-Up

St. Louis
ADVERTISING: **$ 114.1** MILLION

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	1,962	1,942	1.0
Business pub	68	676	(90.0)
Magazine	263	80	228.3
Outdoor	559	3,513	(84.1)
Network TV	32,677	30,643	6.6
Spot TV	30,959	15,331	101.9
Network cable	2,798	1,050	166.5
Network radio	103	0	NA
Spot radio	4,729	2,095	125.7
Measured	74,117	55,330	34.0
Unmeasured	40,000	30,000	33.3
Total	114,117	85,330	33.7

The merger of Dr Pepper Co. and Seven-Up Co. brings together two established soft drink franchises to create the nation's third largest soft drink company.

Dallas-based Dr Pepper/Seven-Up Cos. is the new name for the company formed by the Hicks & Haas investment group. Hicks & Haas acquired each company in separate transactions in 1986.

Until the formal merger in spring 1988 in a transaction valued at $1.3 billion, Dr Pepper and Seven-Up had combined certain administrative and manufacturing functions to cut costs. The merger will lead to further economies of scale.

John R. Albers, who served as chairman of both Dr Pepper and Seven-Up, assumed the position of president-CEO of the newly-formed parent company and of each division. Former Seven-Up President James Harford resigned in May.

Sales and marketing for Dr Pepper and Seven-Up however continue to be handled separately.

Young & Rubicam, New York, is agency for Dr Pepper and Leo Burnett USA, Chicago, serves Seven-Up.

Together the two divisions, as they are now called, represent total annual sales of around $525 million.

According to John C. Maxwell, beverage analyst at Wheat First Securities, Dr Pepper/Seven-Up Cos. in 1987 held a 10.1% share of the total soft drink market for an overall third place. By comparison, Coca-Cola led with a 40% share, followed by PepsiCo with a 30.9%.

In April 1987, Dr Pepper abandoned its "Taste for Originality" ad campaign and replaced it with "Dr Pepper—Just what the doctor ordered." The new effort, which carried into 1988, is more brand focused and makes use of well-known songs featuring the word "doctor."

Buoyed by double-digit increases in ad spending, regular Dr Pepper achieved a 4% market share in 1987, an 8% increase over 1986. But Dr Pepper's noticeable success came with Diet Dr Pepper, which posted a 14% volume increase. Still, Diet Dr Pepper holds only a 0.4% share overall. The brand's reformulation in 1986 with 100% NutraSweet is expected to help boost sales.

Diet Dr Pepper is backed by separate advertising which makes use of the "personals column" format with the theme "Throw your diet a curve." Two new executions feature soap opera actress Susan Lucci and actor David Naughton, the original "Be a Pepper" dancer.

"We wanted to bring some star quality to the diet execution," explained John Clarke, Dr Pepper senior VP-marketing.

Mr. Clarke added that in 1987 marketing funds for Dr Pepper were boosted by 18%. The division has experienced three consecutive years of record sales driven by brand Dr Pepper.

Under aggressive new management after its sale by Philip Morris Cos., Seven-Up Co. has turned around declining sales. Also, under Philip Morris Cos., Seven-Up posted a $6 million loss in 1986. At the end of 1987, the company had posted a $40 million profit.

Renewed momentum came from the successful introduction of Cherry 7UP, targeted to teens. The line extension, in both regular and diet versions, achieved a 1.4% share of total soft drink volume after its first year of distribution, making it the most talked-about soft drink in 1987.

Cherry 7UP's ad budget doubled to $25 million to promote the theme "Isn't it cool in pink?"

Meanwhile, brand 7UP continued its "Feels so good comin' down" tagline with the use of rain as a refreshment symbol. Brand 7UP the long-time lemon-lime leader, slipped behind Coca-Cola's Sprite in 1987 in market share, according to Mr. Maxwell's figures. Brand 7UP held a 3.4% share compared to Sprite's 3.6% share.

Committed to maximizing the 7UP trademark among all age groups, the company in early 1988 announced the introduction of 7UP Gold, a spicy citrus flavor amber color soft drink made with caffeine.

Backed by a $15 million ad budget for its gradual rollout, 7UP Gold regular and diet are aimed at cola drinkers between 18 and 34. The company had not targeted cola consumers since the ill-fated, short-lived introduction of Like cola, which is no longer widely available.

Positioned as "The wild side of 7UP," 7UP Gold uses two zany commercials with the oldie song "Wild Thing." So far, sales are slightly below plan but the company expects success as rollout continues.

Another development in spring 1988 focused on separate advertising for Diet 7UP. Commercials for the brand, which had used the umbrella theme "Feels so good comin' down," introduced the tag "Lighten Up with Diet 7UP" to create a more distinct identity for the brand.

Diet 7UP had suffered 30 months of sales declines until March 1988, according to Russ Klein, Seven-Up senior VP-marketing, adding, "Separate advertising was needed to place Diet 7UP back in top of mind. It is still the third largest diet brand but we had been losing share."

Overall, the Dr Pepper/Seven-Up merger has linked up two well-known brands under an aggressive management team committed to gaining market share in the intensely competitive $40 billion soft drink market.

DR PEPPER/SEVEN UP CO.
8144 Walnut Hill Lane
Dallas, Texas 75231-8144
214-360-7000

Marketing personnel: John Albers, president-ceo; John Clarke, Dr Pepper sr vp-mktg; Russ Klein, Seven-Up sr vp-mktg.

Brands/services by agency of record:

Dr Pepper
Ad agency: Young & Rubicam, New York: Bill Thompson, group dir; John Swan, mgmt super.

■

Seven-Up prods
Ad agency: Leo Burnett USA, Chicago: Jack Woods, acct dir; Janet Brown, Sue Matson, acct supers.

RANK
59

Du Pont

Wilmington, Del
ADVERTISING: **$ 149.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	30,468	27,148	12.2
Earnings	1,786	1,538	16.1
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	20,796	18,758	10.9
Operating income	1,418	1,147	23.6
■ *Division sales*	*1987*	*1986*	*% chg*
Biomedical prods	1,266	1,150	10.1
Industr. cons. prods	3,284	2,839	15.7
Fibers	5,261	4,786	9.9
Polymer prods	3,811	3,657	4.2
Chemicals	3,979	3,396	17.2
Petro exploration	2,006	1,926	4.2
Petro refining, mktg	9,031	7,893	14.4
Coal	1,770	1,501	17.9

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	896	394	127.4
Business pub	12,537	9,724	28.9
Magazine	41,676	31,613	31.8
Newsp supp	2,119	2,101	0.8
Farm pub	4,978	3,832	29.9
Outdoor	112	9	1,161.8
Network TV	26,603	21,172	25.7
Spot TV	9,351	4,687	99.5
Network cable	1,187	578	105.4
Spot radio	2,291	1,572	45.8
Measured	101,749	75,681	34.4
Unmeasured	48,000	35,000	37.1
Total	149,749	110,681	35.3

The settlement of a long-standing industrial patent battle with Dutch chemical company, Akzo NV, will open new marketing doors for E.I. du Pont de Nemours & Co. with its superfiber, Kevlar, which received little advertising support in 1987 out of a total Du Pont budget of $149.8 million, up 35.3%.

The two companies in May 1988 entered into a tentative agreement to suspend their 11-year legal battle over industrial patents for the manufacture of Kevlar fiber by Du Pont, and the product, Twaron, by Akzo. The agreement allows them to compete freely in nearly all world markets, though a U.S. International Trade Commission import ban excludes Twaron.

Analysts say the deal will reduce uncertainty among customers, and could result in a boom for the superfiber, which is five time stronger than steel. Du Pont estimates sales of Kevlar, which it discovered 25 years ago, at almost $300 million and forecasts a 10% annual sales growth in the next five years. Kevlar already is used in Army helmets, bulletproof vests, flak jackets, tennis rackets, skis, golf clubs and racing sails.

It has a variety of potential uses in the automotive, aerospace and defense industries. Because it is resistant to heat and friction, Kevlar may prove to be an acceptable substitute for asbestos.

Apart from its fiber and chemical, Du Pont in 1987 entered the computer-designed workstation business through its Design Technologies unit. The desktop-publishing workstations, to be known as the VASTAR Design & Imaging System, feature "open architecture" to interface with different computer systems. Du Pont's intent is to become the leader in electronic imaging by building on its reputation as a major supplier of chemicals and films to the printing industry.

Nylon, developed by Du Pont in 1938, accounted for one-tenth of company's sales and nearly one-quarter of its earnings in 1987 in its various formulations and uses. The fiber received $3.7 million in measured ad spending, up 12.7% from 1986, according to BAR/LNA. However, advertising for carpet fibers, which are largely nylon-based, reached $22.9 million, up 80% from 1986, notes BAR/LNA. This category did not exist two years ago.

An additional $5.2 million, nearly all in magazines, was spent to build name recognition for Stainmaster carpet, up from $1 million in 1986. The positive reaction to the Du Pont-certified Stainmaster campaign over the last few years has enabled the company to shift its business from lower-valued items to the high-performance brand. The campaign has spurred overall sales growth in carpet fibers for Du Pont, which is the world's leading producer and marketer of carpet fibers.

Spending on Lycra more than doubled to $10 million in 1987, according to BAR/LNA. Lycra is promoted in ads for undergarments, hosiery and bathing suits from manufacturers such as Maidenform, No Nonsense and Gortex. Spending on Antron fibers in carpeting and apparel dropped 50% to $2.2 million. General fibers drew $2.5 million—almost exclusively in magazine—down 20.5%.

Aside from fiber advertising, spending in several categories declined. These include Teflon stain repellent down 19.3% to $4.25 million; Silverstone cookware dropping 41% to $2.6 million and Remington firearms and ammunition down 28% to $473,000. However, general promotion of Du Pont accounted for $11.6 million in spending, up 108%.

During 1987, Du Pont continued to move business from its core agencies into small, regional shops. Among the new agencies are Ackerman, Hood, McQueen, Tulsa, Okla., with the $2 million fishing line products; M.E.D. Communications, Woodbridge, N.J., for diagnostic imaging products and Richardson, Myers & Donofrio for estimated $2 million finishes and fabricated products accounts.

Young & Rubicam's Detroit office, benefiting from proximity to Du Pont's new automotive research lab in Troy, Mich., picked up the automotive products, engineering polymers and industrial fibers assignments worth an estimated $18 million in media advertising, direct marketing, sales promotion and PR.

N W Ayer, New York, which has worked on Du Pont business for 32 years, retained fabricated products but lost the photosystems and chemicals work.

E.I. du PONT DE NEMOURS & CO.
1107 Market St.
Wilmington, Del. 19898
(302) 774-1000

Marketing personnel: J.R. Malloy, sr vp-external affairs; R.E. Williams, C.L. Perry, mng dirs-external affairs; H.E. Davis, comm dir-auto prods, polymer prods, chemicals & pigments, petrochemicals; J.M. Murray II, comm dir-biomedical prods, Photosystems, electronic prods; R.W. Nightingale Jr., comm dir-textile fibers; L.C. Tashjian Jr., comm dir-agricultural prods, fabricated prods, corp adv.

Brands/services by agency of record:

Fabricated prods
Ad agency: N W Ayer, New York: Theodore M. Regan, exec vp-mng creative dir.

■

Pharmaceutical prods
Ad agency: Barnum Communications, New York: Peter Neaman, sr vp-acct super.

■

Textile fibers' apparel
Carpet fibers
Home furnishings
Fiberfil prods
Corp adv programs
Ad agency: BBDO, New York: Margaret Evans, vp-mgmt rep; Joseph Crowley, sr vp-mgmt rep.

■

Electronics
Ad agency: Ketchum Communications, Philadelphia: Scott Franks, sr vp.

■

Medical prods
Ad agency: M.E.D. Communications, Woodbridge, N.J.: Dr. Robert Portman, president.

■

Staff dept. special projects
Hotel du Pont
Employee relations
Ad Agency: Reese, Tomases & Ellick, Wilmington, Del.: Alan B. Poland, sr vp.

■

Fabricated prods
Ad agency: Richardson, Myers & Donofrio, Baltimore: Jamie Rice, exec vp.

■

Agricultural chemicals
Remington arms
Chemical & pigments
Petrochemicals
Ad agency: Rumrill-Hoyt, Rochester, N.Y.: Nick Orloff, president-coo; Keith Kuehn, vp-group mgr; Tim Cronin, sr vp-creative dir; Gale Johnson, vp-pr dir.

■

MI-Industrial fibers
Automotive prods
polymers prods
Ad agency: Young & Rubicam, Detroit: Dan Wagner, sr vp.

RANK
7

Eastman Kodak Co.

Rochester, N.Y.
ADVERTISING: **658.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	13,305	11,550	15.2
Earnings	1,178	374	215.0
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	8,040	7,398	8.7
Operating income	1,317	350	276.3
■ *Division sales*	*1987*	*1986*	*% chg*
Imaging	10,941	9,408	16.3
Chemicals	2,600	2,378	9.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	2,866	3,919	(26.9)
Business pub	6,045	5,707	5.9
Magazine	32,884	25,846	27.2
Newsp supp	1,232	1,316	(6.3)
Farm pub	247	364	(32.0)
Outdoor	1,096	1,043	5.1
Network TV	145,961	137,624	6.1
Spot TV	15,000	9,498	57.9
Network cable	7,989	8,487	(5.9)
Network radio	3,941	6,915	(43.0)
Spot radio	960	1,475	(34.9)
Measured	218,221	202,192	7.9
Unmeasured	440,000	408,000	7.8
Total	658,221	610,192	7.9

Eastman Kodak Co. spent much of 1987 and early 1988 trying to find the right fit in its vast imaging business before surprising analysts with the purchase for $5.2 billion in cash of Sterling Drug, presenting a new focus to the Rochester, N.Y.-based company.

Already involved in human nutrition, agricultural products and anti-cancer research, Kodak gained a strong pharmaceutical and distribution network and powerful brands in the deal with Sterling. But the Sterling buy also showed the company was preparing for the days when electronic imaging—both motion and still pictures—would supplant the traditional photographic forms, according to Eugene Glazer, analyst with Dean Witter Reynolds Inc.

"And Kodak probably won't dominate that (electronic imaging)," he said, pointing out the company's withdrawal in late 1987 from 8mm video photography as one piece of evidence in that direction.

During 1987, lower manufacturing costs, mostly the result of trimming 13,000 from its payroll, and growth of 8% to 10% in the number of pictures taken (5% to 6% is normal) helped stimulate growth. Expansion abroad also contributed heavily. The declining dollar assisted foreign sales even further. Kodak's non-U.S. business accounted for 26% of sales in 1987, up from 22.4% in 1986 and 18.1% in 1985.

Advertising totals for Kodak in this profile include those of Sterling Drug. Sterling is the larger advertiser of the two. In BAR/LNA measured media, for example, Sterling had expenditures of $123.9 million, up 7.5% from 1986. Kodak's measured total was $85.2 million, up 11% in BAR/LNA seven media totals.

Earnings at Kodak remained strong for the first two quarters of 1988, aided by strong growth overseas, and "a tremendous rebound in chemicals," said Mary Meeker, analyst with Salomon Brothers. Sterling results were not included in financial totals for 1987 or first half 1988.

She said the one negative in the period has been poor imaging sales in the U.S., primarily because of a switchover to the Kodacolor Gold line. In the switchover, Kodak offered its older films in discounted multipacks. Consumers thus built up their own inventories of film. Dealers also sold off the older style films before building their inventory for the new Kodacolor line. Kodak backed its films with $30.7 million in measured spending 1987, up 10%, according to BAR/LNA.

Still, picture taking grew and Kodak's processing materials and laboratories flourished. And although photofinishing mini-labs proliferated around the country, analysts said Kodak's photofinishing operations held up because it had a dominant share of the market for providing paper and chemicals to those labs.

However, "Photofinishing News Letter," an industry newsletter, was far less sanguine, pointing out that photofinishing sales in 1987 were $60 million, down substantially from the $200 million in sales it recorded just five years earlier.

Kodak grabbed an even larger share of the photofinishing market in January when the joint venture it announced late in 1987 with Colorcraft Corp., a subsidiary of Fuqua Industries Inc., passed the antitrust review of the FTC, adding to the growing list of major photofinishers using Kodak products exclusively.

The company also decided to acknowledge its mistake with disc cameras and pull out of the market. Kodak indicated it would continue making film for them. U.S. retail sales of disc cameras sold by Kodak and others had deteriorated from about 4.8 million in 1985 to $3 million in 1986 to fewer than 2 million in 1987.

The increasing amateur photographer use of easily operated point-and-shoot 35mm cameras contributed to the decline, which has led Kodak to introduce several new 35mm lines early this year, supporting them with a big campaign launched Academy Awards night.

Kodak continued its push into the highly profitable office equipment industry when it reached an agreement with IBM to take over IBM's copier repair business, a move Mr. Glazer said eventually will lead to Kodak's taking over the entire IBM copier business. Such big-ticket items offer greater profitability," said Mr. Glazer. Kodak can do better in this area than in the highly competitive area of consumer electronics, he said.

Still hanging over Kodek's head is the upcoming settlement portion of the patent infringement suit won by Polaroid Corp. That trial will take place in Federal District Court in Boston in January. Although Ms. Meeker said estimates for the settlement are about $1 billion, she said the case is likely to go to trial rather than be settled ahead of time. "Kodak and Polaroid have different expectations of the trial outcome," she said, noting the range for damages runs between $300 million and $3 billion. The first half of the lawsuit established that Kodak had infringed on Polaroid's instant-photography camera.

Sterling got an inestimable boost early this year when the "New England Journal of Medicine" reported that aspirin taken every other day may sharply reduce the risk of a first heart attack. Sterling produces Bayer aspirin, which holds a 16.5% share in the $800 million aspirin market.

About a month after the journal report, Sterling introduced to the market the "Bayer Calendar Pak," which includes a 28-day supply of Bayer—a dosage based on the every-day recommendation to prevent second heart attacks, a claim approved in 1985 by the FDA. Bayer ads currently tout aspirin's ability to reduce the risk that a heart attack will recur.

Sterling introduced Bayer in caplet form in 1987 and in the process pushed measured spending for the brand to $27 million, up from $15.4 million in 1986. That expenditure helped drive up sales of Bayer by 16% in 1987.

Despite early speculation it would sell off Sterling's household products division, Lehn & Fink, in mid-August, Kodak said it would retain the unit, which makes Lysol disinfectant, D-Con rat poison and other well-known products that accounted for $594 million in sales last year. Analysts speculated that Kodak couldn't get the top-dollar price it had to get for the unit to cover the price it paid and higher expenses caused by 1986 tax law changes, so decided to keep it.

Lysol drew $28.1 million in measured advertising, making it the heaviest brand pushed by Sterling in the nation's media. The expenditure actually dropped 3.8%. Lysol spending has been declining the past two years. It holds a 7% to 8% share of the liquid household cleaner market behind American Cyanamid's Pine-Sol at 17% and Procter & Gamble's Mr. Clean at 10%.

Joining standby Lysol in the household products division was Thompson & Formby Inc.'s line of house-care products, all backed extensively. Formby's furniture products received $4.9 million, up 17%, and Thompson Water Seal waterproof formula drew $6.6 million in measured spending, up 4.3%.

During 1987, Sterling reported net income of $197 million, up from $171.5 million in 1986, on sales of $2.3 billion, up from $1.99 billion in the prior year. Among its divisions, pharmaceutical specialities claimed $369.1 million in sales, up 21%; proprietary products, $354.9 million, up 8%; household and other products, $682.9 million, up 15%, and Sterling International, $920.1 million, up 18%.

Sterling is banking heavily on future sales of its Primacor drug. The FDA approved in 1987 the intravenous dosage form of the drug for use as short-term treatment of congestive heart disease. An advisory committee within the FDA in December 1987 recommended its usage in oral dosage form as well. Sterling bills the drug as the the first medication for chronic use to work directly on the failing heart since digitalis was discovered more than 200 years ago.

EASTMAN KODAK CO.
343 State St.
Rochester, N.Y. 14650
(716) 724-4000

Corporate personnel: Colby H. Chandler, chmn-ceo; Kay R. Whitmore, president-exec officer; J. Phillip Samper, vice chmn-exec officer.

Manufacturing/Distribution/Field Support Corporate personnel: William F. Fowble, sr vp-genl mgr, mfg, distribution, field support; Frank D. Zaffino, vp-genl mgr, Kodak Apparatus div; Ronald L. Heidke, vp-genl mgr, Rochester Sensitized Components Mfg; Vernon A. Dyke, vp-genl mgr, Sensitized Components Mfg; Robert H. Graulich, vp-genl mgr, distribution; Kenneth O. Hoffman, vp-genl mgr, mfg resources div.

Commercial & Information Systems

Top 25 network TV advertisers

Rank	Advertiser	Network TV expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**Procter & Gamble Co.**	$377,552	$447,436	(15.6)	27.2
2	**Philip Morris Cos.**	330,778	342,444	(3.4)	21.2
3	**General Motors Corp.**	272,953	233,786	16.8	26.6
4	**Kellogg Co.**	237,985	166,006	43.4	45.3
5	**McDonald's Corp.**	216,067	193,002	12.0	33.3
6	Unilever N.V.	211,923	202,361	4.7	36.5
7	RJR Nabisco	209,777	155,301	35.1	25.0
8	Anheuser-Busch Cos.	186,948	177,496	5.3	29.4
9	American Home Products Corp.	182,057	183,493	(0.8)	46.6
10	Johnson & Johnson	181,999	164,322	10.8	39.6
11	**Ford Motor Co.**	161,177	188,815	(14.6)	25.2
12	**Chrysler Corp.**	151,569	147,036	3.1	26.7
13	**American Telephone & Telegraph**	146,418	135,162	8.3	27.6
14	**Eastman Kodak Co.**	145,961	137,624	6.1	22.2
15	**PepsiCo Inc.**	140,342	115,128	21.9	19.9
16	Bristol-Myers Co.	134,419	128,521	4.6	37.4
17	General Mills	133,724	130,140	2.8	23.4
18	Mars Inc.	130,271	84,983	53.3	34.4
19	Coca-Cola Co.	111,153	99,381	11.8	30.5
20	Pillsbury Co.	104,335	105,052	(0.7)	22.0
21	**Quaker Oats Co.**	104,107	88,322	17.9	30.2
22	**Ralston Purina Co.**	102,545	97,572	5.1	23.5
23	**Warner-Lambert Co.**	102,472	103,455	(1.0)	18.4
24	***Sears, Roebuck & Co.***	*89,973*	*127,804*	*(29.6)*	10.1
25	**Nestle S.A.**	86,607	88,131	(1.7)	25.4

Source: Broadcast Advertisers Reports as reported in BAR/LNA reports. **Note:** Dollars are in thousands.

Corporate personnel: Lawrence J. Matteson, group vp-genl mgr. Edgar J. Greco, vp-genl mgr, business imaging systems div, Charles L. Trowbridge, vp-genl mgr, copy prods div, Gary H. Conners, vp-genl mgr, federal systems div, C. Harold Gaffin, vp-genl mgr, graphics imaging systems div, Edward V. Ince, vp-genl mgr, customer equipment svc div.

Diversified Technologies

Corporate personnel: Frank P. Strong Jr., group vp-genl mgr. John R. Zeman, vp-genl mgr, mktg, clinical prods div, Robert T. Hamilton, vp-genl mgr, health sciences div, Richard T. Bourns, genl mgr-mass memory div, Donald W. Hartman, vp-genl mgr, lab & rsch prods div, Dennis M. DeLeo, vp, dir-bioscience/emerging business.

Photographic Products

Corporate personnel: Wilbur Prezzano, group vp-genl mgr, Peter Palermo, vp-genl mgr, consumer prods div, William P. McCarrick, vp-genl mgr, consumer svcs div, Jeorg D. Agin, genl mgr-motion picture & av prods div, Robert L. Smith, vp-genl mgr, photofinishing systems div; Raymond H. DeMoulin, vp-genl mgr, professional photography div, Robert C. Sharp, vp-genl mgr, U.S. sales div, James E. Moxley, president, Ultra Technologies, K. Bradley Paxton, vp-genl mgr, electronic photography div.

Communications & Public Affairs

Corporate personnel: David J. Metz, vp-dir.

Marketing personnel: Richard S. Bartlett, vp, dir-mktg comm.

Brands/services by agency of record:

Professional photography div
Motion picture/AV div
Electronic photography div
Consumer prods sales promo
Film trade
Camera trade
Photofinishing trade
Batteries trade

Ad agency: Rumrill-Hoyt, Rochester, N.Y.: Richard Thomson, chmn-ceo; Nick Orloff, president-coo; Tim Cronin, sr vp-creative dir, Gale Johnson, sr vp, dir-pr, Vicki Lewis, vp-assoc group mgr; Robert Davison, vp-acct super.

■

Amateur film
Business & industrial
Photofinishing
Ultratech batteries

Ad agency: J. Walter Thompson USA, New York: James Heekin, genl mgr-N.Y.; Mitchell Brooks, acct dir, Richard O'Leary, vp-acct super, film, Fred Stewart, vp-acct super, photofinishing and processing labs; Jeff Bodenmann, acct super, film, Anna Suessbrick, acct rep, photofinishing & processing labs; Anna Marie Mor, acct coord, film, photofinishing & processing labs; Doug Foster, vp-acct super; business & industrial, Josh Grotstein, acct super, business & industrial; Jill Jackson, acct rep, business & industrial; Stuart Sproule, asst acct rep, business & industrial, Marty Rose, sr vp-mgmt dir, Ultratech; David Riemer, acct super, Ultratech; Hunter Madsen, acct rep, Ultratech; Lynn Diele, acct coord, Ultratech.

■

Cameras

Ad agency: Young & Rubicam, New York: Peter Georgescu, president; Robert Harrington, exec vp, Tim Fitzgerald, mgmt super, Evangeline Ames, acct super; Robert Beltram, acct exec.

Eastman Chemicals Division

Corporate personnel: Toy F. Reid, exec vp-genl mgr; R. Wiley Bourne, Earnest W. Davenport, vps-asst genl mgrs.

Brands/services by agency of record:

Eastman chemicals div

Ad agency: FCB/Leber Katz Partners, New York: John Adams, sr exec vp: Howard Berg, group mgmt dir; Jack Benoze, mgmt dir; Randie Goldstein, acct exec.

STERLING DRUG

90 Park Ave.
New York, N.Y. 10016
(212) 907-2000

■

Corporate personnel: Hillary Hinchman, corp dir-adv svcs.

Glenbrook Laboratories

Corporate personnel: Robin D. Mills, president.

Marketing personnel: Simon R. Johnson, William A. Straus, Carol J. Perlman, group prod mgr; Robert S. Kinelski, vp-mktg.

Brands/services by agency of record:

Phillips' line
Haley's line

Ad agency: N W Ayer, New York: Roger D. Groves, mng dir; Jim Friedman, mgmt super; Troy Alvers, acct exec.

■

Medical comm

Ad agency: Dugan/Farley Communications, Montvale, N.J.: John P. Dugan, president.

■

Hispanic adv-
Bayer line
Phillips' line
Panadol

Ad agency: Font & Vaamonde, New York: Pedro Font, president.

■

Bayer line
Panadol

Ad agency: Lintas:New York: Bob Wadsworth, exec vp; Elliot G. Dorfman, sr vp-mgmt super; Vince Montuori, vp-acct super.

■

Stri-Dex
Midol

Ad agency: Warwick Advertising, New York: Wilder D. Baker, president; John Sloan, sr vp-mgmt super; Ann Riddell, vp-acct super; Melissa Dougherty, Kirk Cameron Ayars, Jeanne Manuli, acct execs.

Lehn & Fink
Product Group
Montvale, N.J.

Personal Products Division

Corporate personnel: Herb Waller, president.

Marketing personnel: Peter Stearns, vp-mktg; Mort Weisburd, vp-sales.

Consumer Products Division

Corporate personnel: Richard F. Gaccione, president.

Marketing personnel: Joseph Healy, vp; Richard A. Bachman, category mgr, disinfectants, air fresheners, rug, laundry; Christine McArdle, category mgr, all purpose cleaners; Kenneth Jones, category mgr, bath-bowl cleaners, floor, LBD; Kevin Dunn, dir-new prods.

Industrial Products Division

Corporate personnel: John J. McAllister, president.

Marketing personnel: James J. Castello, vp-mktg; Donald R. Nowlin, vp-sales.

Minwax Co.
Montvale, N.J.

Corporate personnel: Peter Black, president.

Marketing personnel: Ridgely W. Harrison III, vp-sales; James D. Murphy, vp-mktg; Godfrey C. Sluder, prod group mgr; Richard M. Kuhn, sr prod mgr-new prods.

The d-Con Co.
Montvale, N.J.

Corporate personnel: Earle K. Borman, president, David C. Hoffmeister, exec vp.

Marketing personnel: John J. McFadden, vp-sales dir, William Bassett, mgr-new prods, Mark Normyle, prod mgr-insecticides; Patti Mandel, prod mgr-Resolve & Energine; Debra Follick, mgr-adv & promo; Barry Lipsy, prod mgr, rodenticides, Rid-X; Thomas Murphy, group prod mgr, insecticides and rodenticides.

Thompson & Formby
Memphis, Tenn.

Corporate personnel: Kenneth M. Evans, president.

Marketing Personnel: Bill D. Stewart, vp-sales, Frederick D. Miller, vp-mktg; Fred W. Hundt, mktg mgr; Richard A. Loomis, sr prod mgr.

Brands/services by agency of record:

Minwax consumer & industrial prods

Ad agency: Gilbert, Whitney & Johns, Whippany, N.J.: John Mimnaugh, exec vp.

■

Wet Ones
Chubs
Ogilvie
Tussy
Dorothy Gray

Ad agency: Jordan, McGrath, Case & Taylor, New York: Judy Neidert, acct super, Wet Ones, Chubs; Don Gilbert, sr vp, Anne Kirkwood, acct super; Suzanne Constantine, Jennifer Graham, acct execs; Ilon Specht, sr vp; Jim Loh, media super; Peggy Shelly, vp, assoc rsch dir.

■

Lysol Pine Action
Lysol Laundry Sanitizer

Ad agency: Lowe Marschalk, New York: Michael Lesser, chmn-ceo; Andrew Langer, president; Marshall Kapp, exec vp, Barry Linsky, exec vp; Carl Maier, sr vp, mgmt super.

■

Rid-X Septic Aid
Energine spot remover

Ad agency: Ramm Advertising: Ed Ramm, president; Jack Hernish, vp.

■

Thompson & Formby

Ad agency: Slater Hanft Martin, New York: Jerry Martin, chmn; Terry Koch-Bostic, sr vp-mgmt super; Lily Li, acct super.

■

Lysol prods
Love My Carpet
Beacon Wax
Mop & Glo
Perk

Ad agency: Lintas:New York: Robert Watsworth, exec vp; John Barnes, sr vp; Ray Hilton, Tom Perlstein, Doug Harting, acct supers; Kevin Driscoll, David Knise, acct execs.

■

Insecticides
Rodenticides
Resolve carpet cleaners

Ad agency: Warwick Advertising, New York: Andrew Mockler, Lisa Halle, acct supers; Katherine Stuart, Melissa Dougherty, acct execs.

Winthrop Pharmaceuticals
New York

Corporate personnel: Harry A. Shoff, president.

Marketing personnel: Thomas L. Harkleroad, vp-sales, pharmaceuticals prods div; Thomas Giordano, vp-wound care, Joseph Scodari, exec vp-diagnostic imaging div.

Brands/services by agency of record:

Talwin Nx
Talwin injection
Talacen

Ad agency: Carrafiello-Diehl & Associates, Tarrytown, N.Y.: John S. Carlucci, vp-mgmt super.

■

Corotrope

Ad agency: Klemtner Advertising, New York: Sander Flaum, acct super.

■

Inocor

Ad agency: KPR, New York: Mike Boyer, acct super.

■

Danocrine
Omnipaque

Ad agency: Lavey, Wolff, Swift, New York: Charles Rockefeller, sr vp.

■

Biobrane
Carpuject

Ad agency: Vargas, Levy, Zules, New York: Tom Vargas, president.

Winthrop Veterinary

Corporate personnel: H. Dwight Koger, exec vp.

Marketing personnel: Joseph R. Lotito, natl sales mgr; Susan Brennan, sales & mktg analyst.

Brands/services by agency of record:

Veterinary pharmaceuticals & disinfectants
Pet care prods

Ad agency: Sawyer, Riley, Compton, Gainesville, Ga.: Louis Sawyer, vp-acct svcs; Richard Dickert, acct exec.

Winthrop Consumer Products Division
New York

Corporate personnel: William J. Godfrey, president; Karl A. Brautigan, vp-business devel.

Marketing personnel: Stephen Staves, vp-mktg; Marcia Bittner, group prod mgr; Pat Schneider, assoc prod mgr; Alex Friedman, Carleton Smith, asst prod mgrs; Hugh Press, James I. Steinberg, prod mgrs.

Brands/services by agency of record:

Neo-Synephrine brand
pHisoDerm
pHisoPUFF

Ad agency: N W Ayer, New York: Roger D. Groves, exec vp; Carol Foxely, acct super.

■

Campho-Phenique
Campho-Phenique triple antibiotic
New prods

Ad agency: Warwick Advertising, New York: Peter Black, mgmt super; Beth Kimbless, acct exec.

RANK
9

Ford Motor Co.

Dearborn, Mich.
ADVERTISING: **$ 639.5** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	71,643	62,716	14.2
Earnings	4,625	3,285	40.8
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	55,302	50,034	10.5
Operating income	3,441	2,460	39.9
■ ***Division sales***	***1987***	***1986***	***% chg***
Automotive	66,527	58,271	14.2
Other	5,116	4,445	15.1

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	100,690	76,136	32.3
Business pub	5,448	5,251	3.7
Magazine	125,491	125,161	0.3
Newsp supp	615	3,853	(84.1)
Farm pub	4,267	4,475	(4.6)
Outdoor	1,787	2,134	(16.3)
Network TV	161,177	188,815	(14.6)
Spot TV	50,292	55,821	(9.9)
Network cable	6,118	4,748	28.9
Network radio	19,766	14,871	32.9
Spot radio	14,861	17,610	(15.6)
Measured	490,510	498,875	(1.7)
Unmeasured	149,000	152,000	(2.0)
Total	639,510	650,875	(1.7)

The nation's No. 2 automaker in 1987 avoided a crippling strike by negotiating a three-year contract with the United Auto Workers, weathered the stormy days following the Oct. 19 stock market crash, and went on to earn $4.6 billion.

Those earnings were the highest profit ever posted by an automobile company. Ford outearned archrival General Motors Corp. ($3.6 billion) for the second straight year.

For the first half of 1988, Ford's financial success shows no signs of slowing. During this period, it earned $3.28 billion, up 9.9% from the same period a year ago.

During this period of high profits, Ford became tighter with its U.S. ad spending. AA estimates Ford expenditures actually declined 1.7% to $639.2 million in the U.S. in 1987. And it certainly was a year marked with high anxiety for Ford's top ad agency, J. Walter Thompson. In July 1987, Ford shifted $100 million of non-U.S. advertising from JWT. Nine European accounts went to Ogilvy & Mather, and Young & Rubicam got Ford of Canada. Its estimated $260 million in U.S. business, however, remained with JWT.

Ford insisted the moves were not the result of the earlier acquisition of JWT Group by Britain's WPP Group although the buyout was said to have caused trepidation among some advertisers.

The automaker's financial performance last year gave it the cash to make several automotive and non-automotive acquisitions. Ford purchased an 80% equity in the Hertz Corp. vehicle rental company for $1.3 billion in December 1987. The remaining 20% was bought by Hertz management. Ford has since sold a 20% interest in Hertz to Volvo North America Corp. for $100 million, and it plans to reduce its ownership to a minority position.

In the fall of 1987, Ford acquired controlling interest in two British prestige automakers, AC Cars Ltd. and Aston Martin Lagonda Ltd. Ford and AC reportedly plan to produce a sports car with a $42,000 price tag, for which the U.S. would be a likely market. Aston Martin Lagonda already sells five hand-built models, priced at $112,000 to $167,000 in the U.S.

As part of an effort to diversify its business, Ford paid $512.5 million for United States Leasing Inc., a San Francisco-based commercial leasing company.

Ford and six other U.S. corporations formed a trade group, American Trade Consortium, which could lead to the sale of Ford vehicles in the Soviet Union.

Ford's profitability is traced to cost-cutting measures and to the success of its products, especially its two newest models, Probe and Continental. In market share, Ford has risen to 20.36% of the U.S. passenger-car market, up from 18.19% in 1986—this despite a 1% drop in U.S. car sales.

Ford's share of the U.S. truck market in 1987 was 29.1%, up about 1 percentage point from 1986. The company's goal for 1988 is to capture 21% of the U.S. car market and 30% of the truck market, Vice Chairman Harold A. Poling said earlier this year.

Last year, Ford sold 2,060,834 cars overall in the U.S., a decrease of about 1% from the previous year.

Of those, the Ford auto division accounted for 1,416,636, up 1.4%. According to the seven media monitored by BAR/LNA, the company backed its Ford nameplate with $245 million in measured ad spending, down 16.5% from 1986 levels that were pumped up by pricing and warranty wars. The best-selling cars in the U.S. last year were Ford Escort and Taurus, with 329,360 and 354,971 units sold, respectively. Escort got $20.3 million in measured spending, down 32%, according to BAR/LNA, and Taurus, $39.3 million, down 20.8%.

Lincoln-Mercury division moved 629,897 units last year, down about 5.9%. Measured media spending reached $78.5 million for the division, about even with 1986 levels, according to BAR/LNA. Lincoln's venerable Town Car continued to lead the division in sales, with 126,009 sold, although the Town Car received little measured advertising—$4.7 million, about the same as in 1986. On the Mercury side, the top-selling models were Grand Marquis and Cougar, recipients of only $669,000 (down 73%) and $11.6 million (up 26%), respectively, in measured spending in 1987, according to BAR/LNA.

Sales of Merkur models, at 14,301 units, were nearly even with last year—even though a new model, the Scorpio, was added to the lineup. Scorpio got $9.5 million in 1987 in measured spending, virtually all the Merkur expenditure, compared with $11.8 million in 1986, according to BAR/LNA.

Once again, Ford rode the crest of a wave of light-duty truck popularity. It sold a total of 1,435,205 trucks, an increase of about 3.9% over 1986. For the sixth year in a row, Ford's F-series pickup was the best-selling vehicle—car or truck—in the U.S., with 550,125 units sold. Ford backed its trucks with $68.9 million in measured spending, up 3.1% from 1986, according to BAR/LNA.

Ford division's 1988 ad campaign praises such successes under the umbrella theme "Winning the world over." The long-running tagline "Have you driven a Ford . . . lately?" has been retained, but is accompanied by the "winning" theme.

The TV spots are lifestyle- and situation-oriented and show people driving Ford vehicles as voiceover describes their benefits. Print ads are more product-oriented, focusing on vehicle design, engineering and warranty.

Probe sports coupe, the division's newest product whose advertising bears the ad logo, "A performance you won't forget," was designed by Ford and engineered by Japan's Mazda Motor Corp., 25% of which Ford owns. The car is built by Mazda Motor Manufacturing (USA) Corp. in Flat Rock, Mich. By the time the car was introduced in May, Ford had enough advance orders to fill production schedules until October. Ford is hoping to woo buyers who lean toward import models, such as Toyota Celica, and who are more upscale than buyers of comparable domestic cars.

Likewise, Ford's sales projections for the Korean-built Festiva subcompact have been on target. Ford sold 26,750 Festivas during the nine months it was available in 1987, and has sold more than 41,000 in the first seven months of this year. In the first quarter 1988, the Festiva drew $5.5 million in measured spending, according to BAR/LNA.

In 1988 truck advertising, the division retains the "Built Ford tough" theme for its full-size lineup, and the "Built fun tough" theme for smaller trucks, such as Bronco and Ranger.

For its TV ads, L-M dropped pop songs like The Beatles' "Help," and picked up on a newer trend: New Age music. L-M commissioned its own music, so dealer co-op ad groups also can use it to break through the clutter of 60's music used by other auto advertisers.

That also avoids legal problems, such as the pending lawsuit by Bette Midler over a sound-alike ad. In 1985, Ford and ad agency Young & Rubicam used a sound-alike after Ms. Midler refused to record her hit "Do You Want to Dance" for a TV spot. Ms. Midler filed a $10-million lawsuit, but a U.S. district court threw out the case. Earlier sound-alike cases also had failed. This summer, however, the 9th U.S. Circuit Court of Appeals in California overruled that decision and remanded the case for trial.

Print ads for Merkur Scorpio and XR4Ti retain the "Advancing the art of driving" themeline. However, nowhere does the name "Merkur" appear, which has fueled speculation that Ford might drop or change the division's name.

Upcoming intros include a high-performance version of the 1989 Taurus, called SHO (Super High Output). The car's V-6 engine is designed by Yamaha. Ford also will import an inexpensive 2-plus-2 roadster, called Capri, from its Australian subsidiary early next year. Also for the 1989 model year, Ford will introduce an all-new Thunderbird/Cougar. The top-line version of the Thunderbird, called SC or Super Coupe, will be equipped with a supercharged 3.8-liter, V-6 engine and anti-lock brakes.

Looking farther ahead, Ford once again will offer V-8 power in the T-Bird and Cougar in the 1990 model year, after a one-year hiatus. In the 1991 model year, Ford's Escort model is expected to be replaced by a Mazda 323-based vehicle code-named CT-20. The venerable Mustang, which celebrates its 25th birthday next year, will remain in Ford's lineup into the early 1990s. The front-wheel-drive Probe originally was conceived as a replacement for the rear-drive Mustang, but Ford changed its plans and decided instead to pump several million dollars into upgrading the plant where Mustang is made. Ford sold nearly 173,000 Mustangs last year.

Management went through a reorganization in 1987 following the death of then chairman Henry Ford II on Sept. 29. Mr. Ford, grandson of the company's founder, died of complications arising from pneumonia. He was 70. In the realignment the following month, Ford created two new operating groups, Ford Automotive Group and Ford Financial Services Group, which, along with Diversified Products Operations, report to Harold A. Poling, who became vice chairman, a new post, from president. He remains chief operating officer.

The new Automotive Group is headed by Exec VP Philip Benton Jr. He is succeeded as exec VP-international automotive operations by Allan Gilmour, who was exec VP-chief financial officer. Mr. Gilmour's successor is Stanley Seneker, previously VP-treasurer.

There also were swaps among top personnel at Ford and Lincoln-Mercury divisions. Robert L. Rewey moved from vp and general manager of Ford division to VP sales operations. He was succeeded by Thomas J. Wagner, formerly VP and general manager at L-M. Mr. Wagner was succeeded by Ross H. Roberts, former general marketing manager of Ford division.

In January, a fourth generation of Fords was elected to the company's board of directors. Edsel B. Ford II, 39-year-old son of Henry Ford II and Lincoln-Mercury general sales manager, and his cousin, William Clay Ford Jr., 30-year-old managing director of Ford of Switzerland, show promise that one day a Ford may once again lead Ford Motor Co.

FORD MOTOR CO.
American Road
Dearborn, Mich. 48121
(313) 322-3000

Corporate marketing personnel: D.T. McClure, exec dir-mktg; F.R. Wuellner, mgr-adv comm.

Brands/services by agency of record:

Corp adv

Ad agency: Wells, Rich, Greene, New York: James B. Lawrence, sr vp-mng dir, Detroit.

Ford Division

Corporate personnel: T.J. Wagner, vp-genl mgr.

Marketing personnel: R.L. Fenstermacher, genl sales mgr; J.E. Miller, exec asst-dealer affairs; P.M. Novell, genl mktg mgr; J.M. Ludlow, truck sales promo mgr; J.B. Vanderzee, adv mgr; R.J. Gillooly, car adv mgr; T.A. Boese, truck adv mgr; R.C. Halseth, media mgr; S.H. Beauchamp, merch mgr; J.L. King, car sales promo mgr; D.M. Pohlod, training comm mgr; J.H. Merrifield, heavy truck sales mgr; D.D. Litchfield, heavy truck adv & merch, mgr-truck operations.

Brands/services by agency of record:

Ford cars and trucks

Ad agency: J. Walter Thompson USA, Detroit: C.J. Balestrino, exec vp, Detroit office mgr; Richard Hawting, sr vp-exec creative dir; Sean Neall, vp-truck mgmt super; Hugh Trenkamp, sr vp-group mgmt dir; Ed Chima, vp-mgmt super, family cars; Steve Stepanek, vp-mgmt super, specialty cars.

Lincoln-Mercury Division

Corporate personnel: R.H. Roberts, vp-genl mgr.

Marketing personnel: Edsel B. Ford II, genl sales mgr; W.D. Lancaster, genl mktg mgr; S.C. Taylor, adv mgr; S.E. Wardwell, merch mgr; Chuck Schneider, major mkt dealer adv mgr.

Brands/services by agency of record:

Minority adv

Ad agency: UniWorld Group, New York: Byron Lewis, chmn & ceo; Herb Kemp, president; Fermina Platon, vp, dir-mktg.

■

Lincoln-Mercury

Ad agency: Young & Rubicam, Detroit: Roby Harrington, exec vp, chmn-Y&R USA natl group; John Sanders, president-Y&R Detroit; Greg Stein, sr vp-group dir; Ken Pool, sr vp, dir-media relations & planning; Warren Winstanley, vp-mgmt super, Lincoln luxury; Tim Cooney, vp-mgmt super, Mercury; Colleen K. Cleary, vp-mgmt super, Merkur; Kathleen J. Fieger, sr acct exec; Sandra A. Rowland, Shelley Stowell, acct execs.

Ford Parts & Service Division

Corporate personnel: Joseph A. Kordick, vp-genl mgr; L.R. Miskowski, genl sales & mktg mgr.

Marketing personnel: K.W. Myers, parts & service mktg mgr; L.K. Dwiggins, genl sales & service mgr; A.E. White, adv & sales promo.

Brands/services by agency of record:

Ford parts & service

Ad agency: Ogilvy & Mather, Detroit: Jan Starr, sr vp-genl mgr; Bill Behrmann, sr vp-media dir; Steve Kenety, David Murphy, vps-acct supers; Steve Hamilton, acct exec.

North American Sales Operations
Ford New Holland

Marketing personnel: R.F. Moglia, chmn & ceo; G.A. Cowl, vp-sales & mktg; J.A. Foster, dir-mktg svcs; W.T. Kennedy, vp-N.Amer. sales operations; R.A. Kinder, mgr-comm & sales promo.

Brands/services by agency of record:

Div adv

Ad agency: (In-house): R.A. Kinder, mgr-comm & sales promo; Don Shaw, dir-adv.

Ford Motor Credit Co.

Corporate personnel: D.S. Cook Jr., exec vp-N. American auto financing operations; C.B. Rosenberg, business devel mgr-diversified operations.

Marketing personnel: L.C. Larkin, vp-mktg; R.A. Kaniebes, mktg & business devel mgr; W.E. Beathard, mktg & operations mgr, consumer loan operations.

Brands/services by agency of record:

Ford Motor Credit

Ad agency: Wells, Rich, Greene, New York: N.A. Bodore, mgmt super.

RANK
96

Franklin Mint

Franklin Center, Pa.
ADVERTISING: **$ 86.6** MILLION

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	13,121	7,298	79.8
Business pub	9	25	(64.8)
Magazine	31,733	18,674	69.9
Newsp supp	17,497	9,505	84.1
Network TV	0	3	NA
Spot TV	3,966	2,568	54.4
Network cable	1,295	1,578	(18.0)
Measured	67,620	39,651	70.5
Unmeasured	19,000	11,000	72.7
Total	86,620	50,651	71.0

Franklin Mint is concentrating on what one company official calls a commitment to "supreme quality and design integrity" and its product line is a far cry from the diffused, cluttered cache often associated with that advertising genre.

The Mint still sells its famed Civil War chess sets, but who would have guessed a few years ago that its customers would be spending far more on fine jewelry from former Cartier designer Alfred Durante or crystal from Perrier-Jouet? This is not to mention the $10,000 Russian sable cape modeled by Carol Alt in Mint advertising or the $4,800 solid gold Dutchess of Windsor panther bracelet with ruby eyes.

The Mint's way of selling this now-upscale line of goods depends on direct response, what Mint public relations director Jack Wilkey calls "image-direct advertising. We are always conscious of direct response," he said. "We have to sell now."

One of the Mint's big ad vehicles is its own *Almanac* magazine, a slick publication that spotlights the Mint's wares as well as non-competing products from advertisers who can afford its hefty rate of $25,000 for a four-color page. Leading the charge are Stewart and Lynda Resnick, whose American Protection Industries, a security and luxury products company based in Los Angeles, owns the Franklin Mint. Most print ads are done in-house, with the broadcast work handled by Griffin Bacal, New York. The Franklin Mint features an 800 number, the electronic equivalent of the print coupon, in its broadcast ads.

The Mint reports it is spending $160 million worldwide on advertising, some $105 million of it in the U.S. About half of what is spent in magazines is in newspaper supplements. The advertising for such publications as *Parade* and *USA Weekend* is bought in bulk and on a long-term basis. The Mint is the largest advertiser in newspaper supplements among AA's 200 leading national advertisers.

BAR/LNA multi-media service figures for 1987 listed $54.5 million for domestic advertising, up 70.3% from the prior year. Most of that—$23.2 million—went for the porcelain collection for which Franklin Mint is well-known. Another $20 million was spent on collections or series put out by the Mint. Some $3.8 million was devoted to books and $6.4 million to jewelry, according to BAR/LNA.

Mr. Wilkey said the Mint is now targeting a younger, more upscale audience, emphasizing its endurable "desirables" rather than its collectible series. Part of this has involved using top fashion models like Ms. Alt and Jerry Hall, who recently modeled the new pyramid cuff watch.

None of the products make it into the retail stores, so Franklin Mint is a company whose entire sales and marketing depend on advertising—advertising that gets a quick, positive and direct response.

THE FRANKLIN MINT
U.S. Route 1
Franklin Center, Pa. 19091
(215) 459-6000

Corporate personnel: Stewart Resnick, chmn.

Marketing personnel: Lynda Resnick, exec vp-mktg; Thomas Durovsik, vp-mktg; Kurt Graetzer, vp-adv; Martin Breisblatt, vp-sales; Allan Beer, vp-media; Michael Burgess, vp-media mgmt.

Brands/services by agency of record:

Franklin Mint

Ad agency: Griffin Bacal, New York: Marsha Badanes, mgmt dir; Maurice Mahler, Lois Sandberg, vps-assoc creative dirs.

RANK
92

E&J Gallo Winery

Modesto, Calif.
ADVERTISING: **$ 93.6** MILLION

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	145	323	(55.3)
Magazine	69	5,427	(98.7)
Outdoor	260	896	(71.0)
Network TV	57,777	66,718	(13.4)
Spot TV	4,908	5,337	(8.0)
Network cable	308	138	123.7
Spot radio	136	722	(81.2)
Measured			
Unmeasured	30,000	37,000	(18.9)
Total	93,602	116,561	(19.7)

E&J Gallo Winery appears to be shifting its marketing weight back to its strong sales and distribution forces, after parting company with Hal Riney & Partners, because its total advertising declined 20% in 1987.

Spending was down for four major brands, with declines expected in 1988 for categories such as image spending. "Ernest (Gallo) has begun to doubt the value of the image campaign," said one source. In particular, measured spending dropped 45.6% to $3.1 million for Andre wines; Carlo Rossi spending declined to $231,000 from $2.4 million; spending for E&J Brandy, for which Gallo and Riney had trouble developing a new campaign, decreased to $127,200 from $6.2 million; and Gallo wines declined 22.3% to $26.2 million, according to BAR/LNA.

Once again, the cooler wars dominated the winery's ad budget, with Gallo spending $33.5 million in 1987, up 10.6%. Gallo continues to keep an eye on hot markets and never give the competition an edge. After Miller Brewing Co.'s Matilda Bay, a clear non-carbonated cooler made from Australian wine and fruit flavors, began picking up some market share, and Seagram's tropical flavor experienced some success, Gallo launched its own tropical flavor.

Overall, Gallo continued its stranglehold on the nation's wine business. Its share increased from 26% in 1986 to 30% in 1987, way ahead of nearest competitor, Vintners International at 10.9%.

Gallo's success is particularly significant when placed in perspective with the rest of the industry performance—wine consumption fell one half point last year.

Gallo, however, does not separate itself from the decline in the champagne and sparkling wines category in which industry totals show a drop of 4% in total gallons to 42.5 million consumed in 1987, breaking the 2.5% in annual growth recorded by the category for several years. Sales of Gallo's low-price Andre champagne, although the No. 1 brand, have been eroded by mid-price brands, such as Guild Wineries & Distilleries' Cook's champagne and Freixenet USA's Cordon Negro Brut. In response, Gallo has introduced Tott's champagne, and reportedly has plans for another brand positioned between Tott's and Andre.

At 122 million gallons, wine coolers represented over one-fifth of all wine sold in the U.S. last year. Cooler sales, however, are stagnant and the various brands are beginning to beat up on each other.

Ernest Gallo, chairman and legendary marketing whiz, held the ad community spotlight during the early months of 1987 in his search for a new ad agency. Dozens of agency visited the winery, located in Modesto, Calif. He quickly signed up John Crawford Creative to continue the Bartles & Jaymes campaign in time for the summer cooler season. But only six agencies remained in the running at mid-year for the overall account. They included Levine, Huntley, Schmidt & Beaver/New York, Della Femina, McNamee WCRS/LA, and Dailey & Associates/LA.

E&J GALLO WINERY
600 Yosemite Blvd.
Modesto, Calif. 95353
(209) 579-3111

Corporate personnel: Ernest Gallo, chmn; Julio R. Gallo, president.

Brands/services by agency of record:

E&J Gallo prods

Ad agency: unavailable at time of publication.

RANK
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General Electric Co.

New York
ADVERTISING: **$ 272.6** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	40,515	36,728	10.3
Earnings	2,915	2,492	17.0
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	37,517	33,543	11.8
Operating income	3,705	3,563	4.0
■ ***Division sales***	***1987***	***1986***	***% chg***
Aerospace	5,262	4,318	21.9
Aircraft engines	6,773	5,977	13.3
Consumer prods	5,042	4,654	8.3
Financial svcs	632	585	8.0
Industrial	4,707	4,711	(0.1)
Major appliances	4,721	4,352	8.5
Materials	2,751	2,331	18.0
NBC	3,165	1,817	74.2
Power systems	4,995	5,262	(5.1)
Technical prods	3,670	3,021	21.5
Other	85	774	(89.0)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	22,816	26,987	(15.5)
Business pub	10,936	13,737	(20.4)
Magazine	37,727	36,705	2.8
Newsp supp	962	380	150.8
Outdoor	1,737	1,541	12.7
Network TV	38,356	41,551	(7.7)
Spot TV	8,580	4,848	77.0
Network cable	390	1,186	(67.2)
Network radio	3,091	2,072	49.1
Spot radio	1,022	3,737	(72.7)
Measured	125,607	132,744	(5.[illegible]
Unmeasured	147,000	155,000	(5.2)
Total	272,607	287,744	(5.3)

General Electric's measured advertising expenditures dropped for the second year in a row as the $40 billion company continues the restructuring begun under chairman Jack Welch.

A major element of that restructuring included the December sale to Thomson S.A. of its $3 billion consumer electronics business, largely gained from the purchase of RCA in 1986. The absence of this unit continues to affect GE revenues this year—down 4% to $17.22 billion in the first half of 1988.

GE's strong earnings performance—up 17% in 1987 and up 16% to $1.56 billion in the first six months of 1988—continues to be fueled by strong results from three of GE's 10 divisions: broadcasting, financial services and plastics.

In this report, GE is not credited with 1987 ad spending for RCA consumer products sold in the Thomson deal. Divested RCA business contributed about $26 million in measured spending in 1986.

GE's restructuring is dictated by Mr. Welch's desire to have dominant market shares in the company's respective businesses. If they are not dominant, he sells them.

The strategy has meant hectic activity in 1988, particularly on the acquisition and divestiture front. This June, GE agreed to buy Borg-Warner's plastics division for $2.3 billion. B-W is the largest producer of ABS resins, which are plastics used for computers, appliances and car interiors. GE did not market this product.

To bolster its growing financial services area, GE in March purchased Montgomery Ward's credit card operation for $1 billion, plus the assumption of $1.8 billion in debt.

Also in a hostile takeover battle against Whirlpool Corp., GE purchased in March for $507.6 million Roper Corp., a Benton Harbor, Mich. manufacturer of kitchen ranges and rider lawn mowers. GE has been in the process of upgrading its appliance business, which contributed 11.4% of the company's revenues in 1987. The business is regarded as a big cash generator, allowing GE to invest in other areas. GE spent $19.9 million on major appliances (GE and Hotpoint lines) in 1987, down 28.2% from 1986, according to BAR/LNA.

There have been a few major divestitures in 1988, but none to rival the giant spin-off of GE's consumer electronic division in December 1987. GE sold its consumer electronics business to Thomson, but in the same transaction acquired Thomson's medical equipment division, CGR, which had sales in 1987 of about $800 million.

In 1988, RCA Global Communications was sold for $160 million to MCI Communications. RCA Globcom, as the business is known, is in international telex and

Top 25 spot TV advertisers

Rank	Advertiser	Spot TV expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	PepsiCo Inc.	$271,069	$256,521	5.7	38.5
2	Procter & Gamble Co.	238,049	233,212	2.1	17.2
3	General Mills	137,028	127,099	7.8	23.9
4	McDonald's Corp.	129,010	128,180	0.6	19.9
5	Pillsbury Co.	118,776	125,218	(5.1)	25.1
6	Philip Morris Cos.	111,888	133,724	(16.3)	7.2
7	General Motors Corp.	103,522	49,201	110.4	10.1
8	Anheuser-Busch Cos.	83,767	97,999	(14.5)	13.2
9	Chrysler Corp.	82,836	67,309	23.1	14.6
10	Hyundai Group	76,487	46,144	65.8	46.5
11	Hasbro Inc.	72,148	72,300	(0.2)	53.7
12	Coca-Cola Co.	71,061	82,993	(14.4)	19.5
13	Kraft Inc.	67,914	74,694	(9.1)	16.9
14	Toyota Motor Corp.	66,294	90,292	(26.6)	25.7
15	Kellogg Co.	61,925	47,352	30.8	11.8
16	Unilever N.V.	58,017	57,322	1.2	10.0
17	Time Inc.	55,853	55,054	1.5	28.4
18	Walt Disney Co.	54,402	42,684	27.5	21.8
19	Ford Motor Co.	50,292	55,821	(9.9)	7.9
20	Nestle S.A.	48,924	41,018	19.3	14.4
21	Kroger Co.	44,639	39,743	12.3	38.7
22	Nissan Motor Co. Ltd.	43,593	44,426	(1.9)	24.0
23	IC Industries	43,447	41,756	4.0	25.7
24	Imasco Ltd.	43,346	32,761	32.3	54.0
25	Warner-Lambert Co.	41,682	39,259	6.2	7.5

Source: Broadcast Advertisers Reports as reported in BAR/LNA reports. **Note:** Dollars are in thousands.

high speed data transmission. The NBC radio network and the NBC-owned-and-operated radio stations also have been sold. Radio had been a poor performer for some time at NBC. The o&o stations, which produced cash flow of $11 million and revenues of $51 million in 1983, had dropped to $261,000 cash flow on revenues of $47 million in 1987.

At midyear 1987, NBC sold its network operations to Westwood One Inc., Los Angeles. Then this February, it sold five o&o stations to Indianapolis-based Emmis Broadcasting for $122 million. Stations included WNBC-AM and WYNY-FM, New York; WJIB-FM, Boston; WKQX-FM, Chicago and KYUU-FM, San Francisco. Later, WKYS-FM, Washington, went to Albimar Communications Limited Partnership, Washington, for $45 million. KNBR-AM, San Francisco, NBC's only remaining radio property, is expected to be sold by year's end.

NBC purchased in late 1987 WTVJ-TV, the CBS Miami affiliate. NBC has seven o&o station.

NBC spent $28.9 million advertising itself in 1987, up 14.2% from 1986. Most NBC advertising is in magazines. During a year when the three major networks lost 9% of their viewers, NBC still turned in a strong showing. NBC had an average prime-time 16.1 rating and a 26 share, down from the year before but still strong enough for a first-place finish for the third year in a row among the three networks. NBC continued to rank third in daytime ratings and evening news ratings. In the news division Larry Grossman, news president, was ousted and replaced by newspaper editor Michael Gartner.

The major networks were stymied by a 23-week-long strike by the Writers Guild of America, which froze TV production from March to August, totally disrupting production for the fall season.

NBC was beneficiary of an extremely strong upfront, or advance, sales buying period this summer. The network took in $1.4 billion in total prime-time sales. The three-network marketplace totaled about $3.2 billion, a record.

NBC also announced the formation of a new cable television unit, NBC Cable, to be headed by Tom Rogers. The first project from NBC Cable will be "CNBC," or Consumer News and Business Channel. The cable network channel is slated to premiere early next year.

In sports, NBC lost the Rose Bowl to ABC. But the big event was the Olympics. NBC had closed roughly $550 million in gross sales by late summer. Unlike ABC's Winter games, NBC expects big profits from the telecast of the Seoul games.

The ultimate paean to the RCA name—the RCA Building in New York—was renamed the "GE Building" this year, capping a long and controversial search for new NBC headquarters. NBC had considered moving to Secaucus, N.J., but remained in New York after securing substantial city real estate tax abatements.

GENERAL ELECTRIC CO.
3135 Easton Turnpike
Fairfield, Conn. 06431
(203) 373-2211

Marketing personnel: Richard A. Costello, mgr—corp mktg comm; Barbara J. Parsky, mgr-corp adv; Victor H. Alcott, mgr-GE Appliances adv; Roger R. Waters, mgr-GE Lighting adv; Barton D. Ladd, vp-GE Capital adv.

Brands/services by agency of record:

Brand image
Corp adv
Major appliances
Lighting

Ad agency: BBDO, New York: Dennis Visich, exec vp.

■

GE Capital

Ad agency: Jordan, McGrath, Case & Taylor, New York: Jack Taylor, exec vp.

NBC Entertainment
New York

Marketing personnel: John D. Miller, vp-adv & promo; Tim Miller, vp-adv & promo, east coast; Paul Wang, vp-program & media planning; John Luma, vp-on air promo; Marla Goldstein, dir-media planning, adv & promo; Martha Stanville, vp-affiliate adv & promo svcs; Jenness Brewer, vp-print production.

Brands/services by agency of record:

NBC Entertainment

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles: Jim Helin, mng dir-west coast operations; John Amistad, sr vp-exec creative dir.

RANK
13

General Mills

Minneapolis
ADVERTISING: **$ 572.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1988*	*1987*	*% chg*
Sales	5,179	4,699	10.2
Earnings	265	208	27.4
■ ***Division sales***	***1988***	***1987***	***% chg***
Consumer foods	3,753	3,450	8.8
Restaurants	1,426	1,249	14.2

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	501	705	(29.0)
Business pub	1,398	1,109	26.1
Magazine	19,983	23,066	(13.4)
Newsp supp	207	370	(44.0)
Outdoor	877	334	162.5
Network TV	133,724	130,140	2.8
Spot TV	137,028	127,099	7.8
Network cable	18,582	15,538	19.6
Network radio	2,873	2,967	(3.2)
Spot radio	1,060	3,107	(65.9)
Measured	316,233	304,436	3.9
Unmeasured	256,000	246,000	4.1
Total	572,233	550,436	4.0

General Mills, the nation's No. 2 marketer of ready-to-eat cereal, increased its ad spending only nominally in 1987 as its pound and dollar shares of the $5.3 billion cereal market dipped five-tenths of 1% to 20.7% and 23.6%, respectively.

In May 1988, the company sold its last specialty retail units—Talbots and Eddie Bauer—for a total of $585 million, to focus on its food and restaurant business. Fiscal 1988 revenues for continuing operations rose 10.2% to $5.18 billion and earnings rose a healthy 27.4% to $265.4 million.

Ten-media measured spending in calendar 1987 totaled $316.5 million, basically even with 1986 levels. Adding estimated unmeasured spending of $256 million, which includes all sales promotion and direct marketing, AA projects total 1987 spending of $572.2 million, up slightly from $550.4 million in 1986.

General Mills reports "media advertising" spending for fiscal 1988, ending May 28, of $345.9 million, up a modest 4.8% from fiscal 1987. General Mills also reported spending $100 million more in advertising and promotion than in fiscal 1987. A company spokesman said the increase was a mix of media and sales promotion, mostly for cereal products.

Spending for network and spot TV rose 5.2% in 1987 to $270.8 million, compared to rival Kellogg Co.'s 40% increase in network and spot TV spending to $301 million, according to BAR/LNA.

Timothy Ramey, a food industry analyst for County Securities, New York, said General Mills lost ground to Kellogg, the nation's No. 1 cereal marketer. Mr. Ramey noted General Mills increased its cereal pound volume by 1.2% for the year ending May 1, compared to Kellogg's volume increase of 4.9%.

According to statistics from Wheat First Securities, Richmond, Va., General Mills placed two cereals among the top 10 selling brands in pound and dollar volume—No. 3 Cheerios with 4.6% and 4.9% of market share, respectively, and No. 9 Honey Nut Cheerios, with 2.9% and 3.2% of the market. Cheerios received the most measured spending of any General Mills cereal—$31.4 million in 1987, down from $32.8 million in 1986. Both Honey Nut and regular Cheerios basically split the measured total.

Wheat First s figures, for calendar 1987, showed a widening gap in pound and dollar share between General Mills and Kellogg. Kellogg holds market shares of 42.5% in pounds and 42% in dollars. It markets five of 1987's top 10 cereals. General Mills claims 20.7% and 23.6%.

Cash rich from the sale of Talbots to Japanese retailer JUSCO Co. Ltd. for $325 million and Eddie Bauer to Spiegel Inc. for $260 million, General Mills has budgeted $1.2 billion for capital projects over the next three years. Of that total, $550 million is earmarked for a new cereal plant in Covington, Ga., and expansion of Red Lobster in the U.S. and Canada; $150 million for flour and baking mix businesses and $500 million for "major growth businesses," including the Olive Garden Italian restaurant chain, Yoplait yogurt and Gorton frozen fish products.

Sales of consumer foods, General Mills' largest unit, grew 9% in fiscal 1988 to $3.75 billion, led by Big G cereals and successful new products, including Raisin Nut Bran and Total Oatmeal. Designed to break Quaker Oats' stranglehold on the $500 hot cereal segment, Total Oatmeal commands a 12% dollar share of the instant oatmeal market after its summer 1987 introduction. Total got $4.3 million in measured spending in its first year on the market, compared with Quaker's $11.1 million expenditure for Quaker Instant Oatmeal.

Overall, Big G introduced several ready-to-eat cereals nationally in 1987. Clusters is General Mills offering in the growing adult breakfast cereals. "General Mills is going right after that same niche where Kellogg is," said Mr. Ramey, noting Kellogg's 1987 introduction of Mueslix, a European-style mixture of grains, fruits and nuts and other cereals catering to health-conscious adults. General Mills spent $4.8 million in measured spending on Clusters while Kellogg was backing Mueslix with $7.1 million. Ice Cream Cone cereal received $9.8 million in measured spending in its introductory year, according to BAR/LNA.

Among other General Mills adult cereal offerings, Raisin Nut Bran, drew $8.2 million, about the same as in 1986; Fiber One pulled $4.8 million, down from $5.1 million in 1986; Total received $14.2 million, up 3.6% from 1986; and for its first year on the market, Oatmeal Raisin Crisp cereal received $7 million.

General Mills held a dominant 75% share of the $140 million add-meat dinner segment with its line of Betty Crocker Helper products; an 80% share in the $115 million baking mix segment with Bisquick; a 42% share of the $190 million family flour market with Gold Medal flour, and a 26% share of the $960 million retail frozen fish segment with Gorton's. Gorton's drew $7.9 million in measured spending in 1987, up from $3.9 million in 1986.

The Betty Crocker line drew $46.3 million in 1987, about the same as 1986, according to BAR/LNA. Getting the biggest year-to-year boost were the Betty Crocker Suddenly Salad Mixes, which received only $346,700 in introductory 1986 but $9.1 million in 1987. Betty Crocker Hamburger Helper Dinners continued to receive heavy measured advertising with $8.3 million in 1987, up 19% from the prior year.

General Mills held solid No. 2 market positions in the $1.1 billion yogurt market with Yoplait brand yogurt (17%), up 1% from 1986 and the $362 million microwave popcorn market with Pop Secret (24%). Pop Secret drew $7.8 million in measured advertising, down 24%. Yoplait received $20.3 million, up from $12.5 million in 1986. The major shift in Yoplait was with its soft frozen dessert, a product that drew $4.7 million in 1987 but little in 1986.

In fiscal 1988, General Mills introduced more than 30 Betty Crocker products including a line of MicroRave cake mixes, which the company claims has taken the lead over Pillsbury in market share. In early 1988, General Mills entered the $400 million single-serving, fruit-drink market with Squeezit, a four-flavor line of fruit drinks in squeezable plastic bottles available in West Coast markets.

Restaurant sales grew to a record $1.43 billion in fiscal 1988, paced by the rapidly-expanding Red Lobster chain of seafood restaurants and rollout of the Olive Garden chain. Red Lobster is heavily advertised. In 1987, it drew $47.5 million in measured spending, mostly network and spot TV, a substantial increase over $36.8 million spent on the chain in 1986.

Restaurant profits fell 4% after disappointing performances by Leeann Chin's Chinese and York restaurants. General Mills sold Leeann Chin's to its former owners in early 1988. The future of York's, a chain of 100 self-service restaurants, is being "reassessed," according to a company spokesman.

Red Lobster plans to open 42 new units in East Coast markets and in revamped Seafood Broiler restaurants in California by mid-1989. By that time, Red Lobster International plans to add 10 restaurants in Canada and 15 in Tokyo. The Olive Garden added 40 restaurants during fiscal 1988 and is in 37 markets in 14 states. Fifty new Olive Gardens are slated for fiscal 1989 in established and new markets, including Minneapolis.

General Mills' temporarily suspended in mid-September 1988 its home-delivery concept under test in Minneapolis, called The Order Inn. Management realignment was given as the reason for the suspension, which came a year after General Mills began the service. The service, covering southwest Minneapolis and nearby suburbs, was backed with monthly direct-mailed menus picturing the Inn's refrigerated, microwaveable entrees, sandwiches and other dishes. This July, a :30 TV spot via Grey, New York, was aired.

After the Talbots sale, General Mills no longer works with Hill, Holliday, Connors, Cosmopulos, Boston. And last November, the company shifted the assignment for Fruit Wrinkles, Roll-Ups and Swirl Bars to Saatchi & Saatchi/DFS Compton, New York, from DDB Needham, Chicago, effective March 1. Measured spending for the line of fruit snacks fell 13% to $17.6 million in 1987 amid heavy competition.

Also in 1987, David Waters, president of General Mills' specialty retailing group, left the company before the sale of Talbots and Eddie Bauer.

GENERAL MILLS
9200 Wayzata Blvd.
Minneapolis, Minn. 55440
(612) 540-2311

Corporate personnel: H. Brewster Atwater, chmn-ceo; Mark Willes, president; F. Caleb Blodgett, vice-chmn, cfo; Arthur Schulze, president-grocery prods; Steven M. Rothschild, president-convenience & intl foods; Joe R. Lee, president-General Mills Restaurants; David Murphy, vp-genl mgr, mktg svcs.

Marketing personnel: Robert J. Blake, dir-adv svcs, consumer foods; Hal H. Nitch, dir-media svcs, consumer foods; Lon W. Bencini, dir-media planning, consumer foods; Richard J. Hosfield, mgr-broadcast, print media, consumer foods.

Brands/services by agency of record:

Grocery
Military

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Eric Forslin, vp-acct super.

■

Cinnamon Toast Crunch
Crispy Wheats 'n Raisins
Golden Grahams
Oatmeal Raisin Crisp
S'mores Grahams
Nature Valley prods
Betty Crocker potatoes
Pop Secret
Suddenly Salad
New prods

Ad agency: Campbell-Mithun-Esty, Minneapolis: Madeline Betsch, Howard Liszt, exec vps-client svcs; Don Kvam, vp-mgmt super (Betty Crocker), Mark Jenson, acct super (Betty Crocker); Les Mouser, mgmt super (Nature Valley); Roxann Goertz, acct super (Nature Valley); Rich Rosengren, mgmt super (Big G), Kate Richardson, Roman Paluta, acct supers (Big G).

■

Betty Crocker dessert mixes
Bisquick
New main meals
New instant meals
Bac-Os
Wheaties
Hamburger, Chicken & Tuna Helper
Yoplait yogurt brands
Oriental Classics

Ad agency: DDB Needham Worldwide, Chicago: Alan Alexander, mgmt rep (Betty Crocker, Yoplait); Bob Klein, mgmt rep (Big G); Kirk Borland, group acct dir.

■

Red Lobster Inns
York's Choice
Olive Garden
The Order Inn

Ad agency: Grey Advertising, New York: Stew Hegleman, exec vp-mgmt rep.

■

Gorton fish
Market Fresh

Ad agency: Laurence, Charles, Free & Lawson, New York: Pam Schreiber, acct exec.

■

Food service
Bakery flour

Ad agency: Red Barron Inc., Minnetonka, Minn.: John Justice, mgmt super; Dave Garwood, acct exec.

■

Cheerios
Clusters
Cocoa Puffs
Fiber One
Honey Nut Cheerios
Kix
Lucky Charms
Monsters cereals
Raisin Nut Bran
Total
Total Oatmeal
New prods

Top 25 cable TV advertisers

Rank	Advertiser	Cable TV network expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**Procter & Gamble Co.**	$23,713	$27,597	(14.1)	1.7
2	**Anheuser-Busch Cos.**	22,943	19,487	17.7	3.6
3	**Philip Morris Cos.**	20,522	22,186	(7.5)	1.3
4	**General Mills**	18,582	15,538	19.6	3.2
5	**Time Inc.**	16,412	16,064	2.2	8.3
6	**Mars Inc.**	14,877	17,668	(15.8)	3.9
7	**RJR Nabisco**	14,688	10,105	45.4	1.7
8	**Coca-Cola Co.**	8,766	5,997	46.2	2.4
9	**Thompson Medical Co.**	8,374	1,819	360.3	21.0
10	**Eastman Kodak Co.**	7,989	8,487	(5.9)	1.2
11	**General Motors Corp.**	7,968	7,203	10.6	0.8
12	**Gillette Co.**	7,909	7,738	2.2	7.6
13	**American Home Products Corp.**	7,254	6,821	6.3	1.9
14	**Clorox Co.**	6,894	5,444	26.7	6.8
15	**Chrysler Corp.**	6,684	7,642	(12.5)	1.2
16	**Wm. Wrigley Jr. Co.**	6,680	5,677	17.7	5.9
17	**American Telephone & Telegraph**	6,440	3,191	101.8	1.2
18	**Ford Motor Co.**	6,118	4,748	28.9	1.0
19	**Honda Motor Co. Ltd.**	5,244	5,124	2.3	2.1
20	**Unilever N.V.**	4,865	5,080	(4.2)	0.8
21	**Bristol-Myers Co.**	4,615	5,041	(8.4)	1.3
22	**Canandaigua Wine Co.**	4,581	3,629	26.2	13.1
23	**Kellogg Co.**	4,496	3,072	46.3	0.9
24	**National Rifle Assn. of America**	4,496	2,232	101.4	NA
25	**Wella Corp.**	4,495	1,738	158.6	NA

Source: Broadcast Advertisers Reports as reported by BAR/LNA raports. **Note:** Dollars are in thousands.

Gold Medal flour
Gold Medal whole wheat blend flour
Fruit Roll-Ups
Swirl Bars
Wrinkles

Ad agency: Saatchi & Saatchi DFS Compton, New York: Marion D. Sims, exec mgmt dir; Michael Burns, mgmt supers; Anne Altmaier-Adriance, James Mayer, David Jackson, mgmt supers.

■

Betty Crocker pancake mix
Wheat Hearts hot cereal

Ad agency: Saatchi & Saatchi DFS, San Francisco: Brian Burns, mgmt dir; Charles Skuba, mgmt super.

■

Gorton's seafood-special assignments

Ad agency: Wattenmaker Inc., Cleveland: James S. Wattenmaker, acct mgr.

RANK 3

General Motors Corp.

Detroit

ADVERTISING **$1.0** BILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	101,782	102,814	(1.0)
Earnings	3,551	2,945	20.6
■ *U.S.*	***1987***	***1986***	***% chg***
Sales	86,422	91,343	(5.4)
Operating income	1,702	3,058	(44.3)
■ *Division sales*	***1987***	***1986***	***% chg***
Automotive	89,891	90,864	(1.1)
Non automotive	6,623	7,493	(11.6)
Defense	7,989	7,761	2.9

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	174,889	146,430	19.4
Business pub	9,658	10,256	(5.8)
Magazine	153,985	129,409	19.0
Newsp supp	7,789	8,268	(5.8)
Farm pub	3,355	2,263	48.3
Outdoor	1,998	2,731	(26.8)
Network TV	272,953	233,786	16.8
Spot TV	103,522	49,201	110.4
Network cable	7,968	7,203	10.6
Network radio	18,906	22,212	(14.9)
Spot radio	34,829	35,153	(0.9)
Measured	789,852	646,912	22.1
Unmeasured	235,000	192,000	22.4
Total	1,024,852	838,912	22.2

General Motors Corp. took its lumps in 1987, as market share dropped significantly and earnings trailed archrival Ford Motor Co. for the second straight year.

The ongoing problems are forcing GM to reassess both its goals and its methods. On the marketing side, the big story is the effort to develop distinct images for the five car divisions, a process that could take several more painstaking years. years.

GM's Saturn Corp. subsidiary made big news in May 1988 when it picked Hal Riney & Partners, San Francisco, as its first agency on an account likely to total $130 million. The selection of Riney, known best for its creative work, demonstrated Saturn's determination to break new ground even before its first model debuts in mid-1990.

GM's 1987 U.S. car sales dropped nearly a million units to 3,728,313, a 20.6% decline from the previous year, and its car market share fell from 41% in 1986 to 36.5% in 1987. GM's share of the combined U.S. car-and-light-truck market fell from 39% to 35%. Worldwide vehicle sales of 7,766,000 were down 9% from the previous year.

The decline in U.S. sales was virtually across the board. Chevrolet car sales were off 12.7%, Pontiac fell 17.4%, Oldsmobile dropped 32.6%, Buick plummeted 27.6% and Cadillac fell 14.1%. On the light-truck side, Chevrolet dropped 4.5%, while GMC posted the only gain, going up 2.2%.

GM implemented a number of accounting changes that helped create the improved bottom line in 1987. In addition, GM's non-automotive units provided much of the earnings punch. General Motors Acceptance Corp. contributed $1.5 billion in profit, while Electronic Data Systems added $323 million and GM Hughes Electronics Corp. kicked in $670 million. Those units provided 70% of GM's net earnings in 1987.

To shore up profitability in its core automotive business, GM has signaled it plans to bring inventories under control even if that means accepting market share at roughly its current level.

At a presentation to securities analysts in April 1988, GM officials said they planned to operate plants at 100% capacity by 1992. That would put a cap on market share, since the company wouldn't have the plant capacity to increase production during an upswing.

But in recent years GM has run its plants higher than consumer demand, creating a glut of vehicles on dealer lots and leading to broad consumer lures that have cut into profits. One report estimated GM would spend $3.3 billion on incentives to stimulate sales in 1988, about $600 million more than last year.

Profits did rise in the first half of 1988, to $2.6 billion on sales of $56.34 billion, compared with adjusted 1987 first-half earnings of $2.29 billion on sales of $52.8 billion. Analysts attributed the rise more to the surprisingly robust market than to better profit margins. Domestic makers also did particularly well in early 1988, because the declining dollar drove up prices for imported cars. Worldwide vehicle factory sales during this same half-year period were 4,234,000, up 2% from the same period the year before. In the U.S., GM's total vehicle sales grew 10.3% to 2,914,067 in the first half, and its share of the combined car-and-light-truck market grew from 34.9% to 35.4%.

GM's biggest marketing problem has been its look-alike models, the result of several divisions selling cars with similar styling built on the same platforms. Thus, the mandate to establish distinct marketing brands involves not only advertising changes, but also closer internal ties between marketing and product development teams.

GM's big increase in ad spending in 1987 is attributable to its attempt to stop its market share slide and to establish divisional identities. Spot TV was the biggest single beneficiary, with GM increasing its spending in that medium 110% as divisions became more active in targeting different models for different geographic regions.

Perhaps the most distinct of the GM divisions is Pontiac, which lived up to its "performance" tag in 1988 when its mid-size Grand Prix coupe took *Motor Trend's* "Domestic Car of the Year" award. Performance plays big in its advertising.

Chevrolet's brand mission is to deliver more-than-expected, up-level features for entry-level buyers. GM's largest division has been given the assignment of wooing more women, more young people and more first-time car buyers.

For the 1988 model year, Chevy continued its award-winning "Heartbeat of America" campaign from the year before for both cars and trucks. The division tried to pump more meaning into "Heartbeat" with more emphasis on product information.

A heated Chevrolet-Ford ad battle over pickup trucks led to a series of look-alike TV spots during the 1988 model year. First, Chevy ads showed a Ford truck, sitting on its tailgate alongside its Chevy competitor, toppling over when the Chevy advantages were listed. A retort from Ford showed the Chevy sinking into a hole in the ground, "proving" that "Ford's standing taller than ever." Others followed as Chevy soared from the hole like a rocket.

Buick's mission is to re-establish itself as the "premium American motorcar," with the emphasis on evoking the sort of contemporary classic image that Brooks Brothers has in clothing.

Buick rolled out two new products, with heavy ad backing, for the 1988 model year. First was the mid-size Regal coupe, which was backed by about $25 million in ad spending in the last quarter of 1987, when it was introduced. The two-seater Reatta was introduced in early 1988 with an estimated $10 million campaign, a significant budget for a low-volume car.

Oldsmobile is attempting to position itself as the inheritor of a reputation for technological innovation. The division kept the theme line, "Oldsmobile quality. Feel it," but at the start of the 1988 model year added the secondary theme, "From the engineers at Oldsmobile," in product-oriented ads that departed from the lifestyle orientation of previous years.

The first new product to fit the new Olds positioning was the Cutlass Supreme, and Olds backed the futuristically-styled, mid-size coupe with an estimated $50 million ad sendoff, beginning in February 1988. The campaign stressed the expressive styling and leading-edge engineering.

Cadillac has been given the mission of re-establishing its mark as "an American standard for the world." For the 1988 model year, TV spots showed confident, middle-aged people pursuing activities such as aerobics, polo, sailing and tennis to battle a perception that Cadillac made cars for sedate, older persons.

Cadillac used a comparative approach to tout its new 4.5-liter, V-8 engine, after United States Auto Club tests showed Cadillac models with the engine outperformed U.S. and European luxury car competitors.

GMC Truck continued its ad theme line, "It's not just a truck any more," in an effort to differentiate its trucks from Chevrolet's models by appealing to a more upscale audience.

Two GM divisions tried co-promotions with other major advertisers in bids to attract new prospects to dealerships.

In the spring of 1987, Chevrolet used a promotion with Procter & Gamble Co. to introduce its Corsica and Beretta compact cars and its new full-size pickup truck, a merchandising program touted as the biggest cross-promotional event ever. Chevrolet gave away 750 vehicles worth $9 million in the game, in which paper keys were placed inside 200 million boxes of seven P&G products. The keys had to be taken to a dealership to determine if they were winners.

Oldsmobile gave away 600 new Cutlass Supreme coupes as part of McDonald's Corp. Monopoly game in the second quarter of 1988. Potential winners also had to visit a dealership. Dealers gave mixed reviews to both promotions, saying that the vast majority of people drawn to showrooms were not legitimate buying prospects.

On the personnel front, Robert Stempel succeeded retiring F. James McDonald as president-COO in September 1987. Mr. Stempel, whose background is in engineering, received generally high marks for his activist style in both controlling costs and developing new products.

In other major moves, John Middlebrook moved from VP-sales, service and marketing for Saturn Corp. to become GM's VP in charge of marketing and product planning in January 1988. Shirley Young, formerly president of Grey Advertising's Grey Strategic Marketing, took on the new post of VP-consumer market development at GM on June 1, 1988.

GENERAL MOTORS CORP.
3044 W. Grand Blvd.
Detroit, Mich. 48202
(313) 556-5000

Corporate personnel: J.W. McNulty, vp-pr; G.H. Pruette Jr., dir-public affairs adv; Hugh Wells, mgr-creative svcs; R.T. Beaman, sr staff asst-public affairs adv.

Brands/services by agency of record:

Corp adv

Ad agency: N W Ayer, Detroit: Robert R. Kingsbury, sr vp-mng dir; Ronald N. Prince, sr vp-mgmt super; Randall Schroeder, sr vp-media dir; R.C. Morrison, Deborah Worrell, vp-acct supers; Catherine Teeple, Debra Jacopelli, sr acct execs.

Chevrolet Motor Division
Warren, Mich.

Marketing personnel: R.D. Burger, genl mgr; R.W. Starr, genl sales & svc mgr; M.H. Erdman, genl mktg mgr; O.K. LeBron, Jr., sales mgr-admin; E.K. Roggenkamp, asst genl sales mgr-field; J.M. Kelley, mktg mgr-trucks; S.D. Avoy, mktg mgr-passenger car; Dannielle K. Colliver, mgr-passenger car adv; C.M. Robins, mgr-truck adv; R.J. Kramer, dir-pr.

Brands/services by agency of record:

Chevrolet cars & truck

Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: R.H. Schirmer, exec vp-dir client svcs; Sean K. Fitzpatrick, exec vp, dir-creative svcs; A.J. Hopp, group sr vp, group mgmt super-regional; Jeffrey Seregny, sr vp, group mgmt super, passenger car adv; Frank Fraser, vp, dir-auto mktg; Bradley Tisdale, sr vp, mgmt super-merch (Lintas:Ceco Communications); D.G. Connaughton, sr vp, group mgmt super-truck adv.

Pontiac Motor Division
Pontiac, Mich.

Marketing personnel: J.M. Losh, genl mgr, GM vp; R.A. Dutton, dir-Project 21 implementation; D.A. Hanson, dir-Pontiac mkt & prod planning; K.H. Holbolth, mgr-personnel admin; J.C. Losch, dir-fleet sales; J.D. Murray, dir-mktg; M.A. Grimaldi, div comptroller; D.W. Logie, asst genl sales & svc mgr-dealer customer svcs; E. M. Schlesinger, genl sales & svc mgr; B.L. Warner, chief engineer; H.S. Christie, asst genl sales & svc mgr-central; C.A. Curry, mgr-customer assistance; E.H. Smith, mgr-natl dealer adv; J.J. Orth, mgr-merch; R.W. Hawley, mgr-mktg comm; W.J. O'Neill, dir-pr.

Brands/services by agency of record:

Pontiacs

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Stephen C. Kopcha, exec vp-exec creative dir; John T. Greening, sr vp-dir strategic planning; Charles T. Stannard, sr vp, dir-rsch & mktg; George M. Rogers, sr vp-dir media svcs; Mark Gjovik, sr vp-mgmt super; Mike Valant, vp-group acct super; Art Pepin, acct super; Richard Halladay, sr acct exec; Steve Brown, James Holman, John Miutz, Robert Nicholls, Teresa Reed, Mike Talovich, acct execs; Patricia Brown, acct mgr.

Buick Motor Division
Flint, Mich.

Marketing personnel: E.H. Mertz, vp-genl mgr; R.E. Coletta, genl sales mgr; J.J. Faerber, asst genl sales mgr-southeast; R.J. Adams, asst genl sales mgr-central; W.K. Ramsey, asst genl sales mgr-west; F.H. Dorgin, asst genl sales mgr-northeast; L.D. Robbins, asst genl sales mgr-svc; D.E. Clark, genl mktg mgr; J.W. Qualman, genl dir-adv.

Brands/services by agency of record:

Buicks

Ad agency: McCann-Erickson Worldwide, New York: John J. McNamara, chmn-McCann USA. McCann-Erickson, Troy, Mich.: Gerald C. Atkin, exec vp-genl mgr; James L. Ramsey, sr vp-exec creative dir; W. Brien Schweikart, sr vp-media dir; Jan Wozniak, sr vp, dir-rsch, human resources; Richard A. Hill, sr vp-mgmt rep; Glynn L. Armitage, vp-acct super, adv support; Harold W. Randall, vp-acct super, collateral; Robert Cleary, acct super-natl; Raymond Webb, acct super-regional mktg.

Oldsmobile Division
Lansing, Mich.

Marketing personnel: W.W. Lane, vp, GMC-genl mgr; A.R. Buenz, dir-pr; D.E. Kahti, genl sales & svc mgr; C.E. Strong, asst genl sales & svc mgr; W.E. Christell, genl mktg mgr; R.L. Ross, dir-consumer & field mktg; R.J. Billings, strategic mktg mgr; G.W. Card, adv mgr; J.J. Zubor, dealer mktg mgr.

Brands/services by agency of record:

Oldsmobiles

Ad agency: Leo Burnett Co. of Michigan, Southfield, Mich.: John C. Ryan, exec vp-genl mgr; G. Ted Jordan, sr vp-client svc dir; N.R. Lichtman, vp-acct dir; Joseph P. Henry, vp-media dir; William F. Swink Jr., vp-acct super, merch & promo; Roger W. Bodo, vp-creative dir, Detroit; R.M. Abell, acct dir.

Cadillac Motor Car Division
Detroit, Mich.

Marketing personnel: J.O. Grettenberger, genl mgr; P.R. Gerosa, genl sales & svc mgr; K.W. Pierce, genl dir-admin; C.E. Hendrix, asst genl sales mgr-field; W.R. Lewellen, asst genl sales mgr-svc; Ellie R. Torre, asst genl sales mgr-mktg; P.R. Levin, dir-adv; L.P. Anderson, asst mgr-dealer mktg assoc, east; M.R. LaNeve, asst mgr-shows and exhibits; J.P. Churchvara, asst mgr-dealer mktg assoc, west; F.M. Teach, asst mgr-adv; Sheri J. Perelli, dir-pr.

Brands/services by agency of record:

Cadillacs

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Alexander Morton III, sr vp-mgmt super; George M. Rogers, Jr., sr vp-dir media svcs; John Klinger, vp-group creative dir; John K. Johnson, vp-group acct super; Timothy G. Copacia, acct super.

Saturn Corp.
Troy, Mich.

Marketing personnel: R.G. LeFauve, president; G.D. Briggs, vp-mftg; R.D. Gillum, vp-genl counsel; R.A. Hoalcraft, UAW coordinator; D.W. Hudler, vp-mktg; T.W. Shaver, dir-adv & merch; J.L. Lewandowski, vp-human resources; B.G. MacDonald, vp-corp comm; T.G. Manoff, vp-finance; J.J. Wetzel, vp-engineering.

Tennessee Operations
Spring Hill, Tenn.

Marketing personnel: Laurie Kay, community relations.

Brands/services by agency of record:

Saturn Corp.

Ad agency: Hal Riney & Partners, San Francisco, Calif.: Hal Riney, chmn-ceo.

GMC Truck Division
GM Truck & Bus Group
Pontiac, Mich.

Marketing personnel: Lloyd E. Reuss, exec vp-GMC, head-C-P-C, B-O-C, truck & bus group; E.M. Mutchler, P.J. Coletta, vps-GMC, group dirs; J.D. Rock, genl mgr-GMC truck div; D.A. Brodie, genl sales mgr-GMC truck div; R.A. Rota, asst genl sales mgr; R.M. Lee, dir-mktg; D.C. Huss, dir-pr; Candace M. Robbins, adv & publications mgr, GMC truck div.

Brands/services by agency of record:

GMC Trucks
Bus Group

Ad agency: McCann-Erickson, Troy, Mich.: Gerald C. Atkin, exec vp-genl mgr; Robert F. Gauss, sr vp; Steve Olson, vp-acct super; Martin M. Schemm, acct super; Glenn Sutherland, acct exec; James L. Ramsey, sr vp-exec creative dir; W. Brien Schweikart, sr vp-media dir.

General Motors Parts
Detroit, Mich.

Marketing personnel: J.T. O'Connor, genl sales mgr; E.J. Carey, sales mgr-east; S.D. Segalini, sales mgr-central; E.L. Schreitmueller,

Top 25 network radio advertisers

Rank	Advertiser	Network radio expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	Sears, Roebuck & Co.	$52,701	$47,658	10.6	5.9
2	Warner-Lambert Co.	24,614	22,707	8.4	4.4
3	Procter & Gamble Co.	23,665	14,289	65.6	1.7
4	Anheuser-Busch Cos.	23,456	16,529	41.9	3.7
5	Bayer AG	20,221	16,206	24.8	13.9
6	Ford Motor Co.	19,766	14,871	32.9	3.1
7	General Motors Corp.	18,906	22,212	(14.9)	1.8
8	Tele Disc	15,758	3,172	396.7	99.2
9	American Telephone & Telegraph	15,004	22,552	(33.5)	2.8
10	Campbell Soup Co.	14,763	5,399	173.4	6.4
11	Cotter & Co.	12,488	10,663	17.1	18.1
12	Schering-Plough Corp.	10,641	11,442	(7.0)	4.3
13	U.S. Government	10,124	8,196	23.5	3.3
14	Dow Jones & Co.	8,951	6,708	33.5	20.5
15	Philip Morris Cos.	8,937	7,750	15.3	0.6
16	Unilever N.V.	8,627	6,607	30.6	1.5
17	Mars Inc.	8,569	4,765	79.8	2.3
18	State Farm Mutual Auto. Ins.	8,267	7,036	17.5	21.4
19	Wm. Wrigley Jr. Co.	8,231	2,578	219.3	7.3
20	K mart Corp.	6,824	6,526	4.6	1.1
21	Dow Chemical Co.	6,423	4,621	39.0	4.7
22	Florists Transworld Delivery	6,141	6,385	(3.8)	18.5
23	Whirlpool Corp.	5,786	7,930	(27.0)	7.5
24	International Business Machines	5,434	7,524	(27.8)	2.3
25	Avis Inc.	5,343	NA	NA	10.7

Source: Broadcast Advertisers Reports as reported by BAR/LNA reports. **Note:** Dollars are in thousands.

sales manager-west; K.F. Robinson, adv mgr; Frank Pardo, mktg mgr.

Brands/services by agency of record:

GM parts

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Theodore Teegarden, exec vp-mgmt super; Charles S. Brandt, vp-group acct super; Scott T. Hayes, vp-acct super; Cheryl Morgan, Suzanne Doyle, Barbara Resinicoff, acct execs; John McLintock, acct mgr.

General Motors Acceptance Corp.
Detroit, Mich.

Corporate personnel: J.R. Edman, chmn; G.R. Samardich, vice chmn; R.M. McCarthy, president.

Marketing personnel: W.J. Lovejoy, group vp-mktg; G.G. Fenner, exec vp-operations; C.A. Krauss Jr., vp-public affairs & adv.

Brands/services by agency of record:

GM Acceptance Corp.

Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp-dir client svcs; Sean Fitzpatrick, exec vp-dir creative svcs; John S. Momeyer, group sr vp; John C. Wattles, sr vp.

General Motors Service Parts Operations
Detroit, Mich.

Marketing personnel: A.M. Long, exec-svc & parts operations; R.J. Sherman, genl dir sales & mktg-US; C.S. Wagner, dir-mktg; D.E. Poole, dir-pr.

AC-Delco
Detroit, Mich.

Marketing personnel: A.H. Schwerzel, genl sales mgr, warehouse distributors; G.S. Cashion, genl sales mgr-natl accts; R.L. Korth, sales mgr-warehouse distributors-west; J.M. McKenzie, sales mgr-warehouse distributors-east; C.A. Lamberton, area sales mgr, natl accts-east; P.D. Cody, area sales mgr-natl accts-west; B.J. Snelson, adv mgr; D.J. Smith, mktg mgr.

Brands/services by agency of record:

AC-Delco parts

Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp-dir-client svcs; Sean K. Fitzpatrick, vice chmn-creative dir; Jeffrey A. Jacobs, sr vp-mgmt super; Robert L. Greer, vp-merch, genl accts; Lori K. Megown, acct super; David G. Woodard, acct exec; Ann Manor, vp-super.

GM Corp. Marketing & Product Planning
Detroit, Mich.

Marketing personnel: J.G. Middlebrook, vp-mktg & prod planning; Phillip Guarascio, exec dir-adv svcs; D.J. Teasdale, dir-adv; H.D. Weed, dir-consumer influence analysis; M.A. Browner, genl dir-media operations; M.J. O'Malley, genl dir-strategic merch & mktg programs; D.P. Bolen, asst adv mgr; M.G. Wright, adv super.

Brands/services by agency of record:

Mktg & prod planning

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Theodore T. Teegarden, exec vp-mgmt super; William A. Mara, vp-acct super; Stephen C. Kopcha, exec vp-creative dir.

RANK
85

Gillette Co.

Boston
ADVERTISING: **$ 103.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,167	2,818	12.4
Earnings	230	181	26.9
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	1,166	1,101	5.9
Operating income	193	138	39.3
■ ***Division sales***	***1987***	***1986***	***% chg***
Blades & razors	1,031	903	14.2
Toiletries	926	854	8.4
Writing instruments	320	298	7.4
Braun	703	567	24.0
Oral-B, misc	183	148	23.6

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	57	436	(86.8)
Business pub	96	186	(48.3)
Magazine	10,579	13,394	(21.0)
Newsp supp	0	44	NA
Outdoor	46	35	31.1
Network TV	29,892	39,452	(24.2)
Spot TV	5,512	8,672	(36.4)
Network cable	7,909	7,738	2.2
Network radio	1,399	237	489.6
Spot radio	340	242	40.4
Measured	55,831	70,437	(20.7)
Unmeasured	48,000	61,000	(21.3)
Total	103,831	131,437	(21.0)

Gillette's most talked-about ad this past year was not anything it ran for a product, but an ad it ran touting management's side in a hotly-contested proxy battle.

In early July, a court ruled that Gillette ran a false and misleading ad during the proxy takeover fight with the Coniston Group, a New York investment group. Shareholders this spring voted 52% of Gillette shares to back management against the Coniston bid.

The Coniston Group's effort was the latest is a seemingly endless string of takeover attempts of Gillette over the past two years. In each case, Gillette management successfully fought off the takeover effort, but it has paid a high price in terms of money and effort. The takeover battles, analysts fear, have distracted Gillette from building its product lines by diverting human and financial resources.

Gillette and Coniston settled their dispute out of court in a surprise move early in August. Gillette agreed to pay Coniston $720 million to buy back its stock. In 1986, Gillette cut a similar deal with Ronald Perelman, paying $549 million to buy back his shares. At that time, Gillette management was accused of succumbing to greenmail. This time the $45 per share price which Coniston is receiving is being made available to all shareholders for a limited time.

"Day-to-day operations haven't been affected, nor has the takeover thing affected the advertising," insists Michael Nadelberg, VP/advertising services. He concedes, however, that there have been some strategic changes in the company's advertising and marketing strategy as a result of a reorganization of Gillette which was spurred by the Perelman takeover attempt.

The reorganization, announced in December 1986 and implemented throughout 1987, resulted in the layoff of several thousand employees and a drastic cost-cutting effort.

Advertising budgets have absorbed their share of the cost cutting. Total advertising spending dropped 21% in 1987 to $103.8 million. Measured media spending, as tracked by BAR/LNA, dropped 20.7% to $55.8 million. This is a U.S. figure only.

According to Gillette, its worldwide spending on advertising, including sampling, was $284 million. It also spent $236 million worldwide on sales promotion in 1987, for a total of $520 million. This compares to $263 million in advertising and $211 million in sales promotion in 1986, for a total increase in worldwide advertising and sales expenditures of $46 million. The combined 1987 figure represents 16.4% of sales, a drop of 0.4% from 1986.

Mr. Nadelberg calls the drop in U.S. media advertising "a short-term" phenomenon that can be attributed to a falloff in brand performance, on which spending is based. He expects media spending to increase in 1988.

Network TV absorbed the [illegible]t drop, 24% to $29.9 million in 19[illegible]tinuing a steady downward trend. M[illegible]zines, which enjoyed a boost in 1986, [illegible]l back 21% to $10.6 million. Cable T[illegible], heavily used by Gillette, increased 2.2% to $7.9 million. Mr. Nadelberg warns about reading too much into yearly shifts in spending. "Most media have been affected by the reduction in spending," he said. For a long-term trend, he said, "there is a basic shift to cable" because the company has recognized the value of CATV in reaching its audience.

As part of the reorganization, Gillette established two operating units, Gillette North Atlantic and Gillette International/Diversified Operations, to replace its three existing units. Gillette North Atlantic includes the company's blade and razor, personal care and stationery products businesses in Europe and North America. Gillette International/Diversified Operations is responsible for the same product lines outside Europe and North America and for Braun, Oral-B and Jarfa.

Gillette's North Atlantic group will focus on the company's traditional product development and marketing in what the company regards as mature, slow growth markets. The International/Diversified group will concentrate on expanding the market for Gillette's traditional products into less-developed geographic areas and capitalizing on the growth potential of Gillette's newer, non-traditional business lines.

In line with the reorganization, Gillette sold the S.T. Dupont group which included luxury writing instruments, and the Misco mail-order computer supplies operation. The company is not abandoning the writing instrument business, though, because it picked up Waterman S.A., a French writing instrument company. The company's Paper Mate division has been bolstered by the performance of two new products, the Flexgrip stick pen and the Metal Roller pen.

Gillette also acquired UNISA, a Chilean manufacturer and marketer of cosmetics and skincare products. In early 1988, the company purchased Antica Erboristeria, an Italian toiletries line.

New personal-care products include Right Guard Sport and Dry Idea for Men, two aerosol and stick deodorant/antiperspirants, and Daisy Plus, a disposable razor for women. The company continues to expand the Plus line of shaving products, which feature a lubricating strip above the blade. The Good News disposable razor is the latest product to add the feature.

The company went through a major agency realignment in 1986 with N W Ayer and BBDO Worldwide coming up the big winners. McCann-Erickson, Chiat Day and Hill, Holliday, Connors, Cosmopulos also have pieces of the Gillette account. Since the agency realignment, Griffin Bacal, New York, picked up Oral-B Muppets Toothpaste and McCann-Erickson picked up the Waterman account and some additional overseas toiletries assignments. No agency reviews or further account realignment currently are planned, said Mr. Nadelberg.

HHCC, which handles some Paper Mate products and Liquid Paper, lost the Good News new product toiletries line, which was canned following poor results after two years of tests on the West Coast.

Gillette ended its relationship with Major League Baseball two years ago and continues to sit out most of the baseball season, but the company will be involved in the playoffs and World Series. Gillette also has turned to professional football and professional and collegiate basketball, including the NCAA Final Four and the NBA championships.

Analysts agree that the wave of takeover attempts probably have subsided and the company can concentrate on its product lines again. Certainly middle and top managers are relieved and no longer are qualifying remarks by adding "if I'm here next year."

GILLETTE CO.
Prudential Tower Bldg.
Boston, Mass. 02199
(617) 421-7000

Advertising Service Division

Marketing personnel: Michael Nadelberg, vp; Thomas A. Lux, media dir; John D. Walp, dir-adv production.

Blade & Razor Division

Marketing personnel: Robert Leger, vp-sales; William Flynn, mktg mgr-disposable systems.

Brands/services by agency of record:

Atra line
Trac II line
Good News line
Daisy line
Microtrac

Ad agency: BBDO, New York: Simon Marlow, exec vp-sr mgmt rep; Michael Paxton, sr vp-mgmt rep; Robert McGreevy, vp-acct super.

Personal Care Division

Marketing personnel: John Darman, dir-mktg, haircare; MaryAnn Pesce, dir-mktg, deodorants, anti-perspirants; Carole Johnson, vp-sales.

Brands/services by agency of record:

Dippity-Do
White Rain
Mink Difference
Toni Home Wave
Right Guard
Silkience

Ad agency: N W Ayer, New York: David Gantman, sr vp-exec acct dir; Marcella Rosem, sr vp-media dir.

■

Soft & Dri
Dry Look
Dry Idea
Brush Plus

Ad agency: BBDO, New York: Joe Barrett, exec vp-sr mgmt dir; Arnie Semsky, exec vp-media dir.

■

Oral B
Ultra toothbrush

Ad agency: BBDO, Los Angeles: Terry Bowman, sr vp-mgmt super; Ron Harrison, sr vp-media dir.

■

Aapri
Deep Magic

Ad agency: Hill, Holliday, Conners, Cosmopulos, Boston: Justin Harrington, sr vp-group acct dir; Kathleen Driscoll, vp-mgmt super; Kim Borman, acct exec; Allison Cross, assoc media dir.

■

Muppets toothpaste

Ad agency: Griffin Bacal, New York: Kristin Tartaglia, acct super; Art Heller, exec vp, dir-media svcs.

■

Symmetry

Ad agency: Roz Rubenstein Advertising, New York: Roz Rubenstein, president.

Stationery Products Division

Marketing personnel: Michelle Stacey, mktg dir; Jim Ricci, prod mgr-Liquid Paper, Computer Care, mechanical pencils; Scott Searle, sr prod mgr-stick pens, Eraser Mate II, Flex Grip; Danene Jaffe, prod mgr-Waterman pens.

Brands/services by agency of record:

Paper Mate
Waterman writing instruments

Ad agency: McCann-Erickson, New York: David Weiss, vp, group head-acct dir; David Edelberg, vp-acct super; Dale Seiffer, acct exec; Stan Weinstein, vp-media group dir.

■

Liquid Paper
Computer Care office prods

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston: Justin Harrington, group dir; Kathleen Driscoll, mgmt super; Kim Borman, acct exec; Allison Cross.

RANK
90

Goodyear Tire & Rubber Co.

Akron, Ohio
ADVERTISING: **$ 95.0** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	9,905	9,040	9.6
Earnings	771	124	521.8
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	5,908	5,590	5.7
■ ***Division sales***	***1987***	***1986***	***% chg***
Tires	8,567	7,884	8.7
Industr rubber	1,246	1,136	9.7
Oil & Gas	NA	63	NA
Other	93	60	55.0

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	NA	65	NA
Business pub	1,197	2,310	(48.2)
Magazine	3,781	10,750	(64.8)
Newsp supp	0	125	NA
Farm pub	855	785	8.9
Outdoor	120	438	(72.7)
Network TV	14,150	17,825	(20.6)
Spot TV	14,828	8,225	80.3
Network cable	307	741	(58.6)
Network radio	2,198	8,214	(73.2)
Spot radio	592	494	19.8
Measured	38,027	49,972	(23.9)
Unmeasured	57,000	75,000	(24.0)
Total	95,027	124,972	(24.0)

Goodyear Tire & Rubber Co.'s ad expenditures decreased in 1987 as part of a corporate-wide restructuring program, a move precipitated by a 1986 hostile takeover attempt by Sir James Goldsmith. Fighting off that attempt cost Goodyear more than $620 million.

The animus resulting from its own takeover battle led Goodyear to threaten the removal of its $25 million domestic tire account from J. Walter Thompson if the British-based WPP Group succeeded in its unfriendly takeover of JWT Group, parent of the agency. When WPP succeeded early this year, the bulk of the account was moved to Young & Rubicam.

Goodyear kept only its high-performance tire account with J. Walter Thompson, Detroit. In April, JWT was dealt a further blow when Toronto-based Goodyear Canada shifted its $10 million tire account from JWT to Foster Advertising.

Despite the account switch, Goodyear retained its international "Goodyear, Take Me Home" theme, citing its beneficial impact on passenger car tire sales. At year's end, Goodyear controlled 33% of the domestic tire market.

As part of the restructuring, Goodyear sold its motor wheel division, its aerospace unit and its Arizona resort properties in late 1986 and early 1987, for a combined total of $984 million.

By the end of 1987, Goodyear had further divested Celeron energy subsidiary, selling 6.5% of Celeron's oil and gas reserves to IP Petroleum Co., a subsidiary of International Paper Co., for $70 million, and the remainder of the reserves, as well as all of Celeron's stock, to Exxon for $615 million. The sale of Celeron came hard on the heels of the energy company's completion of a $1 billion California-to-Texas crude oil pipeline.

While selling off those holdings, Goodyear stepped up efforts to increase its share of the auto service market (projected to top $80 billion this year). By offering computer-enhanced services in all of its company-owned locations throughout the U.S. and Canada, as well as at nearly

Top 25 spot radio advertisers

Rank	Advertiser	Spot radio expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	Anheuser-Busch Cos.	$43,550	$50,420	(13.6)	6.9
2	General Motors Corp.	34,829	35,153	(0.9)	3.4
3	Philip Morris Cos.	29,489	4,502	555.0	1.9
4	Sears, Roebuck & Co.	21,211	21,928	(3.3)	2.4
5	PepsiCo Inc.	19,766	22,342	(11.5)	2.8
6	Delta Air Lines	19,671	21,708	(9.4)	18.1
7	Southland Corp.	18,317	19,962	(8.2)	21.3
8	Chrysler Corp.	17,345	21,071	(17.7)	3.0
9	Pillsbury Co.	16,366	18,178	(10.0)	3.5
10	AMR Corp.	16,106	14,390	11.9	10.6
11	Texas Air Corp.	15,604	18,146	(14.0)	12.5
12	Ford Motor Co.	14,861	17,610	(15.6)	2.3
13	Walt Disney Co.	14,770	2,537	482.2	5.9
14	Melville Corp.	13,777	6,407	115.0	28.4
15	BellSouth Corp.	13,291	11,376	16.8	16.2
16	Coca-Cola Co.	13,051	16,608	(21.4)	3.6
17	Bell Atlantic Corp.	11,281	6,542	72.4	8.1
18	Bond Corp. Holdings	10,756	5,880	82.9	21.3
19	Van Munching	10,660	18,670	(42.9)	39.0
20	Adolph Coors Co.	10,073	7,637	31.9	7.0
21	Capital Cities/ABC	9,182	7,982	15.0	14.1
22	U.S. Government	8,844	9,725	(9.1)	2.9
23	RJR Nabisco	8,788	9,286	(5.4)	1.0
24	U.S. West	8,639	6,149	40.5	13.3
25	Geo. A. Hormel & Co.	8,119	11,684	(30.5)	16.5

Source: Radio Expenditure Reports. Note: Dollars are in thousands.

1,000 dealerships, Goodyear intended to improve both the quality of service and the quantity of repeat business.

With increased emphasis on auto service, Goodyear probably will increase ad expenditures for its service centers this year. Due to cost containment measures, last year's figures dropped sharply, down from $9.5 million in 1986 to $4.3 million. To promote its Certified Auto Service program, Goodyear and Akron-based Malone Advertising developed a new print, broadcast and direct-marketing campaign featuring the work of *The New Yorker* cartoonist George Booth.

Overall Goodyear's spending in ten measured media declined from $50 million in 1986 to $38 million, mostly from belt-tightening. The only media in which spending increased appreciably in 1987 was spot TV, up 80% to $14.8 million. The biggest decline was in magazines which plummeted from nearly $11 million in 1986 to $3.8 million in 1987.

However, reduced advertising didn't hurt Goodyear's bottom line. According to Dun & Bradstreet reports on the tire industry, domestic sales rose 8.3% in 1987, while foreign sales rose 4.1%. Those industry-wide increases were reflected in Goodyear's end-of-the-year figures: In total, the company's tire sales increased 9.2%, topping $9.9 billion.

Earlier this year company officials announced plans to build new tire plants in Ontario and South Korea with an eye towards improving radial tire production ca[illegible]. Such moves are in keeping with [illegible]ear chairman Robert E. Mercer's [illegible] that, to compete effectively in the tire [illegible]try, a company has to be a global player. Forced to revamp its diversification plans, Goodyear is now looking to flex its corporate muscles in areas where it has long been a force to reckon with.

GOODYEAR TIRE & RUBBER CO.
1144 E. Market St.
Akron, Ohio 44136
(216) 796-2121

Marketing personnel: James K. DeVoe, vp-mkt planning & rsch; Robert L. Gray, dir-prod adv; Davis M. Jones, dir-retail adv; Ed D. Easley, mgr-creative svcs; James N. Neawedde, mgr-adv, auto tires; Norbert J. Drol, mgr-adv, truck & farm tires; Paul F. Suloff, adv mgr-perf tires; James R. Pascover, adv mgr-retail stores, George S. Drop, mgr-major mkt programs; James T. Manning, mgr-adv, genl prods; William L. Newkirk, vp-pr; Leonard B. Elms, dir-corp image adv.

Brands/services by agency of record:

General prods
Retail adv

Ad agency: Malone Advertising, Akron, Ohio: Robert L. Haverback, vp-mgmt super; Scott Earhart, acct exec; Joseph A. Mazzagotti, vp-gmt super; Donna Hessel, acct exec; Ira Bass, vp-media dir.

■

Eagle brand genl adv
Eagle high-performance tires
Goodyear Wrangler tires
Race enthusiast adv

Ad agency: J. Walter Thompson, USA, Detroit: Richard A. Smith, sr vp-mgmt dir; Austin C. Craig, vp-mgmt super; Pamela Csatari, acct super.

■

Broad mkt tires
Certified Auto Service
Commercial truck tires
Farm tires
Light truck tires

Ad agency: Young & Rubicam, Detroit: Charles Riley, sr vp-group dir; George Bak, vp-mgmt super.

RANK
40

Grand Metropolitan PLC

London, U.K.
ADVERTISING: **$ 231.6** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	8,994	8,341	7.8
Earnings	816	768	6.2
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	2,712	2,469	9.8
Operating income	292	225	30.1
■ *Division sales*	*1987*	*1986*	*% chg*
Consumer prods	1,002	982	2.0
Paddington, Carillon	865	NA	NA
Heublein	845	NA	NA

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	6,234	3,850	61.9
Business pub	519	6	8,841.4
Magazine	50,696	48,707	4.1
Newsp supp	2,703	2,325	16.3
Outdoor	5,696	7,758	(26.6)
Network TV	15,935	24,665	(35.4)
Spot TV	25,790	20,477	25.9
Network cable	1,002	941	6.5
Network radio	0	8	NA
Spot radio	0	320	NA
Measured	108,574	109,055	(0.4)
Unmeasured	123,000	123,000	0.0
Total	231,574	232,055	(0.2)

Grand Metropolitan continues to hone its portfolio of U.S. holdings, while making strategic acquisitions like the $1.3 billion acquisition in 1987 of Heublein and Almaden from RJR Nabisco, and two smaller ones relating to its spirits and pet foods businesses.

At the same time, Grand Met sold its lagging child care, home healthcare and fitness products divisions. Then this year, it announced the sale of its soft drink bottling businesses and proposed the sale of the U.S. based Inter-Continental Hotels.

The U.S. operations of the London conglomerate now include wine and spirits businesses, pet foods and retail eyecare. In fiscal year 1987, ended September 30, 1987, these businesses accounted for $2.7 billion in worldwide sales, or 31.1%, up from 30.5% in 1986. Net income generated from U.S. operations of $292 million, contributed 32.4% of the worldwide total, up from 30% in fiscal 1986.

Grand Metropolitan Inc., Montvale, N.J., includes Alpo Petfoods and Pearle Health Services. Dollar profits of these continuing businesses increased by 23% with Pearle showing a 40% profit growth. Overall profit of the division climbed 15.3% to $107 million, including figures from businesses which have been sold.

International Distillers and Vintners, the international wine and spirits operation of Grand Metropolitan, with offices in Fort Lee, N.J., includes the operations of Paddington Corp., Carillon Importers, Heublein, Almaden Wines and Traditional Beer Importing Co. in the U.S. Worldwide, IDV had sales of close to $2.8 billion. Of that total, Heublein Inc. contributed $845 million in sales and $94 million in profit for the six months it was part of IDV.

The acquisition of Heublein and Almaden adds considerable force to IDV's U.S. marketing effort. The move brings such top-selling brands as Smirnoff, Popov and Finlandia vodka, Black Velvet whiskey and Jose Cuervo tequila. In late 1987, IDV also acquired 16.8% equity interest in Martell. It continues in a battle with Seagram's for the distribution and marketing rights to the cognac.

IDV now markets six of the 33 liquor brands with more than one million cases in U.S. sales, according to market analyst John C. Maxwell Jr. of Wheat First Securities, Richmond, Va.

Two brands, Absolut vodka and Jose Cuervo tequila, showed the largest percentages of growth of the top brands tracked by Mr. Maxwell. What's more, IDV now has a strong position in the few segments of the liquor market which have shown growth—vodka and brandy imports. Its leader is Smirnoff, the No. 2 liquor in the country, with 4.05 million case depletion, up 3.2%. Absolut vodka increased depletions to 1.4 million cases, up 27.3%; Finlandia showed growth of 7.1%. Heublein's Jose Cuervo tequila, possibly spurred on by the popularity of Mexican food, had a 14.9% increase to 1.59 million cases.

Other top-selling IDV brands include Heublein's Black Velvet with 2.075 million cases depleted, up 3% and Paddington's J&B Rare, up 5% to 1.995 million cases.

Heublein's wine business is the fourth largest in the U.S. by sales volume with 28.4 million gallons for a 4.9% market share. It trails E&J Gallo, Vintners International and Canandaigua in that order. Heublein showed a dramatic 39.9% increase over 1986 numbers, and moved up from sixth place. Almaden is ranked sixth with 22.4 million gallons in consumption, and a 3.9% market share. This represents a 7.8% decrease from 1986 levels of 24.3 million gallons and a 4.2% market share.

The biggest spender of the IDV brands was Heublein's Smirnoff vodka with $8.2 million in measured spending as charted by BAR/LNA. This is 16.4% above RJR's spending in 1986. Paddington's J&B scotch was second with $7.6 million, up 44%; following by Carillon's Absolut vodka with $6 million, up 30.7% and Grand Marnier up 36% to $5.1 million.

Tequila was promoted with $4.1 million in spending for Cuervo Especial, up 80%, and $4.2 million for Jose Cuervo, up 14%. Spending declined 16.6% on Baileys Irish Cream to $4.1 million.

Wine spending was topped by Almaden with $1.7 million in measured media; followed by Lancers with $1.2 million and Inglenook with $633,000.

In 1987, Paddington spread its advertising accounts among a stable of small shops. The big winner was Berenter, Greenhouse & Webster, which was awarded Baileys Original Irish Cream and Malibu rum liqueur. Rumple Minz peppermint schnapps went to Geer, Dubois.

Alpo, the share leader in canned dog food, showed strong increases in 1986, according to figures from Mr. Maxwell. Alpo canned dog food outdistanced the competition with $245 million in sales, up 6.5%, ahead of second place Kal Kan with $140 million. Alpo canned puppy food was 14th in sales with $8.2 million followed by the newly-acquired Blue Mountain with $8 million. Alpo's dry dog food is 4th in sales with $102 million, far behind leader Ralston-Purina's Dog Chow at $250 million and Puppy Chow and Gaines' Gravy Train.

The 1987 measured ad spending for all Alpo brands dropped by 30.6% to a total of $16.8 million. Spending increased slightly for Alpo canned food up 3% to $6.7 million, while spending for canned & dry puppy food dropped 40% to $3.1 million.

To help boost Alpo's national support, Grand Metropolitan purchased Jim Dandy, a popular brand of dog food in the Southeastern U.S., for $25 million from Savannah Foods & Industries.

Spending in support of Pearle Vision Centers rose 9% to $18 million. Further ad hikes were expected for 1988, bringing the division's media spending to $25 million. Pearle holds 4.4% of the $11.2 billion optical market, and 16% share of the chain-store category.

In July 1988, Grand Metropolitan announced that it had sold its soft drink bottling businesses, Pepsi-Cola San Joaquin Bottling Co. of Fresno, Calif. and Atlantic Soft Drink Co., Columbia, S.C. because it did not own the brand and could not direct its place in the market. One month later, it said that negotiations were under way to sell its 100-hotel Inter-Continental Hotels Corp. which has increased dramatically in value in the last few years, according to Grand Metropolitan. The chain was recently valued at $1.96 billion. Offers from several buyers were being considered as the company said it wanted to use proceeds from the sale to pursue core businesses of drinks, food and retailing.

GRAND METROPOLITAN P.L.C.
11-12 Hanover Square
London W1A 1DP

Grand Metropolitan
100 Paragon Dr.
Montvale, N.J. 07645
(201) 573-4000

Corporate personnel: Ian A. Martin, chmn; P.S. Walsh, exec vp-cfo; J.H. Chandler, exec vp-legal, personnel, external affairs; J.H. Gross Sr., vp-legal & secretary; R.C. Mitchell, vp-corp finance & treasurer; M.E. Carroll, vp-external affairs; Joseph Pollack, vp-taxes; P.E. Phillips Jr., controller.

Alpo Pet Foods
Allentown, Pa.

Corporate personnel: Joe Sestack, ceo; Frank W. Krum, president-coo; Jack Foley, sr vp; Jim Schmoyer, sr vp-operations; Willard Cressman, vp-finance admin.

Marketing personnel: Robert Beckwith, vp-sales; Katherine Hillman, vp-mktg; Bart Campbell, dir-comm & pr.

Brands/services by agency of record:

Alpo canned & dry food
Alpo Jerky Bits
Alpo puppy food
Alpo Snaps treats
Beef Bites treats
Bi-ta dog biscuits
Tabby

Ad agency: Weightman Inc., Philadelphia: John Goodchild, president; Mark Plamondon, sr acct super; Neil Harrison, sr vp-media; Ray Dundas, vp-assoc media dir.

Pearle Health Services
Dallas, Texas

Marketing personnel: Howard Stanworth, president-ceo; Joe Dono, vp-mktg.

Brands/services by agency of record:

Pearle Vision Centers

Ad agency: Foote, Cone & Belding, Chicago: Joan Black, sr vp-group acct dir; Bob Kubis, acct dir.

International Distillers and Vintners
Paddington Corp.
Fort Lee, N.J.

Corporate personnel: Peter Thompson, president-ceo.

Marketing personnel: Roger Stone, sr vp-mktg; Joe McKenna, vp-pr; Robert Green, sr vp-sales; Kevin McHugh, vp-sales eastern region; Paul Tynan, brand mgr-Baileys Original Irish Cream; David Margolis, brand mgr-J&B; Maury Maniff, group mgr, dir-Cinzano, Malibu; Sandra Dees, brand mgr-Amaretto di Saronno; Tony Foglio, genl mgr.

Brands/services by agency of record:

Asti Spumanti wines
Baileys Original Irish Cream liqueur
Cinzano vermouth
Sambuca Romana

Ad agency: Berentner, Greenhouse & Webster, New York: Bill Berentner, chmn; Martin Greenhouse, exec vp; Barrie Webster, president; Ted Pulton, vp-mgmt super.

■

Amaretto di Saronno
Malibu rum
Rumple Minze schnapps

Ad agency: Geer, DuBois, New York: Dave Eastbrook, vp-mgmt super; Robert Rosengarten, vp-acct super; Dawn Dresher, sr acct exec; Joyce Sliwa, sr vp-media dir.

■

J&B rare scotch
Knockando scotch

Ad agency: Grace & Rothschild, New York: Gordon Sleeper, genl mgr; Tom White, mgmt super; Gene Wilhoft, dir-media svcs.

Carillon Importers
Teaneck, N.J.

Corporate personnel: Michel Roux, president-ceo; Jerry Ciraulo, vp-finance, admin.

Marketing personnel: Dick McEvoy, vp-mktg & sales; John Aletano, natl sales mgr; Ernie Capria, mgr-mktg svcs; Pamela Taylor, mgr-pr.

Brands/services by agency of record:

Absolut Peppar
Absolut vodka
Bombay gin
Champagne Devonage
Cremant Rose
Fernet Blanca
Grand Marnier
La Grand Passon
O'Kir
O'Mint mineral water
Piat D'Or wine

Ad agency: TBWA Advertising, New York: William Tragos, chmn & ceo; Richard Costello, president; Richard Lewis, Brian Barry, vps-mgmt supers; Claude Fromm, sr vp-media dir; Reatha Braxton, vp-media super; Page Murray, Darren Finnie, acct execs.

Traditional Beer Importing Co.
Fort Lee, N.J.

Corporate personnel: John Sewald, genl mgr.

Heublein Inc.
Farmington, Conn.

Corporate personnel: John A. Powers, chmn; Robert M. Furek, president & ceo; G.T. Eisenberg, exec vp-sales & mktg.

Marketing personnel: Rouben V. Chakalian, sr vp-fine wines; David G. Eickholt, vp-mktg svcs; William F. Engster, president-International Vintage Wines Co.; Edward Gaultieri, vp-spirits mktg; John J. Kucich, chmn & ceo, all brand importers; Justin Parks, mktg dir-Palace Brands Co.; Erik J. Pierce, vp-pr; G. William Seawright, sr vp-intl; Charles Trynor, vp-wines mktg; Charles Wheeler, dir-adv svcs.

Brands/services by agency of record:

Foster's Lager

Ad agency: AC&R/DHB&Bess, Los Angeles: Bill Isenberger, acct mgr; Ka[illegible]lene King, acct super.

■

Hispanic adv
Smirnoff vodka

Ad agency: Castor Spanish International, New York: Castor A. Fernandez, president-creative dir.

■

Pernod

Ad agency: D'Arcy Masius Benton & Bowles, New York: Dan Cole, acct super.

■

Beaulieu Vineyards

Ad agency: Lowe Marschalk, New York: Bob Glassman, acct super.

■

Almaden wines
Black Velvet Canadian whiskey
Clausthaler non-alcoholic malt beverage
Dos Equis beer
Moosehead Canadian lager
Piper-Heidsieck Champagne
Smirnoff vodka, genl & intl adv
The Famous Grouse scotch whisky
Viking Fjord vodka
Yukon Jack Canadian liqueur

Ad agency: McCann-Erickson, New York: Pat Quagliano, acct super.

■

Smirnoff vodka, black adv

Ad agency: UniWorld Group, New York: Byron Lewis, ceo.

■

Arrow Cordials
Club cocktails
Finlandia vodka
Heublein cocktails
Inglenook-Napa Valley wines

Inglenook Navalle wines
Jose Cuervo tequila
Lancers wine
Mouton Cadet wines
Tropic Freezer cocktails
Truffles Liqueur du Chocolat

Ad agency: Young & Rubicam, New York: Bernedette Murray, acct super; Ed Daley, acct super-Jose Cuervo, tequila.

RANK
91

Hallmark Cards

Kansas City, Mo
ADVERTISING **$ 93.9** MILLION

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	7.897	1.594	395.3
Business pub	NA	37	NA
Magazine	3.753	2.174	72.6
Newsp supp	2.618	1.335	96.1
Outdoor	3	0	1.400.0
Network TV	36.230	27.434	32.1
Spot TV	1.608	2.420	(33.5)
Network cable	77	0	NA
Network radio	1.300	782	66.3
Spot radio	2.426	255	851.0
Measured	55.913	36.032	55.2
Unmeasured	38.000	25.000	52.0
Total	93.913	61.032	53.9

Hallmark Cards continues to broaden its traditional product lines to include more gifts, and to build its interests in Spanish-language television.

The privately-held company is the world's largest greeting card maker, with a market share of more than 40% of the $3.6 billion industry through its Hallmark and Ambassador card lines. American Greetings, Cleveland, follows with around 30%, and Gibson Greetings, Cincinnati, has about 10%.

Hallmark now reaches 83% of all U.S. Hispanic households through its 1988 acquisition of 10 Hispanic TV stations from Univision, the largest domestic Spanish-language TV network.

Ranked 38th on the Fortune 500 list of privately-held companies, Hallmark continues to extend its product lines and distribution channels, including its growing relationship with Sanrio, Japan's leading producer of greeting cards and gift wrap.

Hallmark serves more than 21,000 retail outlets in the U.S., including department and specialty stores, with 150 of its own outlets.

Hallmark increased its advertising spending in 1987, boosting its budget 33%. The company spent $45.5 million in measured advertising, more than $25 million of that backing its cards, according to BAR/LNA.

Hallmark's fight with competitor Blue Mountain Arts, Boulder, Colo., has picked up steam. Blue Mountain, maker of the Susan Polis Schultz line of poetic greeting cards, in 1986 gained an injunction against Hallmark, preventing it from copying its cards. Hallmark appealed, but the injunction was upheld in May 1988 by the U.S. Court of Appeals. In August, Hallmark petitioned the U.S. Supreme Court to review the injunction.

In order to enhance sales of its Ambassador greeting cards line, which is sold mainly through grocery store and mass merchandising chains, Hallmark in 1988 rolled out a new display system called Colorscan, which groups cards according to color codes.

Hallmark sold its jewelry subsidiary, Trifari, Krussman & Fishel, based in East Providence, R.I., to Crystal Brands Inc., of Southport, Conn., but it extended several other lines.

Hallmark widened its line of cards called "The Best Years," to national distribution in 1988, targeting people over 55 years old.

It also expanded its line of school supplies and accessories called Color Gear, aimed at teenagers and bought a 6.2% stake in Stuart Hall Co., Kansas City, Mo., in the same category.

In 1988, Hallmark introduced the first miniature versions of its popular line of Keepsake Collectors Christmas tree ornaments, with 30 designs.

HALLMARK CARDS
2501 McGee
P.O. Box 580
Kansas City, Mo. 64141
(816) 274-5111

Corporate personnel: Donald J. Hall, chmn; David H. Hughes, vice-chmn; Irvine O. Hockaday Jr., president-ceo; Robert L. Stark, exec vp.

Marketing personnel: Thomas H. Johnston, group vp-Hallmark brand; Robert Firnhaber, group vp-Ambassador brand; Lanny Julian, Hallmark vp-sales; Homer Evans, Hallmark vp-greeting card prods div; Buddy Jones, Hallmark vp-specialty prods; Donald Fletcher, div vp-Ambassador prod devel; Brad Moore, div vp-adv & promo; Ira Stolzer, mgr-natl & retail adv; Jim Welch, mgr-consumer promo.

Hallmark Division

Corporate personnel: Donna Kelly, vp-genl mgr-Hallmark properties; Charles W. Hucker, div vp- public affairs & comm.

Brands/services by agency of record:

Hallmark & Ambassador natl adv

Ad agency: Ogilvy & Mather, New York: Mike Vaughn, sr vp-group dir; Linda Cornelius, sr vp-mgmt super; Harold Sogard, vp-acct super; Steve Cipolla, Joanne Munoz, acct execs.

■

Hallmark local retail adv

Ad agency: Valentine-Radford, Kansas City, Mo.: Charles Curtis, sr vp-client svs; Greg Kirsch, vp-acct super; Michael St. Pierre, acct super.

Binney & [illegible]
Easton, [illegible]

Corporate personnel: [illegible]ard S. Gurin, president-ceo; Steve Yanklowitz, vp-genl mgr, Crayola prod div.

Brands/services by agency of record:

Binney & Smith

Ad agency: Avrett, Free & Ginsberg, New York: Stu Cowan, mgmt super; Larry Riegel, group acct dir; Allison Bailey, acct super.

Univision Holdings
New York

Corporate personnel: William Grimes, president-ceo.

Univision
New York

Corporate personnel: Joaquin Blaya, president.

Brands/services by agency of record:

Univision

Ad agency: Alan Spess & Associates, Miami, Fla.: Alan Spess, president.

RANK
67

Hasbro Inc.

Pawtucket, R.I.
ADVERTISING **$ 134.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	1.345	1.345	0.0
Earnings	48	99	(51.4)
■ U.S.	1987	1986	% chg
Sales	933	978	(4.6)
Operating income	72	148	(51.6)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1	0	NA
Business pub	46	51	(9.1)
Magazine	5.970	4.197	42.2
Newsp supp	0	34	NA
Network TV	26.697	28.899	(7.6)
Spot TV	72.148	72.300	(0.2)
Network cable	2.445	2.972	(17.7)
Spot radio	0	59	NA
Measured	107.308	108.511	(1.1)
Unmeasured	27.000	27.000	0.0
Total	134.308	135.511	(0.9)

Hasbro Inc. kept squeezing out profits in 1987 from its long list of standby toys and a few new winners during a major drought in the toy industry that has been void of any megahits.

Across the board, toy sales in the $13 billion industry remained flat for the second year in a row. And several companies that were riding high during the toy boom of the early 1980s—including West Hartford, Conn.-based Coleco and Worlds of Wonder, Fremont, Calif.—are fighting off bankruptcy.

Hasbro has survived the sluggish period by avoiding the risky promotional and electronic toys that crippled many of its competitors, and relying largely on proven basics and board games.

Hasbro's earnings suffered early in 1987, and as a result, the company underwent some minor restructuring in which a few top executives received additional assignments within the company. Some factories that were gained in earlier acquisitions also were shut down.

In early 1988 Hasbro Toys consolidated its advertising at Griffin Bacal, New York, ending a two-year relationship with DDB Needham, Chicago, which had handled $20 million of billings for Hasbro and Milton Bradley. Hasbro's measured spending has not changed much in the past two years, and the company expects the same for 1988.

The company, which consists of the Hasbro Toys and Playskool Inc. divisions, both based in Pawtucket, R.I., and the Springfield, Mass.-based Milton Bradley division, moved decisively in 1988 to discontinue certain lines that weren't selling well.

Getting axed was Jem, the pink-haired fashion rock star doll Hasbro launched in 1986 with an $8 million ad budget, along with her own animated TV show. The company updated Jem in 1987, spending $4.5 million to advertise her, but eventually decided to dump her in 1988 in favor of a new doll named Maxie, modeled after a blonde California teenager.

Maxie is the same size as competitor Mattel's Barbie doll, which continues to lead the doll market by a wide margin. Hasbro is spending $8 million to advertise Maxie in 1988, along with her three friends, her boyfriend Rob and dozens of accessories.

Hasbro also pulled away from its Air Raiders line in 1988, which it advertised with $2.5 million, and it backed off from the Moondreamers doll line, which it had promoted with $3.5 million in measured spending in 1987.

In general, Hasbro played it safe in 1987, by only spending heavily on its proven winners.

While other new entries stagnated, Hasbro's G.I. Joe was once again one of the country's top-selling toys in 1987, supported by more than $9 million in measured advertising. Hasbro also put $7.8 million toward Transformers and $7.7 toward My Little Pony.

Pogo Bal, which Hasbro spent $4.4 million advertising, turned out to be a surprisingly strong toy throughout 1987 and 1988.

Other new products from Hasbro in 1988 include a new line of boys' action figures called C.O.P.S., which is accompanied by an animated TV show; Fazz jewelry and makeup; the Body Rap portable sound and rhythm system and a line of plush toys tied to the movie "Who Framed Roger Rabbit?" that sold briskly.

Hasbro is expected to introduce an interactive video game in 1989, codenamed NEMO by the industry, and expected to retail for around $200.

Both Playskool and Milton Bradley turned in the strongest sales results for the company in 1987, with Milton Bradley leading all other game and puzzle makers with a 29% increase in domestic sales volume.

Milton Bradley's measured ad total in 1987 was $30 million, with just over $1 million allocated toward most board games.

For "A Question of Scruples," its adult board game, Milton Bradley spent $4.2 million in 1987 and launched a children's version of the game in 1988.

Other new games from Milton Bradley in 1988 include Tuba Ruba, a skill and action game slightly resembling Twister; Groove Tube action game and Liars Dice, a family game.

Banking on the solid sales of video games, Milton Bradley also joined other toy makers in licensing three games for the Nintendo Entertainment System, which proved successful.

Playskool received $29 million in measured media, of which $4 million went toward its Pipeworks building system for preschoolers, and $3 million was spent promoting its popular Definitely Dinosaurs line. The Playskool division also put more effort into its child development products in 1987, introducing the Nursa disposable baby bottle system, which received little advertising.

Other new products from Playskool in 1988 include the Nosy Bears plush line; Dolly Surprise, whose hair grows; the Playsounds Sink & Stove Kitchen Set and the Sleepy Sounds baby monitoring system.

The Playskool division has profited from overall growth in the market for infant and preschool toys and products, placing it in direct competition with Quaker Oats' Fisher-Price unit, which dominates that market.

HASBRO INC.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000

Marketing personnel: Stephen A. Schwartz, exec vp-mktg; Alfred C. Carosi Jr., sr vp-mktg svcs; Wayne Charness, assoc vp-pr; John A. Gildea, assoc vp-mktg svcs; Deborah Boyd, assoc vp-media svcs; Walter Baric, dir-mktg rsch; Ellen Franklin, dir-corp. shows & exhibits.

Hasbro Toy Division

Marketing personnel: Neil Friedman vp-mktg, boys' toys; Maurene Souza, vp-girls' toys.

Playskool Division

Marketing personnel: Sharon Hartley, vp-Playskool Preschool; Kirk Bozigian, sr mktg dir-Playskool Baby.

Milton Bradley Division

Marketing personnel: Lawrence I. Bernstein, sr vp-mktg; George Merritt, vp-adv & pr.

Brands/services by agency of record:

Hasbro
Milton Bradley
Playskool

Ad agency: Griffin Bacal, New York: Tom Griffin, president; Joe Bacal, chmn, dir-creative svcs; Paul Kurnit, exec vp-client svcs; Leonard Leokum, exec vp-creative dir; Art Heller, exec vp, dir-media programming and mktg svcs; Loretta Volpe, sr vp, dir-media programming & mktg svcs; Marsha Badanes, sr vp, group dir-Playskool; Bob Horne, sr vp, group dir-MB Boys'& girls' toys; Hildy Travis, vp-media, boys' & girls' toys; Alysia Dworin, vp-media, Playskool; Heidi Kahme, vp-media buying; David Biebelberg, vp-mgmt super, boys' toys; Janice Figueroa, vp-mgmt super, girls' toys; Arnie Berger vp-mgmt super, MB.

■

Print adv-Hasbro

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Ad agency: Kornhauser & Calene, New York: Larry Nunno, sr vp-acct exec; Deyna Vesey, sr vp-creative dir.

■

Licensing

Ad agency: Rossin Greenberg Seronick & Hill, Boston: Brendan Collins, mgmt super.

■

Special project adv

Ad agency: Goodby, Berlin & Silverstein, San Francisco: Jeff Goodby, Andy Berlin, Rich Silverstein, principals.

RANK

38

H.J. Heinz Co.

Pittsburgh

ADVERTISING **$ 245.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	5,244	4,639	13.0
Earnings	386	338	14.2
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	3,053	2,781	9.8

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,252	421	197.5
Business pub	3,265	1,136	187.5
Magazine	18,375	16,113	14.0
Newsp supp	778	24	3,155.6
Outdoor	18	23	(21.6)
Network TV	46,549	42,440	9.7
Spot TV	25,541	25,844	(1.2)
Network cable	2,128	681	212.5
Network radio	69	2	2,758.3
Spot radio	290	891	(67.4)
Measured	98,264	87,574	12.2
Unmeasured	147,000	131,000	12.2
Total	245,264	218,574	12.2

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H.J. Heinz's bought instant market share in the canned dog-food market in 1987 with the acquisition of three pet-food producers.

Acquisitions during 1987 included Campbell Soup Co.'s Champion Valley Farms (Recipe dog food), California Home Brands (Skippy, Sturdy and Vets dog food, plus Petuna cat food) and Mavar Products Co. (Kozy Kritter and Kozy Kitten).

Already the market leader in cat foods, the acquisitions helped Heinz's Star-Kist division leap to No. 3 in the $800 million canned dog-food market, going from nil to 15% share, according to John McMillin, an analyst with Prudential Bache Securities. Alpo Pet Foods is the canned dog-food market leader with a 23% share; Mars Inc.'s Kal Kan holds 19%.

Heinz plans to concentrate on premium and super-premium canned dog food with no designs on dominating the dry dog food segment. Case in point is the $25 million media budget scheduled to support the new Reward superpremium canned dog food brand which was in test in July 1988.

Not all the company's recent acquisitions worked out as well as its pet-food maneuvers. Heinz' purchase of Bumble Bee Seafoods in February for an estimated $200 million was challenged by the U.S. Justice Department on anti-trust grounds and Heinz terminated the agreement in July through a sale to Pillsbury. Bumble Bee, with a 20% share, would have given Heinz virtual dominance in the market where its Star-Kist brand already holds a 36% share.

A novel acquisition for the company was McLean, Va.-based Friteco Inc., (renamed Ore Ida Vended Products Inc.) a research company developing a french fry vending machine. The device, undergoing a two- to three-year test, cooks fries in 35 seconds and is equipped with a dispenser for single-serve Heinz Ketchup.

Meanwhile, Heinz Ketchup (regular and light combined) holds 56% of the retail ketchup market, Mr. McMillin said, compared to 55% for last year. Hunt's claims 16% and Del Monte, 10%. Heinz also owns 55% of the food service segment. Heinz spent $11.2 million on ketchup in 1987, the most for any single product.

New products for Heinz USA include room service-size ketchup, a 2¼-ounce glass bottle designed for hoteliers; Horseradish Sauce (a revitalization of Henry J. Heinz' first product 119 years ago); three new varieties of Heinz relish (which hit the No. 1 spot for the first time); an eight-variety line of Old Fashioned Pickles; tartar sauce and five strained yogurts for babies.

Weight Watchers, ranking second in profitability only to ketchup at the company, added a nine-flavor line of a la Francais yogurt, two frozen novelties (Chocolate Mousse on a Stick and Chocolate Dip Bar), an eight-flavor Grand Collection of ice milk, Mexican frozen entrees and 12 products to the Central Location Line. New products generated nearly 15% of Weight Watchers frozen foods sales. Its frozen dishes hold an 8% share of that market and frozen sweet goods, 10%, Mr. McMillin said.

In the low-calorie prepared frozen dinner category, Weight Watchers holds an estimated 30% market share, compared with 40% for market leader, Lean Cuisine, from Nestle's Stouffers Corp. The market, however, is heating up with new entries from ConAgra and Kraft.

Weight Watchers pulled $30.9 million in measured ad spending in 1987, Heinz's largest ad category, according to BAR/LNA. This was down from $33.7 million in 1986, however.

Weight Watchers International replaced its popular Quick Start program with the Quick Success Program, featuring faster weight loss and simplified program materials. Enrollments are 30% higher than last year; North American meetings increased 11% and European locations rose 4%. Cardio-Fitness Corp. opened three new centers, including one in a Chicago hotel.

Inspired by the success of 1987's Toaster Hash Browns, Ore-Ida expanded distribution to the entire U.S. and added onion and Western-flavored varieties. The foodservice area introduced Crispy Bakes, fried potatoes designed for oven preparation in schools. Ore-Ida boasts a 56% market share of frozen potatoes, and a nationwide decline of sales in that arena seems to be reversing; Aunt Jemima follows with 2%.

Heinz spent $9.3 million on the Ore-Ida line, up from $5.5 million in 1986. The difference between the two years largely related to the geographic expansion and ''initial'' media spending for: Hash Browns ($2.2 million in 1987); microwaveable fries ($1.2 million) and frozen tater tots ($2.3 million).

Even though dogs dominated the headlines, felines were not forgotten as Star-Kist's 9 Lives developed Finicky Bits treats, which company officials may took 21% of the $32 million cat treats category; Quaker Oats' Puss & Boots Pounce pulls in 64%, and Beatrice's Bonkers 27%. Additional varieties and sizes of Jerky Treats and Meaty Bone arrived for dogs.

The 9 Lives and Amore brands combined for a 30% share of the canned cat food market (up from 28% last year); Kozy Kitten and Petuna add another 3%. Kal Kan has 19% of the wet category; Nestles' Carnation's Friskies, 14%. Nine Lives semi-moist product rates a 15% share of that segment; Ralston Purina's Tender Vittles takes 47% and its Happy Cat 25%. Nine Lives dry manages only 8% of that market.

Total measured advertising in 11 monitored media was up 12.2% to $98.3 million, with almost half that amount—$46.5 million—budgeted for network TV; that was up 9.7% from 1986. Spot TV garnered over a fourth of the total—$25.5 million, approximately the same figure as last year. Cable TV spending more than tripled, to $2.1 million, and newspaper expenditures were almost three times as much at $1.3 million. Magazine advertising rose 14% to $18.4 million.

Heinz Ketchup amassed the largest allotment of advertising dollars, $11.2 million, up $27.2%. Total spending for Weight Watchers fell 8.4%, with Weight Watchers Frozen meals, the largest single expenditure in that brand, dropping 20.9% to $9 million. Spending on Weight Watchers International, however, increased 12.8% to $8.3 million.

Nine Lives canned cat food advertising was up 17.6% to $6.1 million, and the advent of the presidential elections brought Morris the Cat into the national limelight with advertising based on his candidacy for the country's highest office. His finicky image is being reworked, with a new TV spot due out by year's end. Spending on Amore was down 26.4% to $4.6 million.

Chico-San rice cakes, an exception to the TV advertising dominance rule, had its largest expenditure going to magazines—$1.6 million; spending for Chico-San, acquired in 1984, increased 81.5%. Frozen Tater Tots' got the most ad support for the Ore-Ida group, $2.3 million, while expenditures on microwave fries fell from $2.1 million to $1.2 million. Output for Ore-Ida Hash Browns was $2.2 million.

National and international recognition of advertising came for two products: A Swedish spot for Heinz Ketchup earned an award at the 34th International Advertising Film Festival in Cannes, and a TV spot on Home-Style Gravy was named one of AA's ''Best'' from he first quarter of '87.

Geographic expansion continued with the purchase of a majority share of Win-Chance Foods Co. Ltd. (baby cereal and flavored milk powder) through a joint venture in Thailand; Kgalagadi Soap Industries, the sole producer of toilet and laundry soaps in Botswana; S. Orlando S.A. (Spanish producer of tomato-based condiments) and Judice Fialho (Portuguese producer of canned sardines). Heinz also purchased Pro Pastries Inc. and Pro Bakers Ltd. (frozen unbaked pastries). Stanley Wine Co., an Australian producer of wine and wine cooler products, was sold.

Anthony J. O'Reilly became Heinz chairman in 1987 following the death of H.J. Heinz III (O'Reilly was already president and CEO), and the company is undergoing intensive internal scrutiny, such as seeking to integrate the making of ketchup worldwide through a universal system of buying ingredients.

Which companies spend the most in Syndicated T.V.?

Turn to LNA for answers.
See page 151

HEINZ U.S.A.
P.O. Box 57
Pittsburgh, Pa. 15230
(412) 237-5757

Consumer Products Division

Marketing personnel: Brian Ruder, vp; Jeffrey Berger, genl mgr-foodservice & export mktg; Barbara Behrman, genl mgr-grocery ketchup & sauces mktg; M.A. McCollough, genl mgr-mktg svcs; William Gwynn, mgr-adv svcs.

Specialty Products Division

Marketing personnel: Lennox B. Buchanan, vp; Kevin Storms, genl mgr-mktg; Lisa Abott, mktg mgr-Weight Watchers; Jay Abraham, group mgr-nutrition prods; Estela Tejidor, mktg mgr-Chico-San; Virgil Knapke, mktg mgr-Near East Foods.

Packaged Goods Division

Marketing personnel: John Crawshaw, vp; Ben Fisher, genl business mgr-soups, beans vinegar, sauces; Robert Roussey, genl business mgr-pickles, baby foods prods.

Sales Division

Marketing personnel: Jon Peterson, vp; G.K. Ferguson, genl mgr-grocery sales; William Van Duzer, genl mgr-food service sales; Tim Senft, genl mgr-specialty prods sales; H.M. McNamara, genl mgr-customer relations.

Brands/services by agency of record:

Weight Watchers Foods

Ad agency: Ally & Gargano, New York: Jim Hanzlik, vp-acct dir.

■

Gravy
Ketchup
Near East
Pickles
Relishes
Wet & instant baby food

Ad agency: Leo Burnett USA, Chicago: Tom Ross, exec vp; Jeffrey Herscovitz, vp-acct dir.

■

Food service prods

Ad agency: Food Group, New York: Donald Axleroad, president.

■

Chico-San

Ad agency: Hill, Holliday, Connors, Cosmopolous, Boston: Justin Harrington, sr vp.

■

Alba prods
Heinz 57 & barbecue sauces
Vinegar

Ad agency: Ketchum Advertising, Pittsburgh: Kenneth Umansky, sr vp-group dir.

Star-Kist Foods
Long Beach, Calif.

Marketing personnel: W.R. Johnson, group vp-pet foods; Allyn Ayotte, vp-sales; J.T. O'Meara, genl mgr-seafood mktg; P.L. Bowen, genl mgr-cat food mktg; M.D. Milone, genl mgr-dog food mktg; Robert Worsham, genl mgr-sales devel; Robert Roberts, field sales mgr.

Brands/services by agency of record:

Amore
Jerky Treats
Meaty Bone
9-Lives
Star-Kist Tuna

Ad agency: Leo Burnett USA, Chicago: Robert Shen, sr vp-acct dir.

■

Reward dog food
New prods

Ad agency: Goodby, Berlin & Silverstein, San Francisco: Tom White, acct dir.

■

Skippy Premium
Vets

Ad agency: Kornhauser & Calene, New York: Henry Kornhauser, acct dir.

Ore-Ida Foods
Boise, Idaho

Marketing personnel: Geoffrey V. Supko, vp-sales & mktg; Patrick J. Kinney, genl mgr-food service sales; John Heil, genl mgr-retail vegetable prods; M. Vince Shaar, genl mgr-retail sales; Martin V. Thomas, genl mgr-sales & mktg svcs; Stanford P. Darger, vp-sales & mktg, Foodways Natl-Gagliardi Bros; Scott D. Mirkin, genl mgr, Foodways Natl-Gagliardi Bros; Douglas C. Haines, genl mgr-formulated prods, Foods Natl-Gagliardi Bros.

Brands/services by agency of record:

Ore-Ida prods

Ad agency: DDB Needham Worldwide, New York: Robert Freeman, group sr vp.

Weight Watchers Int'l.
Jericho, N.Y.

Marketing personnel: Dr. Lelio G. Parducci, vp-mktg & devel; Wayne A. Perra, mgr-natl adv & promo; Kathy Diamond, asst mktg mgr-promo; Denise L'Hommedieu, asst mktg mgr-adv; Anna Paetzold, asst mktg mgr-pr; Michael Schiffmiller, mgr-adv & promo.

Corporate media buying: SFM Media Buying Corp., New York: David Tabin, sr vp.

Brands/services by agency of record:

Weight Watchers Int'l.

Ad agencies: DDB Needham Worldwide, New York: Alan Krinsky, mgmt super; Mary Beth

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Williams, acct super.

Manning Selvage & Lee, New York: Florence Greenbert, acct super.

Nancy Fisher & Partners, New York: Nancy Fisher, president.

Wunderman Worldwide, New York: Debra Brown, mgmt super; Debra Elkins, acct super.

RANK

69

Hershey Foods Corp.

Hershey, Pa

ADVERTISING **$ 122.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2,434	2,170	12.2
Earnings	148	133	11.6
■ ***Division sales***	***1987***	***1986***	***% chg***
Confectionery	1,861	1,633	14.0
Restaurants	572	537	6.7

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	458	67	580.1
Business pub	127	175	(27.5)
Magazine	6,574	10,403	(36.8)
Newsp supp	0	138	NA
Outdoor	112	53	112.4
Network TV	30,932	26,289	17.7
Spot TV	25,296	23,099	9.5
Network cable	2,105	1,710	23.1
Network radio	2,678	2,130	25.7
Spot radio	3,528	947	272.4
Measured	71,809	65,010	10.5
Unmeasured	51,000	46,000	10.9
Total	122,809	111,010	10.6

Hershey Foods Corp. this summer called a halt to its nine-year effort to diversify beyond its confectionery and consumer food products, preferring instead to acquire the U.S. candy works of Cadbury Schweppes PLC in an effort to put it ahead of Mars Inc. as the largest U.S. candy marketers.

In August, a month after the candy purchase, Hershey sold Friendly Ice Cream Corp., a chain of 840 informal restaurants, for $375 million to Tennessee Restaurant Co. of Chicago. Friendly contributed 23% to Hershey sales in 1987, compared with 76.4% for consumer foods (which includes confectionery products). Hershey had acquired Friendly for $164 million in 1979.

The Friendly sale was seen by analysts as a move to offset the cost of the Cadbury operation for $270 million in cash and $30 million in assumed debt.

"From Hershey's point of view, the return on management time is going to be greater in the chocolate and confectionery business than restaurants," said Leonard Teitelbaum, an analyst who follows Hershey for Merrill, Lynch, Pierce, Fenner & Smith Inc.

Cadbury, with 1987 U.S. sales of $300 million from brands including Peter Paul Mounds and Almond Joy, York Peppermint Pattie and Cadbury-label items including Dairy Milk, Fruit & Nut, Caramello and Creme Eggs, had an estimated 4% share of the estimated $7.4 billion U.S. confectionery market. The buyout is believed to inch Hershey past Mars, both with 24% shares.

Hershey, in particular, benefited in the candy bar market from the addition of Cadbury brands. That market, which accounts for about 65% of total U.S. confectionery sales, now shows Hershey with a 43% share thanks to Cadbury's 8%. Mars holds 37% of the market.

Mars still holds individual candy bar honors, as Snickers remains the No. 1 seller. Hershey's Reese's peanut butter cups rank second. Other Hershey's products among the top ten best sellers include Kisses, Kit Kat and Hershey milk chocolate bars, with and without nuts.

In 1987, Hershey cast its competition with Mars in an international light by purchasing the the asset and trademark rights to Nabisco Brands Ltd.'s Canadian confectionery and snack nut business for $135.9 million plus approximately $26.7 million for net working capital. The acquisition helped boost Hershey's share in the Canadian confectionery market from 6% to 21%, ahead of Mars' 14% share.

Hershey also has been engaged in a strong new product development push. Capitalizing on stable, low cocoa prices and supply surpluses, the company has developed "real chocolately" candy bars.

In 1987, Bar None, a chocolate bar which combines chocolate wafers, chocolate cream and peanuts covered in chocolate, was introduced nationally. It is now testing another chocolate concoction, Symphony, which is described as a milk chocolate bar with more milk. It is targeted to upscale consumers.

Some 82% of Hershey's total measured ad spending was devoted to confectionery items, according to BAR/LNA. The spending leader was Reese's Peanut Butter Cups, up 56% to $9.8 million. Spending rose dramatically for Kit Kat to $6.9 million from $438,000. Other major categories were Hershey's Kisses, up 56.2% to $9.6 million; Hershey's miniatures at $2.5 million, up from $920,000 and Skor, at $2.8 million, down 32%. Spending also dropped 31.6% for Hershey Candy Bars, to $12.1 million.

Hershey spent $5.1 million on Friendly during 1987. Before the sale, in March 1988, Friendly's long-standing agency, Boston-based Ingalls, Quinn & Johnson was replaced by Levine, Huntley, Schmidt & Beaver, New York.

Hershey's other consumer products, Hershey Pasta Group, contributed about 10% of Hershey's revenues in 1987 when Hershey held a 17.5% market share at the consumer level. On the wholesale level, dry pasta had 1987 sales of approximately $934 million.

Hershey's brands, which include American Beauty, San Giorgio, Skinner, Delmonico, P&R, Perfection, Light 'N Fluffy and Pastamania, are concentrated east of the Mississippi. Pasta traditionally has been a local/regional business.

In the past few years, acquisitions by major food companies including CPC International, General Foods, Borden and Hershey have changed the nature of the market. While there is no true national brand, national market shares have become worth fighting for. Borden and Hershey battled for the top share through 1986 with Borden claiming 17% and Hershey 16.8% by the end of that year. Borden's acquisition of Prince in 1987, however, gave it an additional 10% share.

Pasta received about $2.4 million in measured spending, up 4.3%. A large part of the unmeasured ad spending for this category comes from slotting allowances, the payment for shelf space that some retailers expect from manufacturers. These fees have more than doubled in the past year. By one account, American Beauty had to pay as much as $19,500 per store to a West Coast chain to stock its pasta products.

HERSHEY FOODS CORP.
100 Mansion Road East
Hershey, Pa. 17033
(717) 534-4000

Hershey Chocolate Co.
Hershey, Pa.

Corporate personnel: Joseph P. Viviano, president.

Marketing personnel: Jay F. Carr, vp-mktg; Anthony J. Pingitore, genl mgr-grocery prods.

Brands/services by agency of record:

Hershey's milk chocolate
Hershey's syrup
Kit Kat
Luden's cough drops
Mr. Goodbar
New prods
Reese's Pieces
Skor
Whatchamacallit
Y&S candies

Ad agency: DDB Needham Worldwide, New York: Peter Tate, exec vp; Jamie Barickman, sr vp-mgmt super; Emily Cohen, vp-mgmt super; Anne Ryan, acct supers.

■

Bar None
Big Block
Fifth Avenue
Giant Kiss
Golden Almond bar
Golden Almond Solitaires
Golden III
Grand Slam
Hershey's baking chocolate
Hershey's chocolate chips
Hershey's cocoa
Hershey's fudge topping
Hershey's granola bars
Hershey's Kisses
Hershey's milk chocolate bar
Hershey's milk chocolate bar with almonds
Hershey's miniatures
Marabou milk chocolate rolls
New prods
Reese's peanut butter chips
Reese's peanut butter cups
Rolo

Ad agency: Ogilvy & Mather, New York: Michael Vaughn, sr vp-group dir; Gerry Lantz, sr vp-mgmt super; Barbara Wittner, Michael Edmeades, Jane Weiss, vps-acct supers; Tony Macinovich, sr vp-assoc media dir; Steven Lanzano, David Leveton, Lisa Gallant, vps-asst media dirs.

Friendly Ice Cream Corp.
Wilbraham, Mass.

Corporate personnel: John F. Cauley Jr., president; Joseph A. O'Shaughnessy, sr exec vp.

Marketing personnel: John M. Sauve, vp-mktg.

Brands/services by agency of record:

Friendly Ice Cream

Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Jane Pack, sr vp-group dir; Jack Wheaton, sr vp-mgmt super.

Hershey Pasta Group
Hershey, Pa.

Corporate personnel: C. Mickey Skinner, president-ceo.

Marketing personnel: Clifford K. Larsen, vp-mktg.

Brands/services by agency of record:

American Beauty
Delmonico
Hershey Pastas
Light 'n Fluffy
P&R
San Giorgio
Skinner brands

Ad agency: Della Femina, McNamee WCRS, New York: Allen M. Clark, exec vp-acct super; Ed Daly, Karen Perry, acct execs.

RANK

37

Honda Motor Co.

Gardena, Calif.

ADVERTISING: **$ 245.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide**	*1988*	*1987*	*% chg*
Sales	24,600	17,816	38.1
Earnings	842	520	62.1

U.S. advertising by media

($ in thousands)

■ *Media*	*1988*	*1987*	*% chg*
Newspaper	25,536	21,087	21.1
Business pub	244	224	8.8
Magazine	42,701	32,518	31.3
Newsp supp	389	472	(17.6)
Farm pub	0	419	NA
Outdoor	102	64	60.8
Network TV	78,065	60,778	28.4
Spot TV	17,063	20,855	(18.2)
Network cable	5,244	5,124	2.3
Network radio	4,360	3,831	13.8
Spot radio	4,661	3,935	18.5
Measured	178,365	149,307	19.5
Unmeasured	67,000	56,000	19.6
Total	245,365	205,307	19.5

NOTE: *Honda changed its fiscal closing from the end of February to March 31. Figures for 1988 cover 13 months from Feb. 28, 1987 to March 31, 1988 at Y136.7 = U.S.$1; figures for 1987 cover 12 months ended Feb. 28, 1987 at Y161 = U.S.$1.

American Honda Motor Co., a subsidiary of Honda Motor Co. Ltd., Tokyo, the largest foreign-based auto marketer in this country, saw its share of the U.S. market dip in 1987 as it neared "domestic automaker" status in the U.S.

Sales of imported Honda cars in the U.S. in 1987 totaled 421,688 units (312,218 of the Honda nameplate and 109,470 of the newly-introduced Acura Legends and Integras), down 7.9% from 1986. This represented a 13.4% share of the import car market, down slightly from 14.1% in 1986.

But sales of U.S.-built Accords and Civics grew 25.7% to 316,618 units, giving Honda total car sales of 738,306, up 6%. This represents a 7.2% share of the total U.S. market, making Honda last year's leader among foreign-based automakers. Toyota ranked second with a 6.14% overall share and Nissan third at 6.11%.

The Tokyo-based parent, also a manufacturer of motorcycles, ATVs, scooters and power equipment, for the six month period ended March 31, 1988 of its fiscal 1988 posted net earnings of $453 million, up 51.7%, on worldwide sales of $12.6 billion, up 11.3%. Figures for both six-month periods were converted at the current exchange rate of Y125 = U.S.$1.

Nearly 70% of the revenues of the parent is generated from overseas sales or production activities, and nearly 50% of its business comes from North America.

Worldwide unit sales of Honda autos for the six-month period totaled 890,000 units, up 8.8% over the prior-year period.

Honda, the first Japanese automaker to assemble cars in the U.S., plans to increase its auto sales in this country to one million annually by 1990. Nearly all of the increase will come from added U.S. production, not imports, which face quotas self-imposed by the Japanese.

The company plans to export cars from the U.S. to Asia-Pacific markets and even Europe. A total of 50,000 cars will go to Japan each year. Honda's first U.S.-made Accord coupe arrived in Japan in April 1988, one of 4,000 carrying a $20,800 price tag, about $5,800 more than the average price in the U.S.

To expand production and worldwide distribution from the U.S., Honda is building a new plant in East Liberty, Ohio, near its first facility in Marysville. Production is scheduled to begin in 1989 with a capacity of 150,000 units and to bring annual American production to 510,000 cars.

The new Ohio factory will produce several models, including the Acura division's two high-performance luxury cars, the $20,000 Legend and the $15,000 Integra. But the first car to come out of the East Liberty plant in August 1989 will be a Honda Civic, costing between $8,000 to $12,000 retail. Civics and Accords are produced in Marysville and also are imported to the U.S.

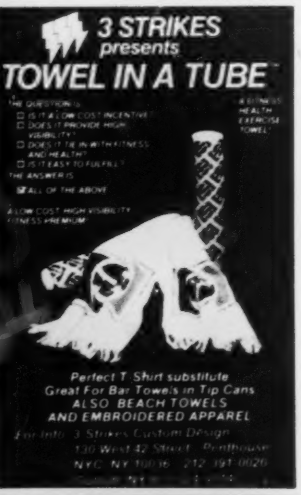
Honda's expanding upscale Acura division is expected to sell about 150,000 cars in 1988 after finishing 1987 with 109,470 units (54,713 Legends and 54,757 Integras). The upscale cars were first marketed in the U.S. in 1986. Toyota and Nissan won't have their own upscale units until late 1989.

Expansion of the Acura dealer outlets was supported by a doubling of media spending for the new division to over $40 million for 1987. Measured expenditures for 1987 hit $44.7 million, with the ad budget split 50/50 for Legend/Integra. Network TV accounted for the biggest media outlay at $23.6 million. Acura will add two cars in the 1990 and 1991 model years, including a Legend with its first V-8 engine.

The upscale division gained marketing points when the Acura Legend coupe was named *Motor Trend* magazine's 1987 Import Car of the Year (Integra came in second). Three Honda models swept the top three places in *MT's* Import Car of the Year award in early 1988, prompting a 48-hour blitz on network TV. This included TV spots set to the themes of "Who says it's lonely at the top?" and "Good news travels fast."

The Honda models for 1988 featured a bigger, more powerful generation of Civic/CRX models, along with the redesigned Prelude coupes with a new engine and optional four-wheel steering that Honda introduced last summer. Only the Accord was a carryover for 1988, although it is more powerful and has other refinements.

Measured media expenditures for 1987 show the best-selling Civic/CRX models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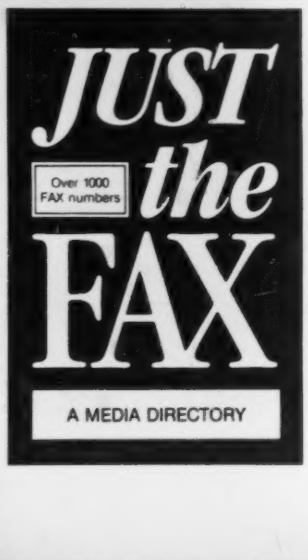

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(134,719 units sold from $6,285 to $10,720) accounted for the major slice of the budget with media spending measured at $31 million, half network TV.

Spending in support of the Honda Accords, which accounted for sales of 104,791 units at prices ranging from $11,040 for a two-door hatchback to $15,650 for the four-door LXi sedan, was measured at $23.3 million, 65% in network TV.

Measured ad spending for the top-of-the-line Prelude models ($18,125 for the Si coupe with 4-wheel steering) reached $14 million in 1987.

Honda also broke the 1988 model-year barrier with the introduction in mid-July of an all-new line of Preludes, which included the hot new option of four-wheel steering. This second Prelude campaign began in September.

Honda's ad spending for introduction of the new '88 models took a 30% jump to $78 million during the last quarter of calendar 1987 to meet the stiffer competition expected at the entry-level segment of the auto market. This quarterly ad push started in late September during ABC-TV's college football coverage. Another 10% to 12% spending boost was slated for calendar 1988, with reduced summer expenditures helping to make up for the big introductory outlays.

Total ad spending, excluding the budget for Honda's upscale Acura cars, remained steady at about $130 million.

Honda extended its lead in the U.S. motorcycle market with a 50.8% share, up from 45% a year earlier. Yamaha followed at 19.8% (up from 17.8%), Suzuki at 11.6% (down from 12.2%), Kawasaki at 10.2% (down from 14.9%) and Harley-Davidson at 6.3% (down from 9.6%).

Honda's motorcycle division underwent major reorganization on the ad front during 1987, with the $10 million motor scooter account going from Weiden & Kennedy to Dailey & Associates, both of Los Angeles. Dailey also handles Honda's $25 million motorcycle and all-terrain vehicles account.

Motorcycles and ATVs accounted for $10.1 million in measured media expenditures in 1987, while scooters were measured at the $6.3 million level.

Responding to a U.S. Justice Department ruling regarding ATV safety early this year, Honda and Yamaha Motor Corp. agreed to spend $8 million in a print and TV campaign, scheduled to break this September, to warn consumers of the dangers of riding ATVs.

The motorcycle division also produced a 75-minute home video called "Marvelous Marvin Hagler vs. Sugar Ray Leonard: The SuperFight." The videotape carried one :30 spot at the opening and one :60 at the end.

AMERICAN HONDA MOTOR CO.
100 W. Alondra Blvd.
Gardena, Calif. 90247
(213) 327-8280

Automobiles

Corporate personnel: Yoshihide Munekuni, president.

Marketing personnel: Koichi Amemiya, exec vp; Thomas Elliot, sr vp-auto operations; Edward R. Taylor, vp-Acura sales; Eric Conn, auto adv mgr; Kurt Antonius, pr mgr; Bob Butorac, asst pr admin.

Motorcycles

Corporate personnel: John Petas, sr vp.

Marketing personnel: Ray Blank, sr mktg mgr; Wayne Toyota, motorcycle/scooter/ATV natl adv mgr; Gary Mathers, motorcycle sports comm mgr.

Power Equipment

Corporate personnel: Akihiko Miwa, vp; Terry Mulligan, asst vp.

Marketing personnel: Pat Curtiss, power equipment production planning mgr.

Brands/services by agency of record:

Power equipment
Motorcycles
Scooters
ATVs

Ad agency: Dailey & Associates, Los Angeles: Dennis Kanagae, vp-mgmt super; Dean Thompson, vp-acct super; Kevin Redfern, acct super; Danny Fujimori, Michael Pack, sr acct execs; Roger Van Remmen, mgmt super, power equipment; John O'Mera, acct super, power equipment; John Wight, asst acct exec, power equipment.

■

Acura autos

Ad agency: Ketchum Advertising, Los Angeles: Craig Mathiesen, president; Peter Goodwin, Kevin Kitagawa, vps-group acct supers; Ron Buckhammer, sr vp-mgmt super; Brent Bouchez, sr vp-creative dir.

■

Honda autos

Ad agency: Rubin, Postaer & Associates, Los Angeles: William Hagelstein, sr vp-group acct dir; Chuck Valentine, vp-acct dir.

RANK
52

Hyundai Group

Seoul, S. Korea
ADVERTISING: **$164.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	3,500	2,200	59.1
Earnings	75	45	66.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	13,987	10,396	34.5
Business pub	310	190	62.8
Magazine	8,110	4,736	71.2
Outdoor	440	112	292.3
Network TV	13,205	4,077	223.9
Spot TV	76,487	46,144	65.8
Spot radio	4,797	1,018	371.4
Measured	117,336	66,673	76.0
Unmeasured	47,000	27,000	74.1
Total	164,336	93,673	75.4

Hyundai Motor America Inc., a U.S. auto sales arm of South Korea-based Hyundai Group, establishing itself as the No. 4 auto importer into the U.S. in 1987, is in just its second year of operation in this country.

Hyundai posted a record 12-month U.S. sales total of 263,610 units last year, up 35.9% over 1986, when its sales covering only 10 months set a record for an import's first year on the market.

Hyundai supported its sales push with ad expenditures estimated at $143.7 million in 1987, up 43%.

U.S. unit sales represented nearly 45% of Hyundai's worldwide total of 591,368, up 168,624 units or 28.5% over the previous year.

Established in 1967, Seoul-based Hyundai Motor Co. (HMC) is a tiny division of a giant Asian construction conglomerate. The company has manufacturing facilities in nearby Ulsan and developed and produced the first Korean compact passenger car "Pony" in 1974.

Hyundai has expanded in the U.S. from the Excel (a version of the Pony), a subcompact, front-wheel-drive, four-cylinder economy car, to include a 1988 lineup of 16 models, with prices ranging from the low-end, three-door four-speed manual shift hatchback at $5,295 to the top-of-the-line GLS four-door automatic shift sedan at $7,895. A full load of factory-installed options can add $2,500, giving the flagship model a $10,400 price tag upon leaving the showroom. Dealers estimate that their average sticker price falls in the $6,500 to $7,000 range. Two newly-announced additions to the '88 line are a sporty Excel GS three-door hatchback and a base Excel four-door sedan.

For the upcoming 1989 model year, Hyundai will introduce toward the end of this year the front-wheel-drive Sonata to compete directly with the more pricey Honda Accord and Toyota Camry. The medium-priced Sonata will be priced $10,000 to $13,000.

Hyundai's U.S. market share in 1987 came to 8.3% of the import market and 2.5% of the total U.S. market, placing it behind Toyota with an 18.5% import share and 5.7% share of the U.S.; Honda/Acura with a 13.4%/4.1% and Nissan, 12.9%/3.9%.

Hyundai is expected to add 45 new dealers this year, giving it a total of 280 U.S. dealerships before the start of the 1989 model year. It has challenged its dealerships to sell 300,000 vehicles in the coming year.

Hyundai dealership investments have been costing dealers an average of about $2.9 million per outlet. Helping to return dealers full value on their investments, Hyundai promises them a minimum of 100 cars per month and the backing of heavy advertising and promotion.

AA's advertising estimates for Hyundai in this issue exclude $11.4 million spending by local dealers but do include the corporate co-op portion of $36 million spent by the Hyundai dealers association. Both expenditures were in spot TV, according to BAR/LNA.

Spot TV claimed $76.4 million in measured media, up 65.8% and network TV more than tripled to $13.2 million. Magazine totals of $8.1 million, were up 71.2%, while $14 million in newspapers represented a 34.5% growth over 1986.

For the introduction of the new 1988 models last fall, Hyundai called on Fats Domino and his "Blueberry Hill" music for TV spots. This was Hyundai's first use of a high-priced spokesman. Called "Lover's Lane," the showcase spot began as a single-model ad, but was broadened to cover all Excel models in Hyundai's primary market, the so-called entry-level cars. Ten other spots for 1988 models centered on a "family of cars" theme, but focused on specific models. They stressed the $5,295 price of the base model and the value of many standard features.

Beginning with regional network spots last fall, Hyundai began its first national network TV in the spring of 1988. The "family" campaign, which included print ads, retained the "Cars that make sense" theme used a year earlier, once again using actor Fred Gwynne to perform all voiceovers. Print ads in magazines and newspapers were keyed in with the TV effort and emphasized product quality and customer satisfaction.

Ads stressed youth, because the average Hyundai buyer is 29 years old with a $28,000 household income; 55% are female and 35% are college graduates. Main competitors, according to Hyundai marketers, are the Nissan Sentra, Honda Civic, Ford Escort and used cars. Average transaction price for Hyundai is $7,300 compared to the $5,700 average price of a used car.

Last fall Hyundai took its first steps into the Midwest with 11 dealers lined up in the Chicago area and others in Kansas, Missouri, Indiana, Minnesota and Ohio, adding 20 more markets this year. By mid-August 1988, the total number of dealers stood at 293, with Hyundai promising to have dealers in 48 states by the end of the year.

At first primarily a regional advertiser, in regional editions of consumer magazines and mostly spot TV, the company aired its first national network TV spots in early 1988. National emphasis came upon entering several new markets in the central states, a geographical expansion that made national advertising worthwhile. In the first half of 1988, according to the Television Bureau of Advertising, Hyundai spent $33.7 million on TV advertising, nearly triple the $12 million spent in the year-ago period. Hyundai expects continental coverage for its dealerships by late 1988 or early 1989.

Hyundai also took aim at Hispanics with a price-value approach that appeals to this market segment. Spot TV and other promotions began in Miami during the third quarter of 1987 and are expected to continue into the future, with ad budgets growing in line with overall ad expenditures. The thrust into the Hispanic market is strictly on a dealer-level, representing Hyundai's factory and four dealer associations. The company began targeting Los Angeles Hispanics in 1988.

Industry analysts estimate Hyundai's 1987 share of the Hispanic car market at 8.2%—a percentage representing $5.6 billion worth of 1987 cars and trucks, up 7.7% from the 1986 model year.

Hyundai is the official sponsor and supplier of vehicles for the Olympic Games in Korea, a distinction that can be expected to raise buyer awareness, along with a special TV ad package Hyundai will offer dealers during the Games. In a collaboration between a car maker and its dealers, Hyundai will share with its four regional dealer associations the cost of the sponsorship, estimated to be as high as $15 million. The company will be running its TV spots with a multimillion budget on NBC-TV, flying dealers to the Games, and giving the Games prime position in its new car introductions this fall.

Hyundai also plans to put about 430 vehicles at the disposal of the Seoul Olympic Organizing Committee. Hyundai was the official sponsor and supplier of motor vehicles to the 1986 Asian Games that were held in Seoul.

HYUNDAI MOTOR AMERICA
7373 Hunt Ave.
Garden Grove, Calif. 92642
(714) 890-6000

Corporate personnel: H.W. Baik, president-ceo; Max Jamiesson, exec vp, coo.

Marketing personnel: Greg Warner, group vp-operation; Art Meissner, vp-natl sales mgr; Jack Collins, mktg dir; Joseph Corey, natl ad

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HATS OFF TO MARS

Over the years we at Accuracy in Media have often urged the readers of our newsletter, the AIM Report, to write to companies that have advertised on television programs that are seriously inaccurate or otherwise flawed. All too often the companies write back letters explaining that they can't control the content of the programs they have supported with their expensive commercials. Sometimes they suggest that it would be inappropriate for them to tell a network that they found a program objectionable. We are happy to say that this is changing. Some companies are now willing to speak up.

One that has recently done so most forcefully is Mars Incorporated, the maker of M & M's and Mars candy bars. One of their ads appeared on the CBS Mighty Mouse cartoon in which Mighty Mouse was shown snorting a powdery substance which most viewers perceived as being cocaine. When the top people at Mars heard about this, they were very upset. They asked CBS to supply them with a tape of the program and had it viewed by several members of their staff. Their conclusion was that it depicted "harmful and socially reprehensible conduct."

Edward J. Stegemann, vice president, secretary and general counsel of Mars, wrote a stinging letter to Laurence Tisch in which he said he was writing to express the company's outrage at both the "coke-snorting Mighty Mouse episode" and the way CBS had handled the matter. He said: "This appears to be one of the most irresponsible and unprofessional examples of network programming we have ever heard about." Mr. Stegemann said that as a major advertiser on CBS, Mars had the right to assume that the CBS staff would screen programs before they aired and would "exercise common sense and apply standards of decency" in approving the programs.

Mr. Stegemann said: "We first learned of this outrageous episode when a deluge of consumer and internal complaints suddenly emerged. We. . .were dumbfounded that something like this could have taken place. . .We believe that CBS owes the public an apology for airing so reprehensible an episode. The fact that it appeared during 'children's time' on Saturday morning (and reportedly more than once) just magnifies the misconduct."

We don't know how Laurence Tisch reacted to this letter, but on July 27, CBS announced that it was abolishing the position held by George Dessart, the man who was responsible for keeping objectionable material off the air. CBS did not explain why they were giving Mr. Dessart the axe, but it is reasonable to assume that this was the price he paid for letting the cocaine-snorting episode get on the air and then insisting that there was nothing wrong with it.

CBS had already announced on July 14 that it was editing the Mighty Mouse cartoon to remove the objectionable scene. They still insisted at that time that it depicted Mighty Mouse smelling crushed flowers, not cocaine, but that explanation wouldn't wash. The executives at Mars, like others who saw the videotape, believed their eyes, not CBS lies. We salute Mars for mincing no words in telling CBS that it owed the public an apology. They have set an example that other companies should follow.

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mgr.

Brands/services by agency of record:

Hyundai autos

Ad agency: Backer Spielvogel Bates Worldwide, Irvine, Calif.: Harry Grusche, sr vp-mgmt rep; Bob Svete, vp-acct super; Paula Dyba, acct super; Mark Weinfeld, sr acct exec; Brad Booth, Michael Stoner, acct execs.

RANK
48

IC Industries

Chicago
ADVERTISING: **$169.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	4,027	3,516	14.5
Earnings	252	(137)	(284.1)
■ U.S.	**1987**	**1986**	**% chg**
Sales	3,422	3,065	11.7
Operating income	334	350	(4.6)
■ Division sales	**1987**	**1986**	**% chg**
Pet	1,348	966	39.5
Midas	351	348	0.7
Soft drinks	605	542.5	11.5
Pneumo Abex	967	901	7.4
Hussman	756	759	(0.3)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,734	2,463	(29.6)
Business pub	320	345	(7.1)
Magazine	4,100	2,867	43.0
Newsp supp	68	0	NA
Outdoor	108	95	12.9
Network TV	13,323	21,792	(38.9)
Spot TV	43,447	41,756	4.0
Network cable	37	187	(80.5)
Network radio	4,091	707	478.7
Spot radio	7,083	441	1,505.8
Measured	74,309	70,653	5.2
Unmeasured	95,000	91,000	4.4
Total	169,309	161,653	4.7

IC Industries, which spun off its Illinois Central Gulf Railroad in 1987, has entered a new era as a consumer goods and services company. At the same time, it has built up its Pet Inc. unit through heavy acquisition.

Pet, the big specialty foods unit with operating income of $198.2 million (up 58.1%) on sales of $1.35 billion (up 39.5%) in 1987, during the year acquired a production facility of Country Queen Foods for additional capacity for Downyflake breakfast products, and bought Oronoque Inc., which produces and distributes a line of frozen pie shells in the eastern U.S.

It also acquired Facchin Foods Co. Ltd., a pasta manufacturer, and Miloni Foods Ltd., a sales and distribution company, both in western Canada.

Pet, through its Old El Paso brand has 31.6% of Mexican dry grocery market and 11.3% of the frozen Mexican food market. The El Paso line drew $8.3 million in measured spending in 1987, down 11% from the prior year.

Pet's large Progresso brand, which includes authentic sauces, bread crumbs, frozen entrees, sauces and soups, got the lion's share of Pet's spending with $14.6 million in measured media, according to BAR/LNA, compared to $8.4 million in 1986. Progresso has a 28.4% share of the ready-to-serve market, the company claims.

The group's other big ad ticket item, Ac'cent Flavoring, received $4.1 million in measured media, down 32% from the prior year. Ac'cent holds a 50.4% share of its market.

Pet spending was modest to nil for such leading products as Downyflake and Roman Meal, which hold a 26% share of the frozen waffle market when including their private label manufacturing. Pet also does little media advertising for its Oronoque and Pet-Ritz frozen pie shells, which hold a 68% share of the frozen pie shell market.

Early 1988, Pet's Whitman's Chocolates division introduced nationally a Lite version of its boxed chocolate sampler. The brand has one-third fewer calories than Whitman's regular line. The Haworth Group, Minnetonka, Minn., does media placement.

Pet continued to expand in foreign markets, including Canada, Australia, the United Kingdom and Venezuela.

Pet early this year agreed to change the label and the shape of its Old El Paso picante sauce hourglass bottle which Pace Foods found to be similar to its own packaged product. After more than a year of litigation, it was settled out of court.

On the service side of IC's new direction, Midas International Corp. continued its strong performance, returning operating earnings of $51.2 million, up 14.3%, on sales of $350.7 million, up 0.7%. Midas in 1987 held a 22% share of the U.S. exhaust system service market, 10% of the brake market and 4% of the overall shock absorber, strut and front-end replacement market.

Midas Muffler Shops received $34 million in measured media, down 5.8% from 1986 as its network of stores grew 2% to 2,144. In addition to adding new shops in the U.S. in 1988, Midas plans to expand overseas with an emphasis on France, Canada and Australia. Midas sold its chain of 1-2-3 Auto Service shops in Germany.

IC's Pepsi-Cola General Bottlers became the nation's second-largest Pepsi bottling operation after No. 1 PepsiCo, through the addition to its business of RKO Bottling Inc., covering principal markets in Indiana and Ohio, Pepsi-Cola Bottling Co. of Bloomington, Ill. and Pepsi-Cola Bottling Co. of Milwaukee.

IC now holds its Pepsi unit in joint venture with PepsiCo, although retaining 80% of the expanded operation, compared with 20% for PepsiCo.

The joint venture arrangement emerged in late 1987 as IC attempted to buy RKO Bottling Inc. from GenCorp. PepsiCo, which must approve the exchange of any franchises, turned down the purchase wanting to increase its own bottling operations. The out-of-court compromise allowed both to expand.

PepsiCo got a proportionate share of profits and representation on the 10-member Pepsi-Cola General Bottlers board, and IC got a much larger operation that encompassed the Bloomington franchise bought by PepsiCo in November 1987, and the Milwaukee franchise, which had been part of PepsiCo's company-owned bottling system.

The bottling operation at IC for the third consecutive year showed an increase in operating income of $65.9 million, up 19.8%. The bottler, which had owned Dad's Root Beer Co. and Bubble Up Co., sold those units on Dec. 14, 1987 to Monarch Co. for an undisclosed price.

In 1987, the bottling division introduced Diet Mountain Dew in Des Moines, Iowa.

In addition to spinning off Illinois Central Railroad, IC sold off Pneumo Abex, its aerospace, industrial and fluid power concern, to a consortium of the Henley Group and the investment banking firm of Wasserstein, Perella & Co. for $1.29 billion in mid-1988.

IC INDUSTRIES
111 E. Wacker Dr.
Chicago, Ill. 60601
(312) 565-3000

Marketing personnel: Wendell W. Larsen, sr vp-corp affairs; Charles H. Connolly, vp-corp communications.

Brands/services by agency of record:

Corp adv

Ad agency: Gardner Advertising, St. Louis: Aly Johnsen, acct super.

Pet Inc.
St. Louis, Mo.

Corporate personnel: A. James Matson, vp-sales & mktg.

Marketing personnel: John Ferguson, vp-mktg, Mexican Foods; Syl Stevenson, vp-mktg, Italian foods; Gerald Hayes, vp-mktg, Specialty Foods; John Mackey, vp-mktg; John Donald, dir mktg-frozen dessert & breakfast; Lynn Wittles, dir mktg-Hain & Hollywood natural foods.

Whitman's Division

Corporate personnel: Ray De Riggi, president.

Marketing personnel: Tom McNulty, vp-sales & mktg.

Brands/services by agency of record:

Whitman's div

Ad agency: Workshop West, Beverly Hills, Calif.: Elliott Uberstein, chmn & president.

Midas International Corp.
Chicago, Ill.

Marketing personnel: Russell J. Richards, vp-franchise operations, mktg; Karen Greco, adv mgr; Ralph F. Linder, vp-mktg.

Brands/services by agency of record:

Midas Intl

Ad agency: Wells, Rich, Greene, Chicago: Larry Singer, president; Vance Webb, sr vp-mgmt super; Todd Ochsner, natl acct exec.

Pepsi-Cola General Bottlers
Chicago, Ill.

Corporate personnel: Gerald McGuire, president & ceo; Maynard Nehring, exec vp.

Brands/services by agency of record:

Pepsi-Cola General Bottlers

Ad agency: (In-house): Genadco Advertising, Chicago: P.J. McCarthy, vp-adv.

RANK
39

International Business Machines Corp.

Armonk, N.Y.
ADVERTISING: **$ 240.8** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	54,217	51,250	5.8
Earnings	5,258	4,789	9.8
■ U.S.	**1987**	**1986**	**% chg**
Sales	24,937	25,362	(1.7)
Operating income	1,936	1,603	20.8
■ Division sales	**1987**	**1986**	**% chg**
Processors	13,989	13,161	6.3
Peripherals	10,591	11,264	(6.0)
Workstations	10,429	9,429	10.6
Maintenance svcs	7,691	7,413	3.8
Program prods	6,836	5,514	24.0
Other info handling	2,376	2,280	4.2
Federal systems	2,238	2,121	5.5
Other business	67	68	(1.5)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	18,915	16,646	13.6
Business pub	8,926	13,307	(32.9)
Magazine	35,389	39,008	(9.3)
Newsp supp	858	1,373	(37.5)
Outdoor	95	31	204.2
Network TV	53,738	69,906	(23.1)
Spot TV	1,548	1,335	16.0
Network cable	472	1,129	(58.2)
Network radio	5,434	7,524	(27.8)
Spot radio	469	4,259	(89.0)
Measured	125,846	154,518	(18.6)
Unmeasured	115,000	141,000	(18.4)
Total	240,846	295,518	(18.5)

International Business Machines positioned itself in 1987 for a comeback from three consecutive years of disappointing earnings. It introduced key new products, trimmed 10,000 from the payroll and redeployed some 15,000 employees. Now some experts wonder if another shoe is about to drop.

Complicating matters for the computer maker was a sideshow distraction in the form of a highly-publicized court battle concerning London-based WPP Group, parent of Lord, Geller, Federico, Einstein, New York, IBM's agency for corporate and information systems accounts, and a breakaway agency formed by six key LGFE executives: Lord, Einstein, O'Neill & Partners, New York.

The two agencies were among six finalists in an agency review for the lion's share of $138 million media account at IBM in 1988 which was awarded in early September to Lintas:Worldwide and Wells, Rich, Greene, both of New York. Lintas will handle desktop products while WRG is assigned to corporate advertising.

Despite a raft of key product introductions and line extensions in 1987 and

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1988, IBM faces enormous hurdles in returning to the level of growth attained in the early 1980s, analysts say.

In the $20.3 billion market for personal computers, IBM continues to lose market share to Asian and domestic competitors. IBM's unit share of systems priced up to $10,000 fell to 17.8% in 1987 from 19.2% in 1986 on industrywide shipments of 8.6 million and 7 million units for the respective years, according to San Jose, Calif.-based Dataquest, a division of Dun & Bradstreet.

By comparison, No. 2 Apple Computer's unit share grew to 14.2% in 1987 from 12.5% in 1986, and the share of No. 3 Commodore Business Machines, West Chester, Pa., grew to 7.8% of units shipped in 1987 from 6.1% in 1986.

IBM's seven-media measured spending for personal computers fell 9% in 1987 to $42.5 million, led by $37.9 million in measured totals for the IBM Personal System/2, according to BAR/LNA.

Analysts said one reason why IBM's PS/2 is not taking the industry by storm is that its advertising fails to communicate why PS/2 is better than competing products. PS/2, which was introduced in April 1987, is based on 16- and 32-bit microprocessors, but its most powerful models contain an IBM innovation called Micro Channel.

Micro Channel is a set of communication lines that shuttle information back and forth among the computer's memory, disk drive and processor, providing greater convenience and speed. IBM has applied for patents and copyrights on Micro Channel, which will help it to defend its proprietary system against the onslaught of clones.

The problem is that IBM has not yet released the Operating System/2 Extended version of the applications software needed to make use of PS/2's Micro Channel architecture. OS/2 Extended is not expected until November 1988.

Not surprisingly, IBM de-emphasized advertising in 1987 for PC software, cutting back 83% on measured seven-media totals to $665,000.

"Until IBM releases OS/2, it really hasn't provided people with a real difference," said Stephen Cohen, analyst with Gartner Group, Stamford, Conn. "A (marketing) difference is what IBM needs to be successful with PS/2, and it is clearly what Apple has done (with Apple's MacIntosh line of personal computers)."

The problems in communicating IBM's point of difference also extend into corporate themes, said analyst Brian Jeffery, managing director of International Technology Group, Los Altos, Calif.

IBM's measured total for corporate advertising, the largest category of 1987 spending, was $39.6 million, mostly in network TV, according to BAR/LNA, which monitors seven media. The tally was up 42% over 1986.

In April 1987, IBM began changing the focus of personal computer and corporate advertising from spotlighting a single user accomplishing business and personal objectives to showing a group of users accomplishing inter-related tasks. In changing its approach, IBM shelved the popular Charlie Chaplin character, who symbolized the single user, in favor of the group, represented by the main characters from the CBS TV series "M*A*S*H."

Mr. Jeffery believes the "M*A*S*H" unit is not effective in getting across such corporate themes as group computing, connectivity, communication and integration of systems. "I think the whole concept is wrong. It basically says the PC revolution is over, and now we should be connected to the mainframe," Mr. Jeffery said. "The average PC user still looks at (the computer) as an individual tool," he said. "Besides, would you buy a corporate network from Radar O'Reilly?"

Part of IBM's problem today stems from its emphasis over the past few years on boosting lackluster revenues by any means. The computer giant's strategy of selling more mid-range units by discounting—to support a cost structure geared to high volume sales—worked so well it is choking off today's market, Mr. Jeffery said.

This may have an effect on sales of an important new mid-range series, the Application System 400, introduced in June 1988. IBM has six AS/400 models priced from $19,000 to $229,500, which are expected to significantly boost IBM's sales beginning late in 1988.

IBM began in March 1988 shipping its 9370 Information System, a larger mid-range computer introduced in October 1986, dubbed "the VAX killer." IBM hopes communications capabilities of the AS/400 and 9370 will help stem the flow of customers to fast-rising Digital Equipment Corp.'s VAX minicomputers. DEC's VAX system features interconnectivity between all VAX products, an advantage DEC uses in winning corporate users.

The transition in IBM's product line from such stand-alone workhorses as the IBM System 36 and System 38 to the AS/400 and 9370 also is causing a significant shift in IBM's media spending. In 1986, IBM had a measured seven-media total for Systems 36 and 38 of more than $6 million, including $2.5 million in network TV. In 1987, Systems 36 and 38 received less than $1 million, all in network radio.

AS/400 and the 9370 are expected to provide IBM with a much-needed boost in sales. IBM could use the help. In the $3.1 billion market for minicomputers priced between $25,000 and $75,000, IBM's unit share dropped to 33.6% in 1987 from 41.9% in 1986 while DEC's share jumped to 17.1% from 7.3%, respectively, according to Dataquest.

In the $3 billion market for systems priced $75,000 to $250,000, IBM's unit share fell to 26.1% in 1987 from 38.6% in 1986. Unisys' share grew to 12.8% in 1987 from 9.6% in 1986, and Hewlett-Packard's share jumped to 10.2% from 2.3% in the same period.

In the $3 billion market for systems priced from $250,000 to $1.5 million, IBM's unit share fell to 24.7% in 1987 from 33.2% in 1986. Meanwhile, Unisys' unit share jumped to 20.3% in 1987 from 11.47% for Burroughs Corp., which merged in February 1986 with Sperry Corp. to form Detroit-based Unisys.

The good news for IBM is that its share of the $7.1 billion market for systems priced $1.5 million and above grew to 63.1% in 1987, from 55.8% in 1986. In this category, IBM distanced itself from Unisys, which had 13.8% in 1987, down from a combined share of Burroughs, with 11.4% in 1986, and Sperry, with 6.7% in 1986, according to Dataquest.

Management changes at IBM also may have had an effect on IBM's selection of a new agency. Among the changes, IBM Senior VP George H. Conrades was moved to general manager of U.S. marketing and services from general manager of IBM's personal computer business. IBM VP William O. Grabe takes the new post of assistant general manager-marketing for U.S. marketing and services from assistant general manager-marketing for IBM's midrange computers. Because neither Mr. Conrades nor Mr. Grabe has had any major involvement with IBM corporate advertising, their voices in agency selection virtually eliminated whatever advantages of personal contacts that either Lord, Einstein & O'Neill or LGFE may have had in fighting to keep all or part of IBM's business. Jim Garrity, former marketing communications director, was named to the new post of director of advertising and promotion while David McGovern, former director of advertising, became director of recognition and marketing events in August 1988.

IBM CORP.
Old Orchard Road
Armonk, N.Y. 10504
(914) 765-1900

Corporate personnel: K.V. Cassani, vice chmn; M.B. Puckett, vp-comm; C.C. LaRoche, dir-adv & promo; J.F. King, dir-adv & promo operations; M.C. Gury, mgr-corp tv adv & promo; M.B. Gordon, mgr-corp print adv.

U.S. Marketing & Services

Marketing personnel: T.R. Lautenbach, sr vp, genl mgr-IBM US; G.H. Conrades, sr vp, genl mgr; W.O. Grabe, vp, asst genl mgr-mktg; J.C. Reilly, genl mgr-mktg plans & comm; C.B. Holleran, dir-comm; J.J. Garrity Jr., dir-adv & sales promo; S.A. Gray, adv mgr-workstation, admin prod; Eugene E. Wyatt, adv mgr-systems, sector; T.B. Heckel, mgr-mkt place adv.

Brands/services by agency of record:

Desk-top prods

Ad agency: Lintas:Worldwide, New York: Stephen Norcia, exec vp.

■

Corp adv
Mktg image adv
Mainframes
Telecommunications
Semi-conductors
AS/400 computers
Solution programs
Software

Ad agency: Wells, Rich, Greene, New York: Kenneth Olshan, chmn-WRG Worldwide; Charles Moss, vice chmn-creative dir.

Systems Integration Division

Marketing personnel: R.F. Dunkin, mgr-adv & promo svcs.

Brands/services by agency of record:

Systems Integration Division

Ad agency: HDM, New York: Jim Rosiello, vp-media super; Larry Lue, acct exec.

RANK
58

ITT Corp.
New York
ADVERTISING: **$ 151.3** MILLION

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* Mass Media Research, September, 1987

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Shibuya-Ku, Tokyo 150 Japan
Tel. 03-486-0006 Fax. 03-486-0649

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	19,525	17,437	12.0
Earnings	1,019	528	93.0
■ U.S.	**1987**	**1986**	**% chg**
Sales	14,634	13,555	8.0
Operating income	821	532	54.3
■ Division sales	**1987**	**1986**	**% chg**
Automotive	2,437	2,027	20.2
Electronics	1,061	844	25.7
Fluid technology	790	707	11.7
Defense technology	1,279	1,279	0.0
Insurance	9,507	8,192	16.1
Financial svcs	1,467	1,359	7.9
Communications	896	735	21.9
Hotels, devel	737	675	9.2

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	3,851	2,239	72.0
Business pub	6,898	6,133	12.5
Magazine	12,699	14,571	(12.8)
Newsp supp	287	213	34.8
Outdoor	1,310	1,181	10.9
Network TV	8,160	7,764	5.1
Spot TV	13,613	7,920	71.9
Network cable	1,037	779	33.0
Network radio	363	530	(31.6)
Spot radio	2,105	0	NA
Measured	50,321	41,331	21.8
Unmeasured	101,000	83,000	21.7
Total	151,321	124,331	21.7

ITT Corp., whose far-flung interests include high technology, insurance, hotels and timber, increased its 1987 ad expenditures by 21% after turning the corner and producing strong gains in all but one of its nine major business segments.

Although company officials say improved manufacturing techniques, financial controls and focus on its core businesses are more important to the future success of the company than marketing, it ordered a $150 million worldwide ad review in early 1987 that included a review of all of the company's agencies.

That review resulted in ITT hiring Wells, Rich, Greene of New York to create a new corporate ad campaign. Steven Erenburg, company spokesman, said the campaign is designed to let the world know what business ITT is in. ITT spent $5.5 million on general promotion, up 14.6%, according to BAR/LNA.

Mr. Erenburg explained that many still identify ITT with communications. The company operates a long distance telephone company and it paid $2 billion for a 37% interest in Alcatel, the largest communications company in the world. "We won't let the world forget that," Erenburg said. The problem is that the public does not identify with some of ITT's manufacturing operations such as automobiles and fluid technology.

The TV campaign, which has been running since last year, largely in spot TV, features examples of all the ITT businesses. The ads ask the rhetorical question "What is it?" Then it answers, "It is ITT."

The total in ad expenditures of $151.3 million in 1987 included $101 million in unmeasured spending, up 21.7% from 1986. ITT spends heavily in business periodicals, evidenced by a $6.9 million measured total in 1987, up 17%. However, many of business publications in which it advertises are not monitored by Rome Reports. AA folds that spending into unmeasured totals.

ITT continues to fine tune itself. Chairman Rand Araskog has spent much of the last few years divesting the company of acquisitions made by his predecessor, Harold Geneen.

In 1987, that meant the sale of ITT's remaining 24% share of STC, a British telecommunications company. The $730 million STC sale, which was completed in the fourth quarter of 1987, created a $250 million gain for ITT.

ITT World Communications telex operations was sold off in the U.S. and Latin America. At the same time, ITT sold Virgin Island Telephone Corp., its last full-service telephone company. The telex and telephone company sales netted the company a total of $220 million.

Regarding the divestment programs, Mr. Erenburg said, "It's pretty close to being finished—I can't say it's ever going to be done."

ITT's Hartford Insurance Group stayed strong despite an industrywide softening in the domestic property and casualty market. Hartford Life had $50 billion of insurance in force in 1987 and the company touted that as a major milestone reached by only seven other companies.

Flush with its success, Hartford Insurance returned to TV after several years absence. The campaign features its familiar elk trademark. Ad spending for Hartford grew by 60.3% to $10.9 million in 1987, according to BAR/LNA.

Sheraton Corp. posted a turnaround in hotel operations in 1987 and expanded its foreign operations with new properties in the People's Republic of China, Australia and Bulgaria. The company spent $10.4 million on advertising, up slightly from 1986.

The automotive products division strengthened its position as an original equipment manufacturer, and ITT Automotive announced plans for a new engineering center and world headquarters in Detroit.

The company also made strides in electronic components. ITT Cannon reached a 1987 agreement with Toppan Printing Co. of Tokyo to jointly develop an alternative to floppy disks that is about 1,000 times faster than existing technology and the size of a credit card.

ITT consolidated its 36 fluid manufacturing facilities and more than 100 fluid product sales operations under ITT Fluid Technology.

ITT's pulp and timber mills operated at near capacity last year, and the company launched an off-shore marketing campaign directed at the People's Republic of China, Japan and England.

ITT CORP.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000

Marketing personnel: Juan C. Cappello, sr vp-corp relations & adv; Stephen A. Erenburg, dir-corp comm.

Brands/services by agency of record:

Corp adv

Ad agency: Wells, Rich, Greene, New York: Frank Sampogna, acct group head; Lisa Karp, acct exec.

Hartford Insurance Group
Hartford, Conn.

Marketing personnel: John J. Daly, creative comm; Greg King, asst dir-creative comm.

Brands/services by agency of record:

Hartford insurance

Ad agency: McCaffrey & McCall, New York: Ralph Cohen, exec vp, dir-acct svcs; Winifred Barnes, sr vp-mgmt super; Sophia Kozlowski, acct exec.

Sheraton Corp.
Boston, Mass.

Marketing personnel: Robert Collier, vp, dir-mktg; Robert Quinn, vp, dir-adv; Adrienne Davis, vp, assoc dir-adv.

Brands/services by agency of record:

Sheraton hotels

Ad agency: Della Femina, McNamee WCRS, New York: James Smith, group adv dir; David McConnaughey, mgmt super; Abe Gorelick, acct super; Sally Camp, acct exec; Debra Kersey, asst acct exec.

RANK
20

Johnson & Johnson

New Brunswick, N.J.
ADVERTISING: **$ 459.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	8,012	7,003	14.4
Earnings	833	330	152.4
■ U.S.	**1987**	**1986**	**% chg**
Sales	4,167	3,972	4.9
Operating income	600	602	(0.3)
■ Division sales	**1987**	**1986**	**% chg**
Consumer	3,398	3,010	12.9
Professional	2,621	2,262	15.9
Pharmaceutical	1,993	1,731	15.1

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	790	1,339	(41.0)
Business pub	668	620	7.7
Magazine	32,816	22,471	46.0
Newsp supp	853	44	1,855.7
Outdoor	137	130	4.8
Network TV	181,999	164,322	10.8
Spot TV	8,953	7,731	15.8
Network cable	2,569	5,292	(51.5)
Network radio	138	1,376	(90.0)
Spot radio	1,349	2,634	(48.8)
Measured	230,271	205,959	11.8
Unmeasured	229,000	205,000	11.7
Total	459,271	410,959	11.8

Introduced last year into the fast growing ibuprofen market for those of us who "haven't got the time for the pain," Johnson & Johnson's Medipren hasn't received the national attention its producers believe it deserves.

Despite backing Medipren with $32.9 million in ad dollars, up from $11.3 million in 1986, J&J remains dissatisfied with Medipren's 13% market share which is far behind the leading 50% share accorded American Home Products' Advil, introduced in 1985, and Bristol-Myers' No. 2 Nuprin with a 25% share among ibuprofens.

AHP backed Advil with $48.4 million in measured support, while Bristol-Myers put $32.2 million behind Nuprin during 1987, according to BAR/LNA.

J&J has the financial strength and is likely to use it to support greater ad spending for Medipren and its feminine sanitary protection products since there continues to be growth in these markets, believes Joseph Riccardo of Bear Stearns.

Johnson & Johnson's Stayfree line, consisting of Stayfree Maxi and Silhouette Maxi-Pads, Assure & Natural, Carefree Panty Shields and Sure & Natural, continues to be the leader in $1.5 billion external feminine protection category, although market shares are declining.

The Stayfree line holds a 34.6% market share, down four share points from the spring 1987.

Measured advertising for the Stayfree line totaled $20.2 million in 1987, down 5%. Measured ad spending decreased by 88% in 1987 for Stayfree Maxi-Pads and fell 35% for Stayfree Silhouette Maxi-Pads. J&J refunneled spending behind Sure & Natural Maxishields, which received $9.3 million in measured advertising, up from $3 million in 1986.

Procter & Gamble's Always line, introduced in 1984, has gained the No. 2 position in external feminine protection with a 24% market share this year, compared with a 26.5% share in the spring 1987. Always is backed by more than $20 million in promotions.

Kimberly-Clark's Kotex currently holds a market share of 15.2%, a gain of 4.2 share points from the spring of 1987. K-C's New Freedom brand claims an 8.5% share. K-C proved the aggressor in the market in 1987 when it launched Kotex profile, an hour-glass-shaped maxi-pad. Then in April 1987, K-C began individually wrapping Kotex pads with a reusable plastic bag and combining them in drawstring poly bags, similar to those used for disposable baby diapers. This led to mimic products from J&J and P&G for Stayfree and Always lines, respectively.

In February 1988, Johnson & Johnson announced the acquisition of the Playtex Family Products part of Playtex for $726 million and three months later withdrew its bid.

Although execs from Johnson & Johnson have been silent about the withdrawal, Samuel Isaly of S.G. Warburg & Co., Inc. speculates that due to the association of tampons with toxic shock syndrome, J&J wanted to leave the liability aspect with Playtex, and Playtex did not accept.

"Difficulties in structuring and completing the definitive agreements for the transaction," was the reason given to AA by a J&J spokesman when the merger did not occur. J&J obviously eyed Playtex for its tampon line that could give it a greater market force with its own 'o.b.' brand against Tambrand's Tampax, which has a commanding 60% share of the tampon segment.

In June 1988, o.b. remained third in the internal feminine protection market with 8% of the market, Playtex held on to second with 24.4% and Tampax led with 62.4%. According to Andy Shore of Shearson Lehman Hutton Inc., o.b. is a dead product in a price-elastic market in the States, but is now popular in France.

Although the Tylenol scare of 1986 and a $130 million recall loss is behind them, J&J decreased its total ad dollars for the brand. In 1987, the Tylenol line ad spending was $55.7 million, down 8.5%.

Within the brand spending, advertising has shifted to Tylenol tamper-proof caplets which J&J developed to replace capsules.

Earlier this year, Tylenol had a 30% market share of the $2.2 billion analgesic market, but analysts expect new studies on aspirin's ability to fight heart attacks to affect market shares.

According to Mr. Riccardo, by June 1988, J&J held 33% of the analgesic market, while American Home Products claimed 18%, Bristol-Myers 13% and Sterling 11%.

Tylenol Extra Strength Liquid, a new product this past year, was advertised only briefly on spot TV, according to BAR/LNA.

During 1987, Imodium-AD, an antidiarrheal drug, was introduced with a $5 million ad drive. Sesame Street Vitamins for Children was introduced with modest ad spending.

In 1988, Acuvue, the highly publicized disposable contact lens product, was introduced in July 1988 and created another division in the $500 million lens market. Bausch & Lomb and SeeQuence are soon to follow with disposable lenses of their own. The disposable lenses combat build-up and irritations in the eyes.

Also introduced were Johnson's Baby Oil Mousse, body oil; Tylenol Gelcaps, oval-shaped pills coated with gelatin de-

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signed to be easier to ingest and more tamperproof than capsules; and introduced in 1987, Johnson's Baby Sunblock.

Johnson & Johnson's Sundown Sunscreen is tied for third in the suncare market with Westwood's PreSun. The total market share of all suncare products is led by Schering-Plough, maker of Coppertone QT, with 38% of the market.

In other news, Retin-A, a 16-year-old anti-acne drug, may be reintroduced to the public as an anti-wrinkle cream, if approved by the FDA. It would become the only prescription anti-wrinkle cream on the market. Other OTC anti-wrinkle creams are being heavily scrutinized by the FDA. Sales are taking off without a formal reintroduction, said Mr. Isaly, who said initial control studies released in 1988 prove that Retin-A reduces photo aging, sometimes caused by sun exposure. Studies also show the cream does not reduce intrinsic aging, he said.

J&J was among the biggest spenders during ABC's 1988 Winter Olympics. The company's network TV spending for the first quarter 1988 totaled $41 million, according to BAR/LNA.

J&J was among the Reggie winners chosen by AA for best sales-promotion campaigns in 1987. J&J produced sales increases for several products with Shelter Aid, a cause-related marketing program to combat domestic violence. This October 1987 promotion for the National Coalition Against Domestic Violence resulted in a 6% point share increase for participating Johnson & Johnson's Personal Products brands.

JOHNSON & JOHNSON

1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201)524-0400

Johnson & Johnson Healthcare

Corporate personnel: F.G. Ziegler, president.

Marketing personnel: J.J. Guidone, vp-sales; R. E. Whittaker, vp-prod mgmt.

Brands/services by agency of record:

J&J Healthcare

Ad agency: Young & Rubicam, New York: Barbara Islim, acct super; Jennifer Podger, acct exec.

Johnson & Johnson Orthopaedics

Corporate personnel: A.J. Prince, president.

Marketing personnel: G.K. Kunkle, vp-sales & mktg.

Brands/services by agency of record:

J&J Orthopaedics

Ad agency: Simms & McIvor, Bond Brook, N.J.: Joe Cramp, acct exec.

Johnson & Johnson Patient Care

Corporate personnel: T.M. Gorrie Ph.D., president.

Marketing personnel: M.P. Reilly, dir-prod mgmt; J.J. Bohan, vp-sales.

Brands/services by agency of record:

J&J Patient Care

Ad agency: Gross, Townsend, Frank, Hoffman, New York: Risa Janoff, vp-group acct super.

Johnson & Johnson Baby Products Co.

Corporate personnel: W.C. Egan, president.

Marketing personnel: W.M. Carpenter, vp-mktg.; W.J. Pontius, S.L. Coleman, mktg dirs.

Brands/services by agency of record:

Take Off

Ad agency: Saatchi & Saatchi DFS Compton, New York: Tom Lom, exec vp; Linda Honan, sr vp-mgmt super; Cathy Offenberg, acct exec.

■

Affinity shampoo & conditioner
Baby shampoo & conditioning
No More Tangles
Swabs

Ad agency: Lintas:New York: Ian McGregor, exec vp; Cynthia Williams, vp-mgmt super; Frances Murchison, Curtiss Bruno, acct supers.

■

Baby lotion
Baby oil
Baby powder
Baby sunblock
Shower to Shower
Sundown

Ad agency: Young & Rubicam, New York: Anne Zopfi, group dir; Susan Machtiger, mgmt super; Tim Monoz, acct super; Nancy Katz, Edith Benzimra, acct execs.

McNeil Consumer Products Co.

Fort Washington, Pa.

Marketing personnel: C.D. Simmons, president; J.T. Lenehan, vp-mktg; J.J. Gallagher, vp-sales; V.E. Brunell, exec dir-professional sales & mktg; J.L. Strickler, dir-mktg rsch; E.A. Behmer, dir-comm; J.R. McGann, dir-sales promo.

Brands/services by agency of record:

Pediacare

Ad agency: Cadwell Davis Partners, New York: Franchellie Cadwell, president; Herman Davis, chmn & creative dir; Eliot Glazer, sr vp, dir-acct svcs.

■

Delsym
Imondium A-D
Pediacare
Professional Adult Tylenol

Ad agency: Kallir, Philips, Ross, New York: John Racik, exec vp-mgmt dir; Ernestine McCarren, sr vp-mgmt super; Anne Bentley, vp-acct group super.

■

Professional Medipren

Ad agency: Klemtner Advertising, New York: Albert P. Mollinaro, president.

■

Imodium A-D
Medipren

Ad agency: Lowe Marschalk, New York: Barry Linsky, exec vp-mgmt dir; Robert Petersen, sr vp-mgmt super; Mike D'Souza, Amy Earl, acct supers.

■

Hispanic adv

Ad agency: Mendoza, Dillion & Asociados, Newport Beach, Calif: Richard E. Dillon, president; Robert Howells, vp-acct svcs.

■

Adult Tylenol
Children's Tylenol
Delsym
Tylenol Cold
Tylenol Sinus
Sine-Aid

Ad agency: Saatchi & Saatchi DFS Compton, New York: Tom Lom, exec vp-mgmt dir; Joe McCarthy, Vicki Tencati, vps-mgmt supers.

McNeil Pharmaceutical

Spring House, Pa.

Marketing personnel: J.A. Kitchen Jr., vp-mktg; J.C. Vaughan, natl sales mgr; C.E. Williams, vp-prod mgmt; E.R. Steel, exec dir-corp comm; N.A. Panzenbeck, dir-mktg rsch.

Brands/services by agency of record:

Tylenol with codeine
Tylox
Pancrease

Ad agency: Botto, Roessner, Horne & Messinger, New York: R.J. Botto, president.

■

Haldol
Parafon Forte

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, exec vp.

■

Toletin

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.: John Sweig, sr vp.

Personal Products

Milltown, N.J.

Marketing personnel: Pierre J. Dupasquier, chmn & president; M.H. McGuire, vp-mktg; C.C. Bergmann, dir-mkt mgmt; J.D. Curtiss, E.S. Faxstein, C.A. Goggins, group prod dirs; M.K. Heffler, dir-promo.

Brands/services by agency of record:

o.b. Tampons

Ad agency: Cadwell Davis Partners, New York: Eliot Glazer, sr vp, dir-acct svcs.

■

Assure & Natural Breathable panty liners
Carefree Panty Shields
Serenity Guards
Sure & Natural Maxishields

Ad agency: Lintas:New York: Ian MacGregor, exec vp-client svcs.

■

Stayfree maxi-pads
Stayfree mini-pads
Stayfree Thins

Ad agency: Young & Rubicam, New York: Ann Zopfi, group dir.

■

Stayfree Silhouettes maxi-pads
Stayfree Silhouettes thins

Ad agency: Saatchi & Saatchi DFS Compton, New York: David Basch, exec vp-mgmt dir.

Johnson & Johnson Dental Care Co.

New Brunswick, N.J.

Marketing personnel: C.M. Selquist, vp-mktg; C.A. Spalding, president.

Brands/services by agency of record:

J&J Dental Care Co.

Ad agencies: Cadwell Davis Partners, New York: Eliot Glazer, sr vp, dir-acct svs.

Gross, Townsend, Frank & Hoffman, New York: Risa Janoff, vp-group acct super.

Lowe Marschalk, New York: Barry Linsky, exec vp-mgmt dir.

Ortho Pharmaceutical Corp.

Raritan, N.J.

Corporate personnel: M.D. Casey, vp.

Brands/services by agency of record:

Ortho Pharmaceutical Corp.

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, vp-acct super.

Advanced Care Products Division

Marketing personnel: D.B. Bellaire, vp-mktg; J.L. Abramson, dir-mktg info & strategic planning.

Brands/services by agency of record:

Advanced care prods

Ad agency: Barnum Communications, New York: Robert Bond, sr vp.

■

Fact Home Pregnancy Test

Ad agency: McCann-Erickson, New York: H.L. O'Brien, sr vp-mgmt rep.

Dermatological Division

Marketing personnel: L.W. Riley, vp.

Brands/services by agency of record:

Dermatological div

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, vp-acct super.

Chicopee

New Brunswick, N.J.

Marketing personnel: R.L. Bramson, vp-mktg, specialty prods div; R.I. Munoz, vp-mktg, affiliate div; J.R. Rinaldi, vp-mktg, private label div.

Brands/services by agency of record:

Chicopee

Ad agency: ST&L Associates, New Brunswick, N.J.: Howard Rich, acct exec.

Codman & Shurtleff

Randolph, Mass.

Marketing personnel: A.D. Stewart, vp-prod mgmt.

Brands/services by agency of record:

Codman & Shurtleff

Ad agency: Omnitech Communications, Lynnfield, Mass.: C. Stuart Grover, acct exec.

Ethicon Inc.

Somerville, N.J.

Marketing personnel: R.W. Croce, group vp; D.R. Murray, vp prod mgmt.

Brands/services by agency of record:

Ethicon Inc.

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, vp-acct super.

Surgikos Inc.

Arlington, Texas

Marketing personnel: J.D. Terry, vp-sales; R.C. Neil, dir-prod mgmt.

Brands/services by agency of record:

Surgikos Inc.

Ad agency: Pierce Davis, Arlington, Texas: Bill Pierce, mgmt super; Karen Frey, acct exec.

RANK
89

S.C. Johnson & Sons

Racine, Wis.
ADVERTISING: **$ 96.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	2,000	2,000	0.0

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	608	522	16.3
Business pub	187	208	(10.1)
Magazine	16,025	14,015	14.3
Newsp supp	1,087	617	76.2
Outdoor	0	41	NA
Network TV	20,862	56,459	(63.1)
Spot TV	9,892	6,869	44.0
Network cable	878	1,366	(35.7)
Network radio	1,957	2,474	(20.9)
Spot radio	1,903	1,451	31.2
Measured	53,397	84,022	(36.4)
Unmeasured	43,000	67,000	(35.8)
Total	96,397	151,022	(36.2)

S.C. Johnson & Son spent 1987 addressing stagnant sales by focusing on strengthening its core businesses of cleaning products and insecticides for both the consumer and the professional markets.

While the company remains committed to pursuing the lucrative and growing personal-care markets, the majority of the company's advertising and marketing activity in 1987 centered on its successful Raid insecticide line.

Except for Raid, which experienced a modest 3% gain, measured media support declined for all Johnson products. The privately-held company, whose sales have been static since 1984, pushed through a number of agency changes, and at least one of its major products, the Agree haircare line, was without an agency for virtually all of 1987.

Yet observers believe Johnson's severe advertising drought in retrospect will be viewed as an aberration. Johnson's strategy is to build sales through both internal new-product development and acquisitions that fit with its intent to be a larger player in personal care. The company focused on line extensions of established brands this year, but Johnson is expected to enter a new-product cycle that is certain to boost ad expenditures.

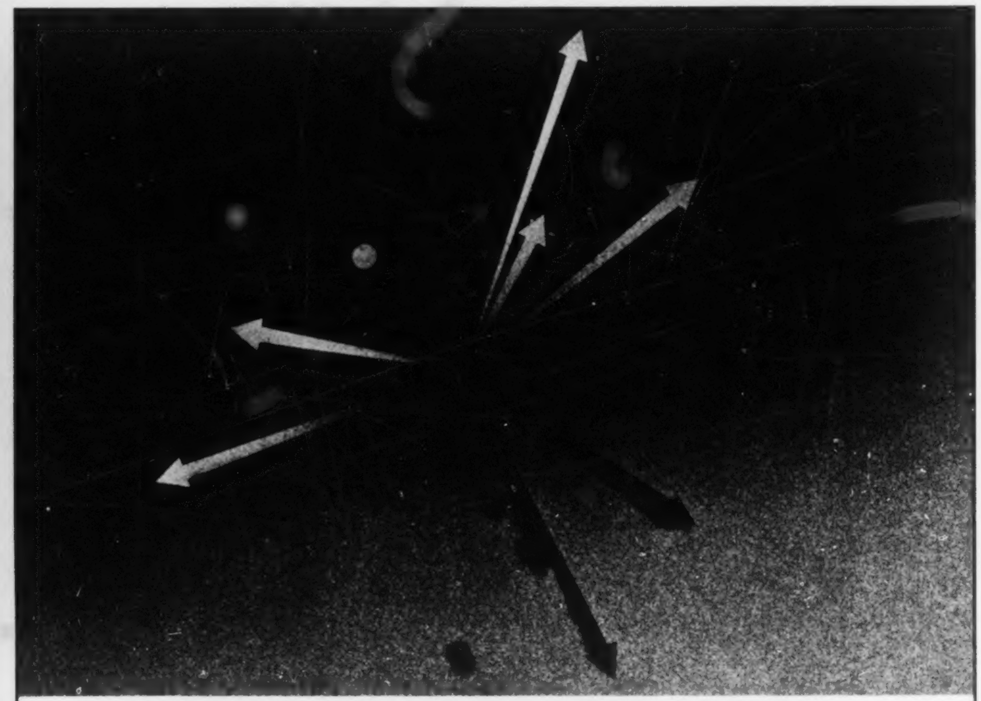
Johnson, which continues to dominate the insecticide category with a 47% share of the estimated $400 million (manufacturer's dollars) category, in mid-1988 revived Captain Raid, its bottle-shaped, bug-killing hero, after a 15-year hiatus from TV advertising.

The estimated $10 million image campaign was the first in years that didn't focus on the familiar animated Raid bugs. Raid agency Foote, Cone & Belding, Chicago, gave Captain Raid a snazzy image that included the ability to "laserize" bugs, not just zap them from existence.

Johnson, which spent $13.4 million in measured media spending on Raid, has maintained its 45% market share from 1986 to 1987, well ahead of Black Flag (American Home Products) and Combat (American Cyanamid) which are fighting for the No. 2 share at 18%.

Although measured media support for OFF! personal insect repellent dropped 26% to $1.7 million, the brand continued to lead the estimated $65 million category with more than a 50% market share. Cutters insect-repellent from Miles, a division of Bayer AG, is the second-leading brand.

Johnson's Pledge furniture polish led the home-care division in measured media



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with $4.3 million, down 40%. Pledge commands an estimated 35% share, leading the $140 million (manufacturer's level) furniture wax and polish category. This summer the company introduced new packaging for Pledge and a new fragrance to the line, Spring Fresh. Favor, another Johnson polishing aid, posted an 8% share of the category, although it had no measured media support.

Johnson's wax-free dusting aid and cleaner, Duster Plus, has an estimated 5% share of the $32 million dusting-aid segment, compared to 80% for segment leading Drackett Co.'s Endust. Duster Plus, which added a lemon-scented variety, drew $2 million in measured media in 1986, but none in 1987.

Between Future and Brite, Johnson holds a 60% share of the $100 million (manufacturer's level) floor-care category. Although the brands gained an estimated nine share points during the year, the category dropped from $160 million in sales in 1986. Future and Brite drew $2.3 million in measured media, a 71% decline from 1986.

Glade, Johnson's air freshener line, received $140,000 in measured media spending in 1987, a sharp contrast to 1986 when the company rolled out Glade II, a honey-combed, continuous-acting air freshener, with nearly $4 million in measured media support. Glade holds an estimated 14% of the $295 million (manufacturer's level) air freshener category, down four percentage points from 1986.

Glade Litterfresh, a powdered cat box deodorizer which is sprinkled onto cat litter, received $2.5 million in measured media support.

Shout prewash laundry soil and stain remover, which has a 32% share of the $160 million (manufacturer's level) category, received $2.1 million in measured media spending, down 50%. Johnson in mid-1988 introduced nationally a reformulated Shout liquid with improved stain-fighting ingredients. Shout is second to Dow Chemical's Texize division's Spray 'n Wash, which holds a 40% share of the category.

Rydelle Laboratories, Johnson's OTC drug division, signed an agreement in August 1988 to sell its Fiberall bulk-laxative line to Ciba-Geigy Corp., Summit, N.J. The line, supported with $2.1 million in measured media spending in 1987, holds a 6% share of the $170 million bulk-laxative segment. P&G's Metamucil is the leading bulk-laxative with more than a 60% market share.

Industry observers believe Rydelle wants to focus more on its skincare and oral-care product lines, and may make further acquisitions in those product categories. One new skincare effort is the West Coast test of 9-1-1 , a line of first-aid creams and sprays. Rydelle supported the Aveeno line of products for sensitive skin with $1.8 million, halving measured media support for the line.

Rydelle supported its Check-Up and Zact specialty toothpastes with $4 million in measured media. Check-Up, the first toothpaste marketed as a plaque-fighter, got an line extension in mid-1988 with Check-Up Gingival, designed to combat gingivitis, an inflammation of the gums. At the same time, the company began a magazine campaign to introduce Zact HP, a stain-remover with fluoride toothpaste. The line extensions are viewed as a market-share building effort, since the two brands did not gain share during the year. Both brands each hold less than a 1% share of the $1 billion category. By contrast, Procter & Gamble Co.'s Crest holds more than a 40% share of the category.

In the haircare market, which grew 6% to $3.96 billion in 1987, Johnson slipped to a 5.2% share in shampoos and an 8.1% conditioner share. L'Envie shampoo has dwindled to a negligible 0.8% share of the shampoo segment and a 1.6% conditioner share and the Halsa brand also is declining.

Agree shampoo posted a 1.9% share, virtually unchanged from the previous year, and its companion Agree conditioner remained at a 3% share. The line, backed by $2.5 million in measured media support, has been reformulated to include keratin and will be reintroduced this fall with a TV, radio, print and couponing campaign via new agency Lotas Minard Patton McIver, New York. The new generation of Agree includes regular, extra body and moisture rich shampoo and conditioner formulas.

Johnson, the No. 3 hand-lotion marketer in the $550 million category, slipped to an 11.6% share for its Curel and Soft Sense brands, down from 12.3% in 1986. Diana Temple, a Salomon Bros. analyst, believes Johnson will have to launch an aggressive marketing effort to sustain Curel, as sales of the brand dropped 10% in 1987. Curel holds a 6.3% share, she said, down from a 7.2% share the previous year. Johnson, which supported Curel with $2.4 million in measured spending, added a fragrance-free version of Curel early in 1988.

At the same time, Johnson launched the first body mousse for the mass market under the Soft Sense label, which appears to have strengthened sales. In July 1988, the company introduced Soft Sense Aloe Formula with Vitamin A for Sensitive Skin. The new formulation replaced the Soft Sense Extra Protection variety. Soft Sense's market share in 1987 remained 6%. The brand was supported with $2.6 million in measured media, a 13% drop from 1986.

The expiration of a patent covering Johnson's Edge shaving gel means stiffer competition for the leading brand in the $250 million shaving preparation category. Edge, supported with $1.4 million in measured media, holds a 26.5% dollar share, up slightly from a 25% share the previous year.

In the fourth-quarter of 1987, Johnson broke a new campaign featuring basketball stars Magic Johnson and Slick Watts using the Edge theme, "Not your ordinary shave," and emphasizing the brand's six-lubricant defense against razor irritation. In mid-1988, Johnson added natural aloe to its Edge sensitive skin formula.

In November 1987, Johnson pulled three haircare brands, worth about $15 million in billings, from J. Walter Thompson USA, Chicago. The Halsa Swedish Botanical Formula haircare account went to Lotas Minard Patton McIver, New York. Johnson called the split a "mutual decision," reflecting JWT's concerns about conflicts at other offices. Thompson still handles Edge shaving gel and Soft Sense lotion. The Agree and L'Envie haircare lines were unassigned until mid-1988, when Johnson assigned the brands to Lotas Minard Patton McIver.

In August 1988, Johnson dropped HDM Dawson, Johns & Black, Chicago, as the agency for Pledge and Glade, in a move widely viewed as part of the company's agency consolidation plan. Johnson executives have been talking about consolidating U.S. agency assignments since earlier in the year, when the company made a similiar move in Europe where Johnson divided $60 million in billings primarily between DDB Needham Worldwide and Foote, Cone & Belding Communications. HDM was a Johnson agency only for about 20 months.

S.C. JOHNSON & SON
U.S. Consumer Products
1525 Howe Street
Racine, Wis. 53403
(414) 631-2000

Corporate personnel: G. W. Delp, exec vp.
Marketing personnel: D.C. Henry, vp-sales; W.D. Perez, vp-home care; B.M. Pritchard, vp-insect control; C.J. Goldthwaite Jr., vp-personal care; G.C. Montezemolo, vp-OTC Drug Enterprise; A.B. Priemer, media consultant; P.J. Grieger, pr mgr; D.L. May, W.C. Thomson, J.D. Harper, C.L. Colman, M.E. Leopold, category mgrs.
Brands/services by agency of record:

Check-Up toothpaste and gum
Zact toothpaste
Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Mary Pat Ladner, acct exec.

■

Sports medicine
Ad agency: Cramer-Krasselt, Milwaukee: Peter Krivkovich, president.

■

Raid
Off!
Future
Brite
Shout
Duster Plus
Favor
Glade Litterfresh
Ad agency: Foote, Cone & Belding, Chicago: Paul Vernon, sr vp-group acct dir.

■

Aveno cleansing bar, bath and lotion
Rhuli spray, cream and gel
9-1-1 first aid line
Ad agency: Grant Jacoby, Chicago: Pam Prosch, sr vp, dir-strategic devel.

■

Agree
Halsa
L'Envie
Curel
Ad agency: Lotas Minard Patton McIver, New York: Sally Minard, partner.

■

Soft Sense
Edge
Ad agency: J. Walter Thompson USA, Chicago: Melissa Murphy, sr vp-group acct dir.

RANK
17

Kellogg Co.

Battle Creek, Mich.
ADVERTISING: **$ 524.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,793	3,341	13.5
Earnings	396	319	24.1
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	2,492	2,269	9.8
Operating income	304	248	22.6

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	483	193	150.0
Business pub	481	670	(28.2)
Magazine	3,406	1,058	222.1
Newsp supp	71	0	NA
Outdoor	0	22	NA
Network TV	237,985	166,006	43.4
Spot TV	61,925	47,352	30.8
Network cable	4,496	3,072	46.3
Network radio	17	0	4,200.0
Spot radio	0	8	NA
Measured	308,865	218,382	41.4
Unmeasured	216,000	153,000	41.2
Total	524,865	371,382	41.3

Kellogg Co., the nation's No. 1 marketer of ready-to-eat cereals, boosted total U.S. advertising a substantial 41.3% in 1987 to retain its lock on the $5.3 billion market, represented by its 42.5% share in pound volume and 42% share in dollars.

Such a heavy expenditure for such little share movement (Kellogg's poundage share actually slipped from 42.6% while dollars remained the same from 1986) might not seem justified if only existing products were backed, but half of the new ad dollars pushed new products.

Measured ad spending in 1987 grew by $90.5 million over the prior year, with $43.2 million of that backing five new cereals—Kellogg's Mueslix, Nutrific, Strawberry Squares, Pro Grain and Nutri-Grain Nuggets.

In fact, the host of new product rollouts and aggressive marketing by Kellogg and No. 2 cereal marketer General Mills, which finished 1987 with slightly lower pound and dollar market shares, in the long run could force other marketers from the segment, said Timothy Ramey, food industry analyst for County Securities, New York. He sees Kellogg after a 50% share of the ready-to-eat cereal market.

Kellogg in December consolidated its U.S. subsidiaries into Kellogg North America, which includes the U.S. Food Products division and Kellogg Canada Inc. Horst Schroeder, president of the U.S. food division, was named president of Kellogg North America and group exec VP of Kellogg Co.

The other organizational change in 1987 took place when Fearn International, Kellogg's foodservice arm, bought St. Louis Park, Minn.-based Now Foods Corp., a marketer of frozen soups, entrees and sauces—marking Kellogg Co.'s foray into the frozen foodservice foods market.

In June 1988, Kellogg sold Salada Foods to New York-based Redco Foods, and changed the name of its Canadian unit from Kellogg Salada Canada to Kellogg Canada Inc. In February 1988, Whitney's Foods was merged into Mrs. Smith's Frozen Foods Co.

In 1988, the company has continued its new-product momentum established in 1987, introducing five cereals: Nutri-Grain Biscuits, bite-sized Frosted Mini-Wheats, Nut & Honey Crunch Biscuits, two varieties of S.W. Graham Shredded Biscuits and Common Sense Oat Bran in two varieties.

Record capital spending of $478.4 million in 1987—45.3% higher than 1986 spending of $329.2 million—underscored Kellogg's intent to increase cereal production capacity and sales worldwide. In the U.S., Kellogg's Battle Creek cereal plant received a new addition in 1987 and this year Kellogg is building a new cereal plant in Memphis, Tenn.

According to figures from Wheat First Securities, Richmond, Va., Kellogg marketed five of the nation's top 10 cereals in 1987, equal with 1986. No. 1 Kellogg's Corn Flakes slipped from 6.6% to 6.3% in pound share, and from 4.5% to 4.2% in

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AD SAT
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What product categories are growing?
Turn to LNA for answers.
See page 151

dollar share over No. 2-rated Kellogg's Sugar Frosted Flakes, which rated 5.9% and 5.5% in pound and dollar share, respectively. Corn Flakes got $21.7 million in measured spending, up 34%, and Sugar Frosted Flakes received $22.8 million, up 40%, according to BAR/LNA.

Other Kellogg's top 10 brands in pound and dollar shares were No. 4 Raisin Bran, 4.3% and 3.7%; No. 7 Rice Krispies, 3.6% and 3.8% and No. 8 Kellogg bran products, 3.5% and 2.8%. Raisin Bran received $23 million, up 33.7%, and Rice Krispies pulled $19.7 million, up 20.9%.

Kellogg's chief competitor, Minneapolis-based General Mills, placed two cereals in the top 10 while losing an overall 0.5 share points in 1987 pound and dollar market shares to 20.7% and 23.6%, respectively, according to Wheat First.

Among successful 1987 introductions was Mueslix, a European-style cereal in five grain and bran varieties. Mr. Ramey said Mueslix has garnered a 1% pound share of the market just 11 months after its October 1987 rollout. Mueslix received $7.1 million in measured spending in 1987, virtually all in network TV, according to BAR/LNA.

In other segments, Kellogg held the No. 1 position in the $263.6 million frozen waffle segment, taking a 44% total share with its Eggo frozen waffles in Nutri-Grain and Buttermilk varieties. Mrs. Smith's frozen pies command a top 56% share of the pie segment and Kellogg's Pop Tarts tops all competitors with a dominant 74% share of the $243 million toaster pastry segment.

In the $1 billion refrigerated yogurt market, one of the few product categories Kellogg doesn't dominate, Whitney's yogurt dropped to between 2% and 3%, from 4% in 1986—ranking well behind market leaders Dannon and Yoplait.

KELLOGG CO.
One Kellogg Square
P.O. Box 3599
Battle Creek, Mich. 49016-3599
(616) 961-2000

Corporate personnel: W.E. LaMothe, chmn & ceo; R.L. Nichols, vice chmn; H.W. Schroeder, group exec vp, president-Kellogg North America; president-U.S. Food Products div.

Marketing personnel: M.D. Simpson, exec vp-sales & mktg; W.H. Weintraub, sr vp-mktg; S.W. Richards, vp-natl sales mgr; K.C. Smith, dir-mktg svcs.

U.S. Subsidiaries

Corporate personnel: G.E. Costley, president; J.J. Feeney, president-coo, Mrs. Smith's Frozen Foods Co.; D.E. Thompson, president-Fearn International; J.S. MacDonald, eastern zone mgr; C.T. Karlow, central zone mgr; J.T. Kroll, western zone mgr.

Marketing personnel: K. Harlan, vp-mktg, Mrs. Smith's Frozen Foods; R.D. Bateman, sr vp-sales; E.K. Jorgensen, vp-mktg, Fearn International.

Brands/services by agency of record:

Cereals
Toaster pasteries

Ad agency: Leo Burnett USA, Chicago: William Lynch, chmn & ceo; James Jenness, exec vp; Del Collins, Dick Corelitz, Tim O'Day, Al Roehl, vps-acct dirs; Mike Arnold, Larry Bruck, Eleanor Callison, Warren Guthrie, Justus O'Brien, Rick Remick, Stacy Sopcich, acct supers.

■

Black mktg

Ad agency: Vince Cullers Advertising, Chicago: Vince Cullers, president.

■

Bran cereals

Ad agency: J. Walter Thompson USA, Chicago: Jack Tukey, sr vp; George Lange, sr vp-group acct dir; Nick Bothfeld, Susan Frankel, George Shott, vps-acct dirs; Erin Clark, Dermid Eagen, Mark Mitten, Gloria Quigley, Susan White, acct supers.

Fearn Intl

Ad agency: West, Morris, Davis & Muender, Rockford, Ill.: Percy J. Muender, vp.

RANK
11

K mart Corp.

Troy, Mich.
ADVERTISING: **$ 631.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	25,627	23,812	7.6
Earnings	692	582	18.9
■ *Division sales*	*1987*	*1986*	*% chg*
General mdse	22,140	21,308	3.9
Specialty retail	3,487	2,504	39.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	110	NA	NA
Magazine	23,482	20,375	15.2
Newsp supp	2,603	1,103	135.9
Outdoor	319	12	2,555.0
Network TV	18,238	26,333	(30.7)
Spot TV	30,942	22,121	39.9
Network cable	2,632	648	306.0
Network radio	6,824	6,526	4.6
Spot radio	3,696	3,602	2.6
Measured	88,845	80,719	10.1
Unmeasured	543,000	493,000	10.1
Total	631,845	573,719	10.1

The past year K mart Corp. elected a new chairman, launched key image-building marketing programs and adopted a new diversification strategy that called for ventures in grocery and warehouse-style retail operations.

Increasingly intense competition is the driving force behind K mart's new strategies. Although Sears, Roebuck & Co., Chicago, remains the nation's top retailer, No. 2 K mart has been closing the gap and is trailing by only $2.5 billion in sales. But analysts say K mart needs to keep a wary eye on competitors sneaking up behind it, particularly Bentonville, Ark.-based Wal-Mart Stores, a regional discount chain that has gained the reputation of being the fastest-growing retailer in the U.S.

But Joseph Antonini, who stepped in last October as K mart's chairman, president and CEO following the September retirement of Bernard Fauber, came prepared for the fight. Although he's been K mart's chief for less than a year, he is widely acknowledged to have played a crucial role as the strategist in boosting K mart's sales and upgrading its image the past few years.

Last year K mart continued its strategy of updating the image of its 2,200-plus K mart stores from a no-frills discount store to a retailer of quality, brand-name merchandise. At the same time, it isn't forsaking its discount image. Last year it cut the prices of 2,[illegible]00 items and plans to cut more this year.

Mr. Antonini, who, as chief of K mart Apparel spearheaded its first celebrity promotion with the Jaclyn Smith Signature collection, established a marketing department to better coordinate merchandising, marketing and advertising in less than three weeks after taking his current post. He placed Michael Wellman, VP-marketing, at the head of the department.

The marketing department is helping K mart buyers create distinct programs for their departments. The goal behind each is to sell an entire lifestyle-oriented concept to consumers, making goods complementary so shoppers will want to buy several interrelated products rather than just one item.

The retailer's most notable effort in that direction is the Martha Stewart program for K mart's home fashion division, launched in August 1987. Ms. Stewart, author of several books and nationally syndicated newspaper columns on food and entertainment, is K mart's ad spokeswoman and lifestyle consultant. She also writes K mart Kornerstones, store-distributed brochures that give tips on such things as cooking and table decor.

The Martha Stewart program is part of K mart's effort to stay in tune with the typical K mart shopper, who has the same buying power he had 15 years ago, but is better educated, more sophisticated and has been exposed to "the good life." Ms. Stewart, who has an upscale following, is considered a guide to gracious, but affordable, living.

This year K mart cut back on its in-house newspaper inserts, which have touted individual sale items and prices, and is increasing its use of TV to build image. In February, K mart dropped one of its two weekly inserts, cutting about $50 million from that budget. Some of those funds were shifted to other media, primarily TV, increasing the billings of K mart agency Ross Roy Inc., Bloomfield Hills, Mich. and its New York subsidiary, Calet, Hirsch & Spector, to more than $[illegible]0 million from about $65 million in 1987.

Next year K mart will chop another $25 million from its budget as part of a cost-reduction strategy and a move for more efficient advertising. But the scaling back of ad budgets doesn't mean K mart is becoming a less aggressive marketer. In the past year it has launched a slew of new programs.

K mart sponsored the Winter Olympics and will do the same with the 1988 Summer Olympics. It also is backing the Professional Golfers' Association's Greater Greensboro Open.

K mart launched the K mart Gym Kids Club as part of its three-year sponsorship of the U.S. Gymnastics Federation and Summer Olympic Games.

This year K mart signed on pro golfer Fuzzy Zoeller as ad spokesman. He promoted golf equipment sold at K mart in TV and print advertising during the PGA tournament in early April. K mart also is co-sponsoring the car driven by Mario Andretti, who races in the Championship Auto Racing Teams' Indy series, and is doing local promotions with Mr. Andretti.

To improve customer service, K mart added in-store greeters and toll-free consumer response numbers. It also is making headway on its $1 billion retail automation program, which eventually will be used to centrally merchandise all K mart stores. At the end of 1987, new point-of-sale systems were installed in 759 stores. K mart plans for all stores to be hooked to the system by 1991.

This summer K mart joined *Working Woman/McCalls* in a new marketing effort. The publisher launched a magazine called *Betsy McCall*, aimed at girls ages 6 to 12. K mart is the sole retail advertiser and is distributing 1 million copies free in stores. The magazine also is inserted in *McCall's*, adding another 5 million to its circulation. K mart plans to develop programs with other magazines to target certain market segments, such as men and boys, it hasn't been as successful in reaching.

This summer, actress Jaclyn Smith signed a contract with K mart agreeing to act as ad spokeswoman for another three years. Also this summer K mart said it would begin testing Vanna White's dress collection in 200 stores, beginning around Christmas.

K mart has stepped up experimentation with convenience-related services in K mart stores. In the next few months it will start testing grocery departments in two stores.

The company also leases space in stores to various financial institutions as tests. About 385 insurance and financial boutiques in K mart stores scattered across the U.S. offer convenience services such as discount brokering, via Detroit-based Olde Discount Corp., and banking. It also has leased space in three Detroit-area stores to InsurUSA, an insurance distributor that sells American Automobile Association Michigan memberships and AAA's full line of insurance.

While K mart's growth strategies revolve primarily around K mart stores, its core business, the company also is looking at specialty retail operations for further growth. In late 1987 K mart announced plans to open a chain of hypermarkets in a joint venture with Bruno's, a Birmingham, Ala.-based supermarket chain. The first American Fare opens this fall in Atlanta. DiIorio, Wergeles, a New York-based subsidiary of Ross Roy, handles.

Last spring K mart acquired 51% of Makro Inc., a Cincinnati-based subsidiary of SHV Holdings, a Dutch company, that operates four membership warehouse-style stores in the U.S. K mart expects to have 20 Makro stores, each with annual sales of $75 million, by 1990.

K mart projected that American Fare and Makro, along with Walden Book Co., Pay Less Drug Stores Northwest and Builders Square, will account for 20% to 25% of K mart's total sales by 1990. Last year K mart opened 258 new specialty stores, and plans call for the opening of another 172 units in 1988.

Meanwhile, Builders Square is developing two subsidiaries, both warehouse-style store operations. This fall Builders Square will open two Office Square stores, which will sell office supplies, furniture and office equipment, in the Chicago area. Two Sports Giant sporting goods stores will open in the Detroit area next spring.

K MART CORP.
3100 W. Big Beaver Road
Troy, Mich. 48084
(313) 643-1000

K mart Stores
Troy, Mich.

Marketing personnel: Michael Wellman, VP-mktg; Gerald Habeck, dir-adv; Thomas Nigolian, sr vp-genl merchandise; Norman Roberts, dir-sales promo; Robert Mulligan, dir-mktg support; Darrell Schmidt, dir-special projects; Edward Kreitz, dir-incentive sales mktg.

Brands/services by agency of record:

K mart stores

Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Peter Vetowich, exec vp, dir-retail operations; Steven Butterman, Lawrence Haddock, Roger Sherman, sr vps-mgmt supers; Frank Wilberding, sr vp-mktg svcs; Jack Frakes, exec creative dir.

■

K mart fashions

Ad agency: Calet, Hirsch & Spector, New York: Peter Hirsch, co-chmn, exec creative dir; Ron Sherman, president; Jane Singer, sr vp, dir-mktg & planning.

Walden Books Co.
Stamford, Conn.

Marketing personnel: Bonnie Predd, exec vp-mktg; Sandy Long, mgr-adv.

Brands/services by agency of record:

Walden Books stores

Ad agency: Ad Direct, Westport, Conn.: David Cramoy, president; Ray Dempsey, chmn; Eric Tolkin, acct exec.

Builders Square
San Antonio, Texas

Marketing personnel: Mark James, vp-mktg; Bob Bierley, dir-adv; Jud Walford, exec vp-coo.

Brands/services by agency of record:

Builders Square stores

Ad agency: (In-house): Mark James, vp-mktg.

■

Special projects adv

Ad agency: Roger Christian & Co., San Antonio, Texas: Roger Christian, president.

Office Square/Sports Giant
San Antonio, Texas

Marketing personnel: Gene Cuthbertson, dir-adv.

Brands/services by agency of record:

Office Square stores
Sports Giant stores

Ad agency: (In-house): Gene Cuthbertson, dir-adv.

Pay Less Drug Stores Northwest
Wilsonville, Ore.

Marketing personnel: David Massing, vp-adv.

Brands/services by agency of record:

Pay Less Drug Stores N.W.

Ad agency: (In-house): David Massing, vp-adv.

American Fare
Troy, Mich.

Marketing personnel: Larry Perkin, exec vp-warehouse & grocery operations; Gerald Habeck, dir-adv.

Brands/services by agency of record:

American Fare stores

Ad agency: DiIorio, Wergeles, New York: Don Wergeles, chmn; Julio DiIorio, president; Frank Everett, sr vp, dir-client svcs.

Makro Inc.
Cincinnati, Ohio

Marketing personnel: Gregory Hanselman, vp-sales & promo.

Brands/services by agency of record:

Makro Inc.

Ad agency: (In-house): Gregory Hanselman, vp-sales & promo.

RANK
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Kra[illegible]nc.

Northbrook, Ill.
ADVERTISING: **$ 400.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	9,876	7,780	26.9
Earnings	489	413	18.4
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	7,541	5,772	30.6
Operating income	680	625	8.7
■ *Division sales*	*1987*	*1986*	*% chg*
U.S. consumer food	4,519	4,016	12.5
U.S. commercial food	3,022	1,756	72.1
Intl food	2,335	2,008	16.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	2,183	2,017	8.2

If getting to the
right celebrity
has you all turned around,
let us put you straight.
INGELS, INC (213) 852-0300

■ Media	1987	1986	% chg
Business pub	1,537	1,217	26.2
Magazine	29,787	34,031	(12.5)
Newsp supp	2,391	2,083	14.8
Outdoor	670	74	808.3
Network TV	71,245	88,645	(19.6)
Spot TV	67,914	74,694	(9.1)
Network cable	1,331	1,775	(25.0)
Network radio	678	2,637	(74.3)
Spot radio	5,964	7,162	(16.7)
Measured	183,699	214,334	(14.3)
Unmeasured	217,000	254,000	(14.6)
Total	400,699	468,334	(14.4)

After spending much of the early 1980s growing—upping ad budgets, acquiring companies at a fast pace and aggressively introducing products—Kraft has changed its tune.

A primary focus now is a corporate-wide productivity program that Chairman John Richman said could add a total of $100 million to pretax profits by 1990; 1987 pretax profits were up 10.4%, to $435 million. Mr. Richman said Kraft traditionally has rotated between focusing on growth to focusing on returns; the company "now needs to make a consistent effort for full productivity in everything we do. That means taking a fresh look at everything, including advertising and sales costs."

Still, President and CEO Michael Miles said the company will end 1988 with a 10% increase in its worldwide ad spending, to about $500 million; excluding the $30 million budget of Duracell, sold in May, that amounts to an 18% increase over 1987. AA estimates its U.S. advertising portion to be $387.1 million, down 14.3%.

Part of the 1988 budget will be devoted to a new corporate ad campaign set to debut this fall via Foote, Cone & Belding, Chicago, carrying the theme "good food and good food ideas." The money budgeted for media—estimated at $10 million on an annualized basis—is being rechanneled from Kraft's decades-old sponsorship of network TV programs, which was discontinued this year.

At the same time, Kraft is battling the FTC over a deceptive advertising charge leveled at a 1984-85 campaign for Kraft Singles American cheese. One of the only major complaints filed by the FTC under the deregulation-minded Reagan Administration, the case currently is being heard before an FTC judge. Measured spending on Kraft Singles declined 40% to $9.6 million, according to BAR/LNA.

With the sale of its Duracell battery and Celestial Seasonings tea businesses, Kraft this year became a 100% food company for the first time in 30 years. This month, Kraft agreed to sell Celestial Seasonings to Vestar Capital Partners, New York, with current management participating in ownership. The company announced May 5, 1988, the sale of Duracell to Duracell Holdings Corp., an affiliate of Kohlberg Kravis Roberts & Co. for $1.8 billion in cash. Duracell, with 1987 sales up 18% to $1.1 billion, represented 11% of the Kraft total.

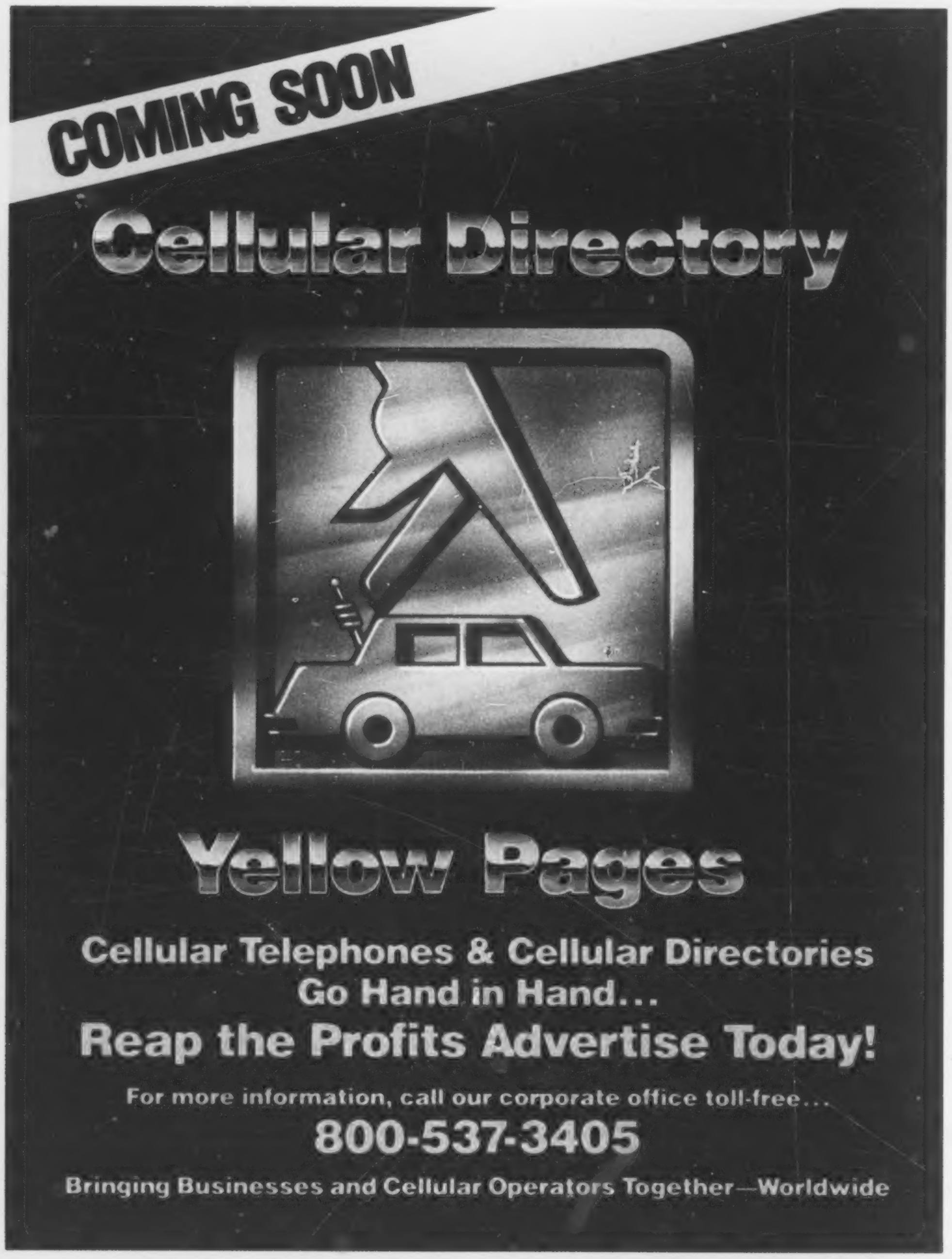
Kraft is particularly keen on establishing a leadership position in frozen foods. Through its purchases of Lender's Bagel Bakery (1984), Tombstone Pizza (1985) and All-American Gourmet (1987), Kraft has reached what Chairman Richman calls a "critical mass" in frozen foods, with projected 1988 sales of $600 million. This places Kraft fifth with a 7.5% share of the prepared frozen-foods market worth $8 billion (entrees to desserts). Market leader is Campbell Soup Co. with a 15% share, followed by ConAgra 13.8%, Pillsbury 11% and Stouffer Foods (Nestle) 9.4%, and Kraft, according to Find/SVP.

Ernest Townsend, who came to Kraft in the All-American Gourmet deal, this year took over the reorganized frozen foods group. As president of All-American Gourmet, Mr. Townsend during 1987 oversaw the expansion of the company's successful Budget Gourmet frozen entree line into Slim Line reduced-calorie dinners, side dishes (a 20-item line) and three-dish dinners. The Budget Gourmet is the No. 2 brand of frozen single-dish entrees in the U.S., behind Stouffer's red box entrees. Measured spending on the line fell 35% to $8.7 million in 1987.

AAG last month began testing its second brand name, Eating Right, a line of 14 low-calorie, upscale frozen entrees. Eating Right will compete directly with Stouffer's Lean Cuisine and H.J. Heinz' Weight Watchers, which together control about 70% of the $1.5 billion market for low-calorie entrees. HDM, Los Angeles, is handling an estimated $10 million introductory TV and print campaign; DiIorio, Wergeles, New York, continues as agency for Budget Gourmet.

Tombstone Pizza sales were up 11% in 1987, as the store-delivered pizza expanded its distribution to 23 states representing about 30% of the U.S. marketplace. Tombstone claims a 13% share of the $1.5 billion U.S. frozen pizza business, behind Pillsbury Co.'s Jeno's, Pillsbury and Totino's brands. In 1987, Tombstone began testing individual microwaveable frozen pizzas in four varieties. Campbell-Mithun-Esty, Minneapolis, handles the account which drew $5.4 million in measured spending in 1987, up 45%.

Lender's sales rose 15% in 1987, boosted by a Burger King promotion in which 22 million Lender's bagels were sold in BK restaurants. The division introduced a Big'n Crusty bagel in early 1988.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Kraft's refrigerated products group experienced an 8% increase in sales to $2.37 billion in 1987, with volume gains in all three cheese categories: cream, natural and processed. Kraft added a number of new products under the 75-year-old Velveeta brand name—Velveeta shreds, cheese sauce and extra-thick slices—although it sliced Velveeta measured ad spending from 20.9 million to $9.7 million. The company also is testing 100% Natural String Cheese in Seattle, with TV ads from Leo Burnett USA, Chicago.

An intriguing development in refrigerated foods is Kraft's Chillery line of fresh refrigerated foods. Currently in Kansas test markets are Chillery salads; under development are entrees and desserts. Ads from Burnett support. With Chillery, Kraft goes head-to-head with Orval Kent Food Co., Wheeling, Ill. and Carnation Co., which this year introduced a line of Pasta & Cheese pastas and sauces.

Kraft also is testing Delissio All-in-One Pizza Kits and Marquessa chilled chocolates. FCB is handling the test campaign for Delissio.

Mixed results in Kraft's grocery and dairy groups have been addressed in 1987-88. In its grocery segment, sales were flat at $1.09 billion. Kraft boosted its market share in the $2 billion margarine category to 19.5%, but at a significant cost to profits. Its viscous dressings—including Kraft mayonnaise and Miracle Whip—suffered from a maturing market and new low-calorie entries from CPC International. Measured spending on the Kraft products also dropped 29.4% to $12.6 million.

Kraft also experienced flat sales for Thick 'N Spicy barbecue sauce which the company backed with $2.5 million in measured spending.

A bright spot was salad dressings, where Kraft's market-leading position was bolstered by the 1987 purchase of Anderson Clayton Foods from Quaker Oats Co. Earlier this year, Kraft began testing Seven Seas Light dressings and began an ad campaign for its Bull's-Eye barbecue sauce.

The Kraft dairy group, which has grown extensively through acquisition in the 1980s, posted sales of $749 million, up 20%.

This spring, Breyers, the country's top-selling ice cream, began testing Breyers Natural Light, a reduced calorie, low-fat frozen dessert, in Kansas and New England markets. Breyers Marble Classics, a premium-priced, seven-item line, has been expanded into 45% of the country. The Breyers line attracted $14.1 million in measured spending in 1987, up 55% from the prior year, according to BAR/LNA.

In April, the dairy group launched a new print and TV campaign for the Breyers line, tagged "Made the Breyers way. Naturally." Breyers is marketed in approximately 80% of the country; sales were up 10% in 1987.

Kraft markets Sealtest, the nation's No. 2 ice cream, and through its Light n'Lively and Breyers brands, is the No. 2 marketer of refrigerated yogurt.

KRAFT INC.
1 Kraft Court
Glenview, Ill. 60025
(312) 998-2000

Marketing personnel: Joel Weiner, sr vp-mktg svcs.

Brands/services by agency of record:

Corp adv

Ad agency: Leo Burnett USA, Chicago: Brian Williams, acct dir.

■

Television specials

Ad agency: Foote, Cone & Belding, Chicago: Jim Cerasani, sr vp-group acct dir.

■

Hispanic adv

Ad agency: Hispania Advertising (JWT USA subsidiary), New York: Caroline Demy, sr vp-genl mgr.

■

Black adv

Ad agency: Proctor & Gardner, Chicago: Barbara Proctor, creative dir; Suzanne Stanley, acct super.

Kraft Dairy Group
Philadelphia, Pa.

Corporate personnel: Thomas Herskovits, president-group vp; John Reisenberg, vp-genl mgr, specialty prods.

Marketing personnel: Robert E. Baker, vp-mktg.

Brands/services by agency of record:

Breakstone
Light n' Lively
Fresh Delights
Frusen Gladje
Sealtest

Ad agency: McCann-Erickson, New York: Lawrence Deitch, vp-mgmt rep.

■

Breyers

Ad agency: Young & Rubicam, New York: Richard Kahn, mgmt super.

Kraft Grocery Products Division
Glenview, Ill.

Marketing personnel: Eric C. Strobel, president-group vp; Bob Eckert, vp-mktg.

Brands/services by agency of record:

Parkay
100% Natural
Pourable salad dressings

Ad agency: Leo Burnett USA, Chicago: Sadru Patel, Carter Keith, acct supers.

■

Miracle whip
BBQ sauces
Kraft spread
Source spread
Packaged dinners
Youth program
New prods

Ad agency: Foote, Cone & Belding, Chicago: Jim Cerasani, sr vp-group acct dir.

■

Kraft caramels
Kraft marshmallows
Kraft mayonnaise
Kraft toppings
Jellies & spreads

Ad agency: Young & Rubicam, New York: Jim Fitzgerald, mgmt super.

Kraft Refrigerated Products Group
Glenview, Illinois

Marketing personnel: Robert S. Morrison, president-group vp; Michael Blyth, Mitch Wienick, vps-mktg.

Brands/services by agency of record:

Loaf
Special projects
Velveeta
Slices
Cracker Barrel
Casino
Light 'n Lively cheeses

Ad agency: Leo Burnett USA, Chicago: Ted Simon, acct super.

■

Grated cheeses
Handi-Snax

Ad agency: Foote, Cone & Belding, Chicago: Jim Cerasani, sr vp-group acct dir.

■

Knudsen
Foremost

Ad agency: Grey Advertising, Los Angeles: Larry Varnes, exec vp, dir-client svcs.

■

Kraft singles
Philadelphia brand cream cheese
Philadelphia brand cheesecake mix
Cheez Whiz

Ad agency: J. Walter Thompson USA, Chicago: Bob Ravafio, acct super.

■

Polly-O cheeses

Ad agency: Young & Rubicam, New York: Richard Kahn, mgmt super.

Kraft Frozen Foods Group
Glenview, Ill.

Marketing personnel: Ernest Townsend, president-group vp; Charles Martin, vp-mktg.

Brands/services by agency of record:

Tombstone frozen pizza

Ad agency: Campbell-Mithun-Esty, Minneapolis: Steve Gordon, sr vp-mgmt super.

■

Budget Gourmet frozen foods

Ad agency: DiIorio, Wergeles, New York: Lou Peter, acct super.

■

Eating Right

Ad agency: HDM, New York: Patrick Hillman, exec vp-mng dir.

■

Lender's bagels
New business

Ad agency: McCann-Erickson, New York: Lawrence Deitch, mgmt rep.

Food Ingredients Group
Memphis, Tenn.

Marketing personnel: Frederick Avery, president-group vp; Mike Taylor, vp-mktg & sales, retail; Chris Arnould, vp-mktg & sales, food processor prods; Joe Gilliam, vp-mktg & sales, food service prods; Ronald Wenzler, vp-mktg & sales, ingredients.

Brands/services by agency of record:

Food ingredients
Food processor prods
Food service prods

Ad agency: Ward Archer & Associates, Memphis: Ward Archer, chmn; Ward Archer Jr., president; Eddie Tucker, creative dir.

RANK
73

Kroger Co.

Cincinnati
ADVERTISING: **$ 115.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	17,660	17,123	3.1
Earnings	247	51	379.0
■ Division sales	**1987**	**1986**	**% chg**
Food store	16,048	16,102	(0.3)
Convenience store	598	480	24.6
Warehouses	299	171	74.9
Other	715	370	93.2

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Magazine	504	787	(35.9)
Newsp supp	119	0	NA
Outdoor	2,892	2,357	22.7
Network TV	98	1,846	(94.7)
Spot TV	44,639	39,743	12.3
Network cable	277	295	(6.1)
Spot radio	2,733	3,178	(14.0)
Measured	51,263	48,207	6.3
Unmeasured	64,000	60,000	6.7
Total	115,263	108,207	6.5

Devoting most of 1987 to shoring up its operations after restructuring in 1986, Kroger Co. now faces a tough battle to remain independent in 1988 because of a takeover attempt expected from the Haft family (Dart Group).

Kroger announced in mid-September that it was looking into a $3.77 billion defensive restructuring that would result in/ pushed up debt and force the sale of assets. This came after the Haft family won government approval to acquire at least $15 million in Kroger stock.

During 1987, the nation's largest retail grocer boosted sales by 3.1% and rebuilt earnings which had been encumbered by an $82.3 million after-tax charge from the closure of unprofitable food stores in 1986. It also reduced corporate costs and sold a drug store division.

Advertising kept pace with rising sales and income as Kroger spent $225.1 million on advertising in 1987, up 6.9%, according to the company's 1987 10-K filing.

A company spokesman said the high 10-K figure includes spending for local newspaper ads, which is not monitored for this issue, the costs of toll-free lines to answer questions about meat preparation and a "meat excellence" merchandising program and heavy "co-op" ad programs with manufacturers who sell their goods through Kroger stores. AA's 1987 estimate of $115.3 million for Kroger is for national ad spending only.

Operationally, Kroger concentrated on local merchandising during 1987, trying to respond to consumers on a market-by-market and sometimes even store-by-store basis. The company also continued to experiment with newer retail formats during the year, opening five new Welcome warehouse-style stores and six new Price Savers Wholesale Warehouse units.

Kroger also launched an aggressive store growth plan for the Detroit area in 1987 after winning a favorable labor agreement there. Kroger acquired eight former Safeway stores in Dallas and reduced its administrative costs in the wake of a 1986 merger between its Dallas and Houston divisions. Texas has 150 of Kroger's 1,300 food stores. In July 1988, the company put its 46-unit Florida Choice division on the market, noting that the food stores in Florida were unprofitable.

More underproductive units and noncore assets are likely to be sold if the Haft buy-in materializes into a takeover attempt, because Kroger's potential anti-takeover game plan could include cash payments to shareholders to keep them loyal. The resulting debt from such payments could be covered through divesting such properties.

The Haft family has tried but failed to gain control of Safeway, Supermarkets General and Stop & Shop, although it has walked away from such attempts with huge profits from reselling the accumulated stock back to the companies.

KROGER CO.
1014 Vine St.
Cincinnati, Ohio 45201
(513) 762-4000

Corporate personnel: Lyle Everingham, chmn & ceo; Joseph A. Pichler, president-coo.

Marketing personnel: Richard M. Koster, exec vp; J. Richard Owens, vp-adv.

Brands/services by agency of record:

Kroger stores

Ad agency: Campbell-Mithun-Esty, Chicago: Mary Goldsmith, exec vp-genl mgr; John Kroening, Jon Wylie, vps-mgmt supers.

RANK
74

Loews Corp.

New York
ADVERTISING **$ 115.2** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	9,324	8,607	8.3
Earnings	696	546	27.6
■ Division sales	**1987**	**1986**	**% chg**
Life insurance	1,825	1,762	3.6
Other insurance	5,195	4,863	6.8
Cigarettes	1,676	1,568	6.9
Hotels	195	175	11.5
Watches	157	181	(13.6)
Investments	232	49	369.0
Equity in CBS	18	(8)	325.3
Other	26	16	65.2

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	4,010	8,114	(50.6)
Business pub	329	197	66.5
Magazine	27,280	34,434	(20.8)
Newsp supp	3,861	6,861	(43.7)
Outdoor	24,385	25,000	(2.5)
Spot TV	296	1,597	(81.5)
Network cable	9	222	(96.0)
Spot radio	31	40	(23.2)
Measured	60,200	76,467	(21.3)
Unmeasured	55,000	70,000	(21.4)
Total	115,200	146,467	(21.3)

Loews Corp. counted insurance and cigarettes as mainstays of its continued growth and profits again in 1987, backing these divisions with ad expenditures estimated at $115 million, down 21.2% from the previous year.

Income from the hotels division and other investments also showed hefty gains, including $17.7 million derived from Loews' 24.8% interest in CBS Inc. This was the equity position that helped pave the way for the election of Laurence A. Tisch, Loews chairman co-CEO (with his brother, Preston), as president-CEO of CBS in early 1987.

The company's Lorillard division, the nation's fourth largest cigarette marketer, weathered a year marked by cancer-related litigation and adverse court rulings for the tobacco industry, but still posted gains.

Early this year a federal court jury in Newark, N.J., found against Liggett Group, awarding $400,000 damages to the husband of a smoker who died of lung cancer in 1984. The plaintiff's lawyers, however, were unable to prove conspiracy between Liggett and co-defendants Philip Morris Inc. and Lorillard to keep the physical dangers of smoking from the public before 1966.

Lorillard's measured spending dropped 19% to $47.2 million in 1987, according to BAR/LNA, which monitors seven media. Lorillard also accounted for most of the $4 million in newspaper spending, which is not included in BAR/LNA totals for 1987. Loews' newspaper spending in 1986 was considerably higher at $8.1 million.

Despite a continuing annual decline and a 2.1% drop in industry-wide cigarette unit sales volume last year, Lorillard's unit sales declined only 1% which gave the company an 8.2% market share, up from 8.1% a year earlier. Lorillard ranks fourth behind Philip Morris with a 37.9% share, R.J. Reynolds at 32.6%, Brown & Williamson at 10.8%, and is followed by American Brands, 6.9%, and Liggett, 3.6%.

Lorillard also posted record dollar sales and its 12th straight year of record profits. Analysts point out that Lorillard's performance in a declining market was possible because industry-wide unit costs have risen only slightly, if at all, while consumer prices have been rising at nearly double-digit rates.

Lorillard posted a big 9.2% gain in sales of its full-price brands. It is the only cigarette manufacturer not involved in the generic and price/value category.

Newport remained the company's best-selling cigarette. The brand achieved a 4.2% market share in 1987 to place it sixth among cigarette brands in the U.S., according to the Maxwell report. The ten different Newport packings accounted for 50% of Lorillard's cigarette sales in 1987.

It trails the 23.6% share of Philip Morris' Marlboro; the 11.1% and 7.7% shares of the R.J. Reynolds Tobacco Co.'s Winston and Salem, respectively, the 6.0% share of Brown & Williamson Tobacco Corp.'s Kool and the 4.3% share held by P-M's Benson & Hedges in 1987. Only Newport and Philip Morris' Marlboro were among the full-price cigarettes to gain share points last year. Lorillard's Newport menthol cigarette is one of the fastest-growing within the brand, because of its popularity among young black smokers.

Promoted with the "Alive with pleasure" theme, Newport had the support of an estimated $33.2 million in measured media expenditures, primarily in magazines and outdoor, down slightly from 1986, according to BAR/LNA. In fact, spending in outdoor, the other major cigarette ad medium, also declined slightly.

Measured media spending for Kent, once Lorillard's leading brand, dropped to $8.7 million, down 21.8% from 1986. The former flagship brand recorded a 2.4% share of market and remains the 12th largest selling brand in the industry.

The True cigarette line in 1987 accounted for $4.3 million in measured media expenditures, down 69% from the previous year. In spite of a reduced ad budget, the True line maintained its 1.1% share of the market for the third consecutive year.

The main ad thrust in the True line supported True Gold brands introduced in 1985. That support came early in the calendar year because the brand was discontinued during the year. While halting manufacture of True Gold products, Lorillard changed the packaging on the original four True products from white to a contemporary silver package. A new ad campaign was launched in support of the repackaged True Silvers in the first quarter of 1988.

New Lorillard products which received introductory ad support in 1987 included Harley-Davidson cigarettes. The name was licensed from Milwaukee-based Harley-Davidson Motor Co. to brand a product geared to male smokers. This market segment is dominated by Philip Morris USA's Marlboro, the world's best-selling cigarette and R.J. Reynolds Tobacco Co.'s Winston.

The Harley-Davidson campaign received newspaper and outdoor advertising, along with free-standing inserts designed to reach 97% of men ages 25 to 47. With an eye on female smokers, last summer Lorillard introduced Newport Stripes, a 100mm cigarette with a white-tipped filter. The Stripes ad theme was "The latest in pleasure," building on Newport's long-running "Alive with pleasure" theme.

CNA Financial Corp., the Loews financial unit, also produced record growth and earnings in 1987. Advertising for the year totaled $5.9 million, down 9% from 1986.

"Bulova—It's America's Time" remained the umbrella theme for Loews' Bulova Watch division advertising, that drew $2.1 million in measured spending, up 16.6%. Major merchandising emphasis was given the Caravelle line to help it secure a strong position in the under-$100 market.

Bulova became the official supplier to the U.S. Olympic team, distributing watches to athletes in both Winter and Summer games. Special Olympic watches and clocks licensed by the U.S. Olympic Committee also were merchandised to the public.

In the Loews Hotels division, the Le Concorde hotel in Quebec City was purchased and extensive renovation at The Regency in New York and Loews Monte-Carlo in Monaco was completed. Comprehensive renewal work also was begun at other Loews hotel facilities. The hotels only receive minimal national ad spending.

The hotels group also marked the return of one of its most effective marketers, Preston R. Tisch, who resumed duties as president and co-CEO of Loews Corp., following a 19-month stint as U.S. Postmaster General.

LOEWS CORP.
667 Madison Ave.
New York, N.Y. 10021
(212) 545-2000

Lorillard Division

Corporate personnel: J.R. Ave, president-ceo.

Marketing personnel: R.H. Orcutt, sr vp-sales; T.H. Mau, sr vp-adv & brand mgmt; S.R. Ridgway, vp-pr; J.P. Mastandrea, vp-sales; Lou Gordon, vp-trade devel; G.R. Telford, vp-adv & brand mgmt; ; William Sands, media dir; P.A. Lawless, sales promo dir; S.T. Jones, mktg rsch dir; J.E. Daghlian, R.D. Hammer, Andrew Pasheluk, group brand dirs; K.P. Augustyn, sr brand mgr; V.D. Lindsley, C.D. Ray, J.A. Guardino, J.M. Wagner, brand mgrs; Eve Nadel, assoc brand mgr; Jessica Arato, Warren Weong, asst brand mgrs.

Corporate media buying: Pool/Sarraille, Palo Alto, Calif.: all media buying: Ed Sarraille, partner.

Brands/services by agency of record:

Newport
New prods

Ad agency: Ally & Gargano, New York: Warren Dechter, Ed Ricci, exec vps.

■

Kent
Kent III
Kent Golden Lights
New prods

Ad agency: BBDO, New York: Joe Barrett, vp-sr mgmt rep; Ken Angel, sr vp-mgmt super; John Marchese, vp-acct super.

■

True
Triumph
New prods

Ad agency: Saatchi & Saatchi DFS Compton, New York: Tom Bohan, Michael Jeary, mgmt dirs.

Loews Hotels
New York

Corporate personnel: Robert J. Hausman, chmn-ceo; Jonathon Tisch, president; William H. Maibach, exec vp-domestic operations.

Marketing personnel: Marian Succoso, dir-adv & sales promo; Michelle Oaklan, dir-pr.

Brands/services by agency of record:

Loews hotels

Ad agency: Arias & Sarraille, Palos Alto: Ed Sarraille, partner.

■

European hotels

Ad agency: Cavalieri & Kleier, New York: Ian Kleier, acct exec.

CNA Insurance Cos.
Chicago, Ill.

Corporate personnel: Edward J. Noha, chmn-ceo.

Marketing personnel: Philip L. Engel, vp-mktg; James G. Pettorini, asst vp, life, health, pensions distribution, mktg; Susan H. Hogan, sr mgr-corp comm.

Brands/services by agency of record:

Business & trade adv

Ad agency: Frank C. Nahser Inc., Chicago: Frank Nahser, president.

Bulova Watch Co.
Woodside, N.Y.

Corporate personnel: Andrew H. Tisch, president.

Marketing personnel: Robert E. Ryan, vp-mktg; Joe Klein, mktg dir-clocks; Peter Sandler, business devel mgr; Richard Jamroz, comm dir; Jan Disanto, mgr-business planning & prod devel.

Brands/services by agency of record:

Bulova watches, clocks

Ad agency: McCaffery & Ratner, New York: David Hooper, sr vp-mktg dir.

RANK
94

Marriott Corp.

Washington
ADVERTISING **$ 88.5** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	6,522	5,267	23.8
Earnings	223	192	16.3
■ Division sales	**1987**	**1986**	**% chg**
Lodging	2,673	2,233	19.7
Contract svcs	2,969	2,236	32.8
Restaurants	880	797	10.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	46	NA	NA
Business pub	978	863	13.4
Magazine	4,793	2,326	106.1
Newsp supp	95	87	9.1
Outdoor	1,031	1,034	(0.3)
Network TV	2,758	2,152	28.2
Spot TV	22,157	18,051	22.7
Network cable	106	119	(10.5)
Spot radio	558	876	(36.3)
Measured	32,523	25,507	27.5
Unmeasured	56,000	44,000	27.3
Total	88,523	69,507	27.4

Marriott Corp. cranked up its ad spending in 1987 as it consolidated acquisitions and expanded its hotel business to create a product for virtually every market segment.

Marriott, whose both sales and earnings have doubled in the past four years, in 1987 boosted measured spending for Marriott Hotels by 74% to $7.5 million; funneled $13.4 million into Roy Rogers Restaurants, up 34% and backed Bob's Big Boy family restaurants with $4 million, up 54%.

During the year, Marriott continued to move strongly into moderate and economy-priced hotels. It opened 14 full-service hotels and 40 moderate-priced Courtyard by Marriott hotels. And then earlier this year, disclosed plans to introduce Courtyard hotels in Great Britain. The company expects to have 110 Courtyard hotels on line by the end of the year.

In 1987, Marriott redoubled its attack

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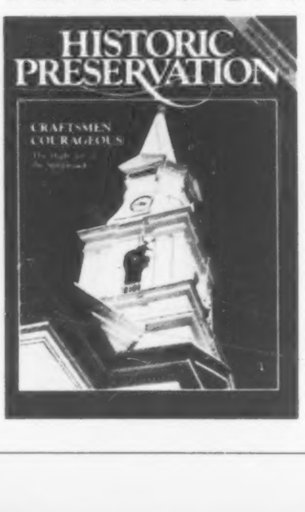

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on the moderate-priced segment with its acquisition of Residence Inn, which it promptly renamed Residence Inn by Marriott. The $260 million purchase added 12,300 suites to the Marriott chain.

Designed for customers who stay weeks or months in a hotel room, Residence does not compete directly with Courtyard. Marriott plans to double the more than 100 present units by the early 1990s, and to sell the company-owned Residence Inns to investors by the end of 1988.

In late 1987, Marriott also made a break for the economy segment of the market by opening its first Fairfield Inns. The first such hotels opened in Atlanta, Birmingham, Ala. and Detroit. TBWA Advertising of New York handled the advertising for the new hotels. The company plans to open another 20 Fairfield Inns by the end of 1988 and continue that expansion pace for several years.

This year, Marriott reported that it will continue to chase business in the economy market by spending $500 million over the next five years to develop a new line of economy motels.

The company also opened its first Marriott Suites hotel in 1987, which will compete for market share in the growing all-suites segment of the hotel business.

Although Marriott has a presence in every major U.S. market, the company is rolling out a smaller full-service hotel concept aimed at smaller, emerging markets.

Marriott's traditional full-service hotels led the industry for occupancy and profitability last year. Those results came after Marriott spent $100 million to refurbish a record 17,000 guest rooms. It plans to redo another 8,200 rooms in 1988.

The company also kicked off several promotional campaigns including an affinity credit card that is available as either a Visa or MasterCard. The card is designed for participants of the Honored Guests program, which offers bonus points for using Marriott hotels or other establishments.

By year-end 1987, Marriott had more than 100,000 hotel rooms in 361 properties worldwide—more than triple the 1980 number. By 1990, the company plans to add another 100,000 rooms.

In related businesses, Marriott began construction of two lifecare facilities in 1987, which it markets as "senior living services."

Marriott acquired Quornden Co. in July 1987. Quornden is a national leader in facilities management and plant operations.

After consolidating the 1986 acquisition of Saga Corp., the largest acquisition ever for Marriott, the company hoped to boost its food service market share, currently ranked second behind McDonald's. According to a report published in *Nation's Business*, Marriott held a 9.69% share as a result of $5.3 billion in 1987 sales, compared to McDonald's 10.4% share with $5.5 billion sales in food service management. In 1987, the division posted modest gains.

Airport operations and airline catering continued to lead the industry in 1987. Host International introduced food courts and expanded its fast food facilities in airports. However, Marriott's in-flight catering faced strong cost-cutting pressure from the airlines. Overall, the contract services segment of the business was not a strong performer in 1987.

More problems for Marriott surfaced in its restaurant operations. Big Boy rolled out several new dinners for its food bar in 1987, and added 96 new units to increase its market presence. But it still posted disappointing results. Eliot Benson, director of research for the Washington securities firm of Ferris & Co., said, "Bob's (Big Boy) has not lived up to expectations, and it is changing over to a new Marriott concept."

Marriott made an unsuccessful bid to acquire Denny's restaurants in 1987. It also juggled some of its other operations while selling more than 570 restaurants that it acquired when it bought Howard Johnson's and Saga Corp. It also sold off the Saga headquarters building and cut costs by consolidating Saga operations into existing Marriott facilities.

JB's Restaurants pulled its 110 JB's Big Boy restaurants out of the 900-unit chain after Marriott decided to sell the franchise rights for the family-style restaurants to Elias Bros. Restaurants.

As part of its agreement with Elias Bros., Marriott plans to convert its 200 some Big Boy restaurants into Allie's now being tested in California. Allie's is an updated and upgraded family dining version of the Big Boy restaurant offering a greater variety of menu selections including such things as breakfast tacos. Three Allies have opened, and when 10 conversions are completed, an Earle Palmer Brown TV campaign will kick in.

The Roy Rogers chain reported increased sales and profits in 1987, but it continues to suffer from weak customer awareness. Roy Rogers successfully introduced a new 69¢ cinnamon roll product in 1987, which helped build the breakfast and snack business. The product was introduced at the 150 outlets in Washington and Baltimore with a promotional campaign by Earle Palmer Brown.

Despite problems in the restaurant group, Benson said the company will continue to expand at or close to the company's stated objective of 20% a year. He pointed out that, while the most recent earnings are not on target, they still show strong growth.

"As they start cashing in on expansion, they will be able to get back to the 15% to 18% level," he said.

MARRIOTT HOTELS & RESORTS
Marriott Drive
Washington, D.C. 20058
(301) 380-9000

Marketing personnel: Roger Dow, vp-sales & mktg, hotels; Tom Nowlin, dir-adv & field mktg. Julie Moll, dir-mktg, Marriott Suites; Craig Lambert, vp-sales & mktg, Courtyard by Marriott; Mark Carter, dir-adv & pr, Courtyard by Marriott; Robert McCarthy, vp-mktg, Fairfield Inns; Robert Ziegler, dir-mktg, Fairfield Inns.

Brands/services by agency of record:

Marriott hotels
Fairfield Inns
Courtyard by Marriott

Ad agency: Lewis, Gilman & Kynett, Philadelphia: Richard Bonds, media mgr; Leila Safford, media planner; Robert Schell, mgmt super; Mary O'Leary, Leslie Bloch, acct execs.

Restaurant Operations

Marketing personnel: Lisa Krostue, vp-mktg, Roy Rogers; Rufus Schriber, vp-mktg, Big Boy; Doreen Lewins, dir-mktg, Travel Plazas & Hot Shoppes.

Brands/services by agency of record:

Roy Rogers restaurants
Big Boy restaurants

Ad agency: Earle Palmer Brown Cos., Bethesda, Md.: Joe Berligen, acct group dir (Roy Rogers); Sheryl Friedman, sr acct exec (Roy Rogers); Joan Greenwald, asst acct exec (Roy Rogers); Andrew Schlacht, acct super (Big Boy); Claire McCarthy, acct exec (Big Boy).

RANK
24

Mars Inc.

McLean, Va.
ADVERTISING: **$378.6** MILLION

U.S. advertising by media
($ in thousands)

■ Media	1987	1986	% chg
Newspaper	650	507	28.1
Business pub.	3,977	2,747	44.8
Magazine	10,991	15,343	(28.4)
Newsp supp.	342	0	NA
Outdoor	56	102	(45.4)
Network TV	130,271	84,983	53.3
Spot TV	38,439	48,065	(20.0)
Network cable	14,877	17,668	(15.8)
Network radio	8,569	4,765	79.8
Spot radio	1,388	1,255	10.6
Measured	209,559	175,435	19.5
Unmeasured	169,000	142,000	19.0
Total	378,559	317,435	19.3

Mars Inc. hiked its 1987 ad budget 19.3% to finance an aggressive ad strategy for new products ranging from rice mixes to chocolate ice cream nuggets.

Mars' pet food division, Kal Kan Foods, rolled national this summer with a heavy TV and print schedule for Sheba, a premium cat food, which has enjoyed success in Europe. Backer Spielvogel Bates, New York, handles.

The candy division, M&M/Mars, is testing new products, including an ice cream version of 3 Musketeers; Balisto, a chocolate-covered grain-based bar and PB Max, a peanut butter chocolate bar. And Mars' Uncle Ben's division has introduced Country Recipe Garden Pasta Salads and Suzi Wan rice dinner dishes.

M&M/Mars, by far the largest division of this secretive, privately-held company, has been through the most turmoil in the past year.

In December, Mars fired Leo Burnett USA, Chicago, and in January reassigned more than $30 million in assignments between remaining domestic Mars agencies Backer Spielvogel Bates and D'Arcy Masius Benton & Bowles.

Mars corporate executives insisted on firing Burnett because Burnett client H.J. Heinz Co. had become a stronger contender in pet foods with the purchase of new brands such as Campbell Soup Co.'s Champion Valley Farms, maker of Recipe dog food. While Burnett handled only candy and ice cream brands for Mars in the U.S., Mars prefers its agencies to handle both candy and pet food here and overseas. Burnett, then, could never have become an international agency for Mars, the corporate executives believed.

At the same time, Mars top executives, in a show of displeasure, yanked about $10 million in billing for the Milky Way brand from Backer Spielvogel Bates. Mars found distasteful BSB parent Saatchi & Saatchi's double-page newspaper ad trumpeting hefty 1987 profits for the mega-agency.

Its point made, Mars rewarded BSB with several Burnett assignments, including 3 Musketeers and PB Max, the new candy bar still in test in Illinois. BSB's new assignments in recent months include the 3 Musketeers ice cream bar, available this summer in Washington, D.C., Baltimore, Chicago and several midwestern markets. BSB continues to handle Kudos, Snickers, Starburst fruit chews and M&Ms, chocolate and peanut.

For Snickers, Mars in July agreed to join with MGM/UA Home Video, to promote the video release of the movie "Moonstruck." The video will begin with a 60-second spot for Snickers, and Mars also will contribute to advertising the cassette movie. Mars has participated in similar tie-ins with video cassettes in Europe.

DMB&B, New York, another longtime Mars agency, won Mars Bar from Burnett, as well as Milky Way from BSB. DMB&B, St. Louis, also picked up Twix and Balisto, a new product in test in small Western markets. Balisto is a chocolate-covered, grain-based bar which Mars already markets in Europe. DMB&B St. Louis continues to handle Skittles and Combos.

This summer, Grey Advertising, New York, was handed its first Mars domestic assignments, DoveBar and Rondos, with combined billing of about $10 million. DoveBar was with Burnett; Rondos with Tatham-Laird & Kudner, Chicago.

Grey has been a Mars agency since 1985, when Grey International signed on for pet food and candy assignments in Europe. Grey handles Sheba overseas.

M&M/Mars had bittersweet news in July, when archrival Hershey Foods purchased Cadbury's U.S. operations, which include Peter Paul Almond Joy, Mounds and Cadbury chocolate bars. In the U.S., Mars has a 37% share of the candy market, giving it a slim, 1% lead over Hershey. Now, with the Cadbury purchase, Hershey commands 39%. Analysts predict Mars will retaliate next year with even more new products.

Mars has not been successful, however, in the salty snacks category, where it has killed several of its brands during the last two years. Cornquistos, available in the West, were pulled last year, leaving Mars only with Combos, present in about 80% of the country. Mars is likely to turn instead to ice cream novelties to expand its product mix, rather than salty snacks.

M&M/Mars candy measured media spending rose 9% in 1987 to $111.2 million. Snack food advertising fell 14% to $4.6 million. According to BAR/LNA, which measures spending in seven media, monitored spending for the candy and snack brands included: 3 Musketeers, $5.2 million, up 44%; Kudos, $15.9 million, up 253%; M&M Candies, $23.9 million, down 10%; Mars Bar, $5.5 million, down 6%; Milky Way, $10 million, up 8%; Royal's (a discontinued brand), $200,000, down 83%; Skittles, $7.9 million, up 9%; Snickers, $25.4 million, down 7%; Starburst, $7.1 million, up 22%; Twix, $9.9 million, up 1%; Combos, $4.3 million, up 10%; Cornquistos, $300,000, down 50%.

Personnel changes at M&M/Mars in the past year saw Bill Hellegas, president of Uncle Ben's, move to president of M&M/Mars. He replaced Howard Walker, who retired. At Uncle Ben's, Al Aragona, the former VP-marketing and sales, was promoted to president to replace Mr. Hellegas. Bob Black replaced Mr. Aragona in marketing.

Uncle Ben's spent $30.7 million in measured media last year, an increase of 12% from 1986, according to BAR/LNA. Most of the increase came from the 1987 introduction of Suzi Wan dinner recipes, available in four flavors and backed with a $6.9 million campaign. Significantly less was spent behind Uncle Ben's Country Inn rice mixes, a two-year-old product available in 11 flavors. Advertising for 1987 was $5.6 million, according to BAR/LNA, down 57% from the previous year.

Uncle Ben's also continues to cut spending on its Uncle Ben's Side Dishes, down 91% to $100,000. A new product in 1987, Uncle Ben's Stuffing Blend rice mixes, was backed with a $4.7 million campaign. Backer Spielvogel Bates handles all Uncle Ben's brands. For the main brand, Uncle Ben's Rice, spending increased 3% to $13.3 million in 1987.

This year, Uncle Ben's introduced pasta salad mixes with garden vegetables, available in four flavors under the Country Recipe label.

The news at Kal Kan Foods was its introduction this summer of Sheba, a premium cat food available in four flavors and sold in easily opened foil packages. Total measured spending for Kal Kan increased 35% to $47.3 million. Measured spending for individual products includes: Crave Cat Food, $12.6 million, up 15%; Kal Kan Canned Cat Food, $17.6 million, up 114%; Kal Kan Pedigree Canned Dog Food, $16 million, up 64%; Mealtime Dry Dog Food, $4.7 million, down 2%, according to BAR/LNA. Another $1.1 million was spent for general promotion of Kal Kan pet foods.

The DoveBar International division, based in Chicago, and purchased by Mars in August 1986, saw advertising soar from $1.6 million in 1986 to $9.7 million in 1987. Spending includes $5.3 million for the DoveBar, the chocolate-covered ice cream bar, up 200% in 1987. DoveBar in the past year introduced a smaller-sized version of the bar, sold in multipacks.

The division also attempted several new products, including Forever Yours Sundaes, which had about $2.3 million in measured media in 1987; and Rondos Ice Cream Treats, with $2 million. Reportedly, Forever Yours has not proven successful and will be pulled, allowing DoveBar to concentrate on its original products, as well as Rondos, which are bite-sized DoveBar morsels.

In the coming year, other ice cream versions of popular Mars candy bars, like the 3 Musketeers Ice Cream Bar now in test, may be produced. Grey Advertising, New York, will handle most of the ice cream assignments, although BSB has 3 Musketeers.

MARS INC.
1651 Old Meadow Rd.
Westgate Park
McLean, Va. 22102
(703) 821-4900

M&M/Mars Division

ALBANY
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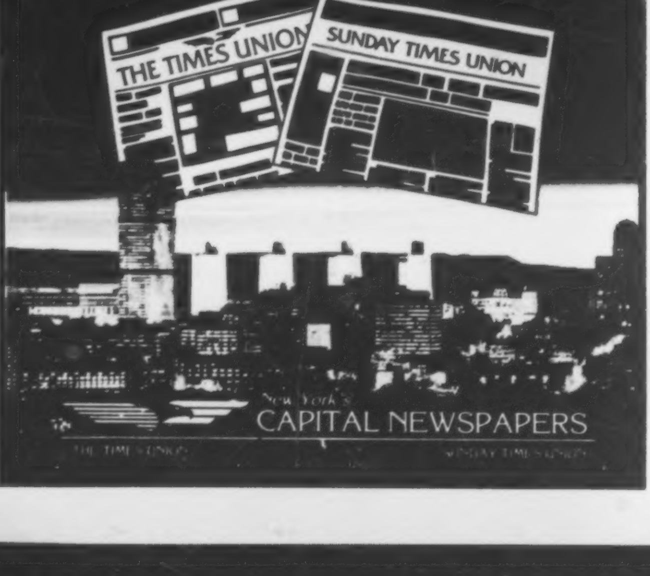


Hackettstown, N.J.

Corporate personnel: William Hellegas, president.

Marketing personnel: J. Langdon, sr vp-mktg; Randy Webb, vp-sales; Ted Lusher, dir-broker sales; Jim Conland, dir-trade devel.

Uncle Ben's Inc.
Houston, Texas

Corporate personnel: Al Aragona, president.

Marketing personnel: Robert Black, vp-mktg & sales.

Kal Kan Foods
Vernon, Calif.

Corporate personnel: Thomas Armstrong, president.

Marketing personnel: John Murray, vp-brands.

Brands/services by agency of record:

Pet foods
Kal Kan canned dog food
Sheba
Kudos
M&Ms
3 Musketeers
PBMax
Snickers
Starbursts
Uncle Ben's
Suzi Wan

Ad agency: Backer Spielvogel Bates Worldwide, New York: Norman Bierman, exec vp; Simon Turner, sr vp-mgmt rep (pet food); Sabrina Ross, Diana Calligan, acct supers (pet food); Ken Rogers, exec vp, multi-ntl mng dir (Candy & snacks); Sheila Paterson, exec vp (Candy & snacks); Paul Mesches, Alice Uniman, Dana Tower, sr vps-mgmt reps (Candy & snacks); Marci Kooperstein, Janet Stanton, acct supers (Candy & snacks); Randy Hackett, exec vp (Uncle Ben's, Suzi Wan); Alan Kellam, sr vp-mgmt rep (Uncle Ben's, Suzi Wan); Pat Janicek, acct super (Uncle Ben's, Suzi Wan).

■

Mars Bars
Milky Way

Ad agency: D'Arcy Masius Benton & Bowles, New York: Rod Torrance, sr vp-acct mgr; Stuart Grau, acct super.

■

Skittles
Combos
Balisto
Twix

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Rick Spatz, sr vp-acct dir; Dave Gulick, vp-mgt super; Laura Frerichs, acct super.

DoveBar
Rondos

Ad agency: Grey Advertising, New York: Richard Karp, exec vp-creative svcs.

RANK
56

Mazda Motor Corp.

Hiroshima
ADVERTISING: **$ 151.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	11.527	11.699	(1.5)
Earnings	32	57	(43.9)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	24.026	13.514	77.8
Business pub	136	1.265	(89.3)
Magazine	22.214	31.524	(29.5)
Outdoor	0	6	NA
Network TV	51.623	45.075	14.5
Spot TV	14.538	25.281	(42.5)
Network cable	3.083	1.756	75.5
Network radio	0	315	NA
Spot radio	264	788	(66.5)
Measured	115.884	119.524	(3.0)
Unmeasured	36.000	37.000	(2.7)
Total	151.884	156.524	(3.0)

Consolidation of three U.S. import/distributorships into a single corporate entity named Mazda Motor of America Inc. is expected to give focus and market responsiveness to Mazda in the U.S., after another year of declining worldwide sales and profits for the Japanese automaker.

Mazda's ad expenditures in this country also dipped slightly to $152.1 million, down 3.1% from a year earlier, despite several new introductions. Car and truck sales in the U.S. showed a corresponding decline, helping to set the stage for the reorganization of the U.S. operation.

Parent Mazda Motors Corp., Hiroshima, Japan, again felt the impact of the declining dollar. The strengthened yen undercut earnings severely despite corporate-wide, cost-cutting and shoring up of the company's worldwide marketing organization.

Sales and earnings of the parent company, Mazda Motor Corp., Hiroshima, Japan, which appear in the accompanying box for fiscal years ending Oct. 31, were converted from yen to dollars at a rate of Y161 = U.S.$1 for both years.

At the same time, worldwide unit shipments in fiscal 1987 ended Oct. 31, including knockdown sets, were up 5.8% over the previous year, to 1,486,157. Sales of passenger cars were up 14.4%, to 1,026,894 units, and sales of commercial vehicles declined 9.6% to 459,263 units.

The continuing slump in sales and earnings triggered the resignation late last year of Kenichi Yamamoto, president of the parent company.

Then in July 1988, the Japanese automaker merged its U.S. operations and became Mazda Motor of America Inc., with headquarters in Irvine, Calif. The new company now controls all importing, marketing and distribution of Mazda vehicles in the U.S. Those functions were previously handled by three regional groups with their own managements and business strategies. Mazda Motors of America (Central) served 31 Western and Midwestern states; Mazda Motors of America (East) was responsible for 18 Eastern states and Shelly Motors, an independent distributor, served Hawaii. Yoshinori Taura, formerly head of MMA (Central), was named president of the newly-formed Mazda Motor of America Inc.

Key objective of the streamlined Mazda group has been the setting up of a single national ad department. Marching orders are to tighten the ad focus, establish a stronger brand image and increase visibility and consumer awareness. The centralized operation should allow faster response in devising ad strategies and media plans, and reduce the number of people involved in decision-making, which hindered client/agency action in the past.

Mazda took a big step in 1987 when it began its first U.S. production run from its Flat Rock, Mich. plant operated by Mazda Motor Mfg.(USA) Corp. (MMUC). The plant's 1987 output consisted of the Mazda MX-6 luxury sports coupe and the Ford Probe, a compact front-wheel-drive car originally planned to replace the Mustang. About 60% of the plant's output, now rated at 240,000 units per year, consists of Ford Probes. Ford advertising does not mention Probe's Japanese roots. Ford owns 25% of Mazda.

With domestic production ensuring a supply of autos beyond import quotas, Mazda expanded its dealerships to 812 in 1988 from 703 at the close last year.

Sales of imported Mazdas totaled 330,053 units in the U.S.—206,354 cars, down 7.3% from a year earlier, and 123,699 trucks, down 21.2% from 1986. Mazda took a 6.5% share of the total import car market, down from 6.8% in 1986. Mazda auto sales represented 2% of the total U.S. market, behind Honda at 3%, Toyota's 5.7%, and Nissan's 3.9%.

Best selling models were in the popular 323 series (priced $5,999-$12,999), which accounted for 76,212 units, followed by the 626 models (priced $10,799-$17,599) at 74,439 units and the top-of-the-line RX-7s (priced $15,880-$22,340) at 38,345 units.

The four-wheel-steering system (4ws) from Mazda arrived in the U.S. last summer. Unlike the 4ws models introduced earlier by Honda, as a high-tech option on the sporty Prelude, Mazda introduced it on the 626 family cars. It promoted 4ws as a safety feature.

With truck sales of 123,699 units, down 21.2% from 1986, Mazda ranked third among the Japanese importers in the U.S. truck market, with a 2.49% share of the total market, after Toyota's 6.1%, Nissan's 4.3%, but ahead of Isuzu's 1.7% and Mitsubishi's 1%.

The company continued to market its compact pickup trucks the same way it sells cars: Homing in on the wealthy, urban customers. Despite the dismal truck picture last year, Mazda was able to report a 10% increase in sales for the first half of its 1988 fiscal year. The company reportedly is considering U.S. truck production through its Ford partner to counter the decrease in sales from exchange-rate-driven price increases and the 25% duty on the imported units.

Ford also plans to share production of its new 4-door Bronco II to give Mazda a sport-utility unit to be sold under the Mazda nameplate by U.S. dealers. The vehicle will be built at Ford's assembly plant in Louisville, Ky. and be sold through both franchises in the 1990 model year.

Corporate ads that rolled out in the fall of 1987 for the 1988 line featured actor James Garner emphasizing Mazda's commitment to customer satisfaction. (Mazda gave a 3 year/50,000 mile warranty to customers on all its vehicles.) Ads featured the new 929 luxury sedan, an updated 626 sedan and the MX-6 sports coupe produced by the Flat Rock, Mich., plant.

In mid-summer 1988, health problems of Mr. Garner and the arrival of a new marketing team at Mazda also prompted personnel changes at Foote, Cone & Belding, as well as the advertising approach being taken by the agency.

There was speculation that Mr. Garner's heart surgery problems could keep him off screen in some upcoming spots for the introduction of models in the 1989 line. If he doesn't appear in the 1989 campaign this fall, he may be used for voice-overs to retain continuity.

During calendar 1987, the restyled 323 and 626 models accounted for $36.2 million in measured media, most of it spot and network TV and magazines. Small truck advertising represented another $13.6 million in measured media.

Mazda expanded its sponsorship of NFL football, NCAA basketball and other sporting events. The "Mazda Sportslook" series of sports journalism programs on cable's ESPN continued for the eighth year. As the exclusive automotive sponsor, the company gave its name to the Mazda Gator Bowl in the post-college season football games. It also continued sponsorship of women's professional and senior professional golfing events.

MAZDA MOTORS
OF AMERICA
7755 Irvine Center Drive
Irvine, Calif. 92718
(714) 727-1990

Corporate personnel: Yoshinori Taura, president-ceo; George McCabe, deputy genl mgr, group vp-mktg & sales; Jim Seidel, deputy genl mgr, group vp-operations.

Marketing personnel: Yogi Toyama, sr vp-mktg; Richard Colliver, sr vp-western area; James Weisner, sr vp-eastern area; William Hackett, vp-mktg; Jan Thompson, vp-adv; Duane Bowen, vp-pr; Robert Parker, vp-sales support; William Wolf, pr mgr.

Brands/service by agency of record:

Mazdas

Ad agency: Foote, Cone & Belding, Orange County, Calif: Tom Randolph, chmn, FCB/West; Mike Davis, vp-mgmt dir; Steven Morrissey, vp-mgmt dir; Robert MacDonald, vp-media dir; James Barr, exec vp-exec creative dir; Henry Caroselli, sr vp-creative dir.

RANK
93

MCA Inc.

Universal City, Calif.
ADVERTISING: **$ 91.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2,590	2,438	6.2
Earnings	137	151	(9.0)
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	2,073	1,926	7.6
Operating income	162	103	58.3
■ *Division sales*	*1987*	*1986*	*% chg*
Film	1,330	1,308	1.7
Music	477	386	23.6
Retail, mail order	320	302	6.0
Book publishing	159	132	20.5
Toy prods	111	208	(46.6)
Broadcasting	85	NA	NA

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,763	1,581	11.5
Business pub	11	19	(44.8)
Magazine	5,552	4,677	18.7
Newsp supp	332	20	1,552.7
Outdoor	750	629	19.4
Network TV	19,722	31,342	(37.1)
Spot TV	18,257	15,052	21.3
Network cable	3,612	4,309	(16.2)
Network radio	137	765	(82.2)
Spot radio	4,231	4,127	2.5
Measured	54,366	62,521	(13.0)
Unmeasured	37,000	42,000	(11.9)
Total	91,366	104,521	(12.6)

MCA's toy products division, its big money loser in 1987, has continued to sap the company's income this year with overall ad spending adversely affected.

In the second quarter of 1988, MCA reported a 79.5% drop in net income to $8.1 million, resulting from a $35 million loss on defective Gotcha! guns, a now-discontinued product of MCA's LJN Toys. MCA also took a writedown on its investment in West Hartford, Conn.-based toymaker Coleco, which filed for bankruptcy protection in July.

In spite of the net income plunge, MCA showed higher revenues for the quarter, up 5.3% to $643.6 million. Operating income for filmed entertainment, the company's largest division, rose 19%, due to television syndication revenues and videocassette sales.

During 1987, MCA had record-high revenues but ailing net income. Operating income went up for the company's film, music and book divisions, but retail and mail order income decreased and toy products suffered a hefty loss. Measured advertising for the company dropped 13% to $54.4 million.

Its filmed entertainment division, which includes theatrical film and television products from Universal Studios, home video and pay TV and Universal Studios Tour, contributed 51.4% of MCA's revenues and 71.3% of its operating income. Operating income jumped 89.4%, largely because a weak TV syndication market resulted in a $50 million charge against operating income in 1986.

Although MCA films fared better in 1987 than in 1986, when box office sales for "Howard the Duck" totaled less than half of the reported $40 million the film cost, the company has yet to approach the success of its 1982 blockbuster, "E.T." Top performers were "Dragnet" and "The Secret of My Success." The former drew $30.1 million from theater rentals, while the latter pulled $29.5 million, according to *Variety*.

Although Universal released 15 films last year, compared to 12 in 1986, its market share slipped to 8% based on North American theatrical film rentals, according to *Variety*. This ranked Universal sixth among motion picture companies; Paramount leads with 20%. Universal ranked fourth in 1986 at 9%, and second in 1985, at 16%.

Measured advertising for theatrical films dropped 11.8% to $33.6 million, with the majority going to network TV, according to BAR/LNA. The levels of spending for new releases varied greatly, with "Dragnet," "The Secret of My Success," and "Harry and the Hendersons" receiving over $4 million each, and disappointing performers such as "Amazon Women on the Moon," "Hail, Hail Rock 'n' Roll," and "Walker" showing under $200,000.

The soft television syndication market for hour-length programs hit MCA-TV relatively hard. The company couldn't find buyers for "Miami Vice" and instead licensed it to the USA Network cable service, of which it owns 50%. MCA did better with its half-hour programs, obtaining renewals for "Charles in Charge," "Bustin' Loose" and "Puttin' on the Hits." This year it also will start to receive syndication revenues from "Kate and Allie."

In pay TV, MCA picked up revenues from "Back to the Future," "Out of Africa" and "Legal Eagles," and signed major licensing agreements, covering over 200 library titles, with Showtime and American Movie Classics.

MCA Home Video added almost 100 first-time releases, including "An American Tail," which became a 1 million-seller, as well as "Legal Eagles," "The Secret of My Success," "Howard The Duck," "Harry and the Hendersons" and "Psycho III." Measured ad spending went up 14.6% to $2.4 million with 45.8% going to magazines.

Universal Studios Tour reported record attendance of over 4 million, up 4%, a 12% increase in revenues, and 14% increase in operating income. Measured advertising for the tour increased 26% to $2.5 million, primarily on spot TV.

MCA is in the midst of a major expansion of its tourist attractions, which also has proved to be in competition with the Disney Co. In Orlando, home of Walt Disney World, Universal Studios Florida will begin production late this year and will offer its studio tour at the end of 1989. The attraction is a joint venture with Cineplex Odeon, a Toronto theater chain of which MCA owns 50%.

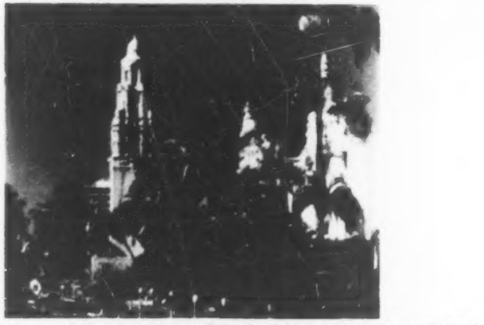
MCA's music division showed a 21.1% increase in operating income. Among MCA Records releases, the debut album by 16-year-old Tiffany scored triple platinum status (3 million in sales), and platinums went to albums by Belinda Carlisle, Jody Watley, George Strait, the late Patsy Cline and the soundtrack from "Beverly Hills Cop II."

Because of a significant drop in sales of 14 karat gold jewelry at its Spencer gift stores and Intrigue jewelry stores and kiosks, income for the retail and mail order division fell 38.2%. The division also includes A2Z-The Best of Everything stores.

Income from book publishing (Putnam

PATRIOTIC PROMOTIONS
Historical Documents
Posters • Money
Constitution Bicentennial
Premiums • Self-Liquidators
Direct Mail Enclosures
400 Stock Items • Custom Work
Genuine antiqued parchment replicas look and feel centuries old.
FREE CATALOG. SAMPLES
HISTORICAL DOCUMENTS CO.
8 N. Preston St., Phila., PA 19104
Ask for Larry (215) 387-8076

REQUEST FOR PROPOSALS



HOME OF WORLD FAMOUS SAN DIEGO ZOO AND OLD GLOBE THEATRE SEEKS A SPONSOR.
The City of San Diego is seeking a sponsor for its Balboa Park Tram Transportation System. Sponsor will enjoy a high prestige marketing opportunity and extraordinary visibility for more than 12 million park visitors annually.
For copy of the RFP, call or write:
Mr. David Twomey, Assistant Director
City of San Diego Park and Recreation Department
Conference Building, M.S. 37
Balboa Park
San Diego, California 92101
(619) 236-5726
Proposals due 5:00 P.M. Friday, November 4, 1988
Pre-proposal conference will be 10:00 A.M. Friday, October 14, 1988, Casa Del Prado, Balboa Park, San Diego, CA 92101.

Publishing Group) increased 9.3% to $18.1 million.

The company's toy products division, acquired in 1985, registered an operating loss of $36.4 million. The company attributes the dramatic loss to a significant downturn in the toy market, which coincided with aggressive expansion at MCA's LJN Toys, late delivery of several product lines and the costs of the expansion. Measured advertising for toys totaled $7.6 million, down 27.6%.

This was the first year in which MCA received income from its broadcasting division, formed in 1986 when the company agreed to acquire WWOR-TV in Secaucus, N.J.; the acquisition was completed in April 1987.

MCA INC.

100 Universal City Plaza
Universal City, Calif. 91608
(818) 777-1000

Corporate personnel: Lew R. Wasserman, chmn & ceo; Sidney J. Sheinberg, president-coo; Thomas Wertheimer, exec vp.

MCA Motion Picture Group

Corporate personnel: Thomas Pollock, chmn; Joseph Fischer, Fred Bernstein, sr vps.

Universal Pictures

Marketing personnel: Simon M. Kornblit, exec vp; Nadia Bronson, David Sameth, vps-creative adv, creative dirs; Victor Fondrk, vp-media & co-op adv; Charlotte K. Reith, vp-planning & finance; Perry Katz, vp-mkt rsch; Sally Van Slyke, vp-West Coast publicity, promo & natl field operations.

Brands/services by agency of record:

MCA Motion Picture Group

Ad agency: DDB Needham Worldwide, Los Angeles: David Park, president; Victoria Gilbert, sr vp, dir-media; Sandra Corvell, asst dir-media; Ann Marie Whitman, acct super; Pamela Blum, asst acct exec.

MCA Home Entertainment Group

Corporate personnel: Eugene F. Giaquinto, president.

Marketing personnel: Lewis Feola, sr vp-mktg; Craig Relyea, dir-adv; Roger Mill, dir-new mktg; Andrew Kairey, vp-adv & promo.

Brands/services by agency of record:

MCA Home Entertainment Group

Ad agency: Cavalieri & Kleier Advertising, New York: Ian Kleier, president; John Cavalieri, chmn; Mark Siegried, acct super.

MCA Recreation Services

Marketing personnel: Jay S. Stein, vp-MCA Inc., president-MCA Recreation Services; Joan Bullard, vp-publicity & pr.

Brands/services by agency of record:

Universal Studios, Florida
Universal Studios Tour
Yosemite Park & Curry Co.

Ad agency: Foote, Cone & Belding, Los Angeles: Steve Hayman, genl mgr; Hal Kaufman, creative dir; Deborah Nelson, acct dir; Lisa Pompan, media super.

Spencer Gifts
Atlantic City, N.J.

Corporate personnel: John P. Hacala, corp president; George Moser, president-mail order div; S. Gary Stern, exec vp, genl mgr-mail order div.

Brands/services by agency of record:

Spencer Gifts

Ad agency: Unavailable at time of publication.

MCA Music Entertainment Group

Corporate personnel: Irving Azoff, chmn; Larry Solters, sr vp.

Marketing personnel: Richard Palmese, exec vp-mktg & promo; Glen Lajeski, vp-merch; Lou Mann, vp-mktg; Jeff Adamoff, dir-creative svcs; Steve Meyer, sr vp-promo.

Brands/services by agency of record:

MCA records
Motown records

Ad agency: (In-house) Lankershim Advertising, Universal City, Calif.: Glen Lajeski, vp-adv & merch.

RANK
8

McDonald's Corp.

Oak Brook, Ill.
ADVERTISING: **$ 649.5** MILLION

Sales & earnings

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	14,330	12,432	15.3
Earnings	549	480	14.4
U.S.	**1987**	**1986**	**% chg**
Sales	10,576	9,534	10.9
Division sales	**1987**	**1986**	**% chg**
Systemwide sales	14,330	12,432	15.3
U.S.	10,576	9,534	10.9
Foreign	3,754	2,898	29.5
Company-owned	3,667	3,106	18.1
Franchises	1,186	1,037	14.4

U.S. advertising by media

($ in thousands)

Media	**1987**	**1986**	**% chg**
Business pub	14	NA	NA
Magazine	7,192	609	1,081.3
Newsp supp	1,236	0	NA
Outdoor	6,607	5,544	19.2
Network TV	216,067	193,002	12.0
Spot TV	129,010	128,180	0.6
Network cable	1,820	1,820	(0.0)
Spot radio	4,548	4,654	(2.3)
Measured	366,493	333,808	9.8
Unmeasured	283,000	258,000	9.7
Total	649,493	591,808	9.7

McDonald's Corp. early in 1988 opened its 10,000th store in a small Virginia town outside Washington. That milestone is a testament to the world's largest restaurant chain's ability to continue its growth despite the continual warnings that the fast-food business has reached its "saturation point" and in the face of sluggish growth by many of its competitors.

But McDonald's steady growth has been maintained by flexibility and change as well as by the protection afforded by its mass. Critics and competitors who suggested that McDonald's had run out of new ideas and would run out of steam were confounded by what the company and its franchisees achieved in 1987.

For one thing, McDonald's continued to grow faster than any other major fast-food chain. U.S. sales by company- and franchisee-owned restaurants rose 11% to $10.58 billion. The total fast-food industry grew at less than half that rate to $56 billion, giving Big Mac a 19% share.

Overseas McDonald's sales grew at an even more impressive rate, rising 30% to $3.75 billion (for company and franchised stores). At the end of 1987, there were 9,911 McDonald's restaurants open throughout the world, 7,567 of them in the U.S. The chain opened its first stores in Macau and Scotland.

This year McDonald's opened its first restaurant in a communist nation, Yugoslavia. It also achieved a goal it has pursued for more than a decade, signing an agreement to open restaurants in the Soviet Union.

Sales from company-owned and franchised restaurants grew to $4.89 billion worldwide in 1987, up 15.4%, while net income grew 24% to $596.5 million.

Total sales can be misleading, because of the number of stores opened and, in the case of overseas operations, by currency exchange-rate fluctuations. As a result, a more-telling industry benchmark is annual per-store sales. The average McDonald's restaurant open at least one year, had sales in 1987 of $1.5 million, up nearly 10% from $1.37 million in 1986. Neither Burger King nor Wendy's have been able yet to crack the $1 million mark.

As with most franchised systems, McDonald's advertising is funded by a combination of contributions from franchisees' sales and corporate monies. Since McDonald's has the most stores and the highest per-store sales average, it also is, and has been for many years, the biggest spender on advertising in its business.

According to its annual report, McDonald's Corp., its franchisees and its joint-venture partners spent a total of $918 million on advertising and promotion worldwide in 1987. That works out to 6.4% of global sales. In 1986, the McDonald's empire spent $789 million or 6.3% of worldwide sales.

An estimated $680 million of that total was spent on U.S. marketing by the company and its franchisees. That is 74% of the total, corresponding to the percentage of global sales accounted for by U.S. McDonald's restaurants.

McDonald's spent $366.5 million on measured media in 1986, up 9.8% from 1986. Once again, the vast majority (94%) of that media budget went to TV advertising. McDonald's $345 million TV (network and spot) budget represented 27% of the $1.3 million spent through that medium by the total U.S. restaurant industry in 1987.

But McDonald's heavy presence as a TV advertiser no longer is news. Its clout is something competitors have learned to live with and have stopped dreaming of someday matching.

What was news in 1987 was McDonald's embrace of print advertising. Beginning in January, it began running a series of page ads in a wide range of publications, touting the nutritiousness of its food. That effort ran throughout the year and has continued into 1988. In 1987, the chain spent $7.2 million on magazine advertising, compared with only $609,000 in 1986.

As the largest fast-food marketer, McDonald's also is the most visible and most closely monitored such company, and its nutrition print campaign drew some criticism.

The attorneys general of California, New York and Texas jointly sent a letter to the corporate headquarters in April 1987 asking that McDonald's pull the ads. They charged that the ads did not mention some menu items to which stated nutrition claims (such as lowered sodium content) did not apply and that the ad claims for low cholesterol levels in some items ignored the potential dangers in those products' levels of saturated fats.

McDonald's refused to withdraw its ads, although those to which critics had objected eventually were replaced. The chain said the changes were due simply to the normal cycling in of new executions rather than a response to criticisms.

What separates McDonald's from other marketers in the restaurant industry is the variety of its advertising messages, styles and strategies.

One of its most successful efforts was the late-1987 appearance of "Mac Tonight," a character with a crescent moon-shaped head used to promote special evening price discounts.

The character had been created and successfully used first by Davis, Johnson, Mogul & Colombatto, Los Angeles, agency for the Southern California operators co-op.

National agency Leo Burnett USA, Chicago, created commercials with the character, set to the song "Mack the Knife," and "Mac" became a national hit. McDonald's plans to air a second round of "Mac Tonight" commercials in 1988's fourth quarter and to license the character to apparel makers.

To keep its advertising messages fresh, McDonald's airs an enormous number (more than 200 annually) of different commercials each year. It also continually makes subtle adjustments in its advertising.

One of those changes was the introduction of a new song early in 1988. While the musical score was completely new, the theme changed only slightly, with "The good time great taste of McDonald's" replacing "It's a good time for the great taste of McDonald's."

McDonald's has found that it can reprise successful promotions as well as well-received advertising. In 1987 it ran a game-card promotion thematically tied to the popular board game Monopoly. That promotion was the most successful in its history, so it was run again in 1988. The second version of the Monopoly game involved prizes from General Motors' Oldsmobile division and giant retailer Sears, Roebuck & Co.

McDonald's and Sears have become partners in other ventures. The retailer in 1986 began offering an exclusive line of children's clothing called "McKids" and incorporating McDonald's distinctive Golden Arches logo. This year Sears is opening stand-alone McKids stores.

Another cooperative venture involves children's meals. Toy figurines representing characters in Walt Disney Co. animated films (such as "Bambi" in 1988) have been offered in McDonald's Happy Meals for children. Packaging directs parents' attention to Sears, where additional toys based on those films are sold.

McDonald's also has discovered that menu items can be used as promotional vehicles. Rather than permanently add new items to its menu, the chain has cycled several products in as limited-time features. These have included a Cheddar Melt sandwich (a hamburger with onions and cheese sauce on a rye bun), and variations on its Chicken McNuggets. In 1987, McDonald's offered Oriental dipping sauces for the chicken chunks; in 1988 it was Mexican salsas (coupled with a free Latin American coin offer).

Still in test are a reformulated McChicken chicken patty sandwich, a chicken version of its McD.L.T. sandwich and McPizza, a single-serving pizza product. New products are expected to bolster McDonald's breakfast menu in the next year as well.

MCDONALD'S CORP.

One McDonald's Plaza
Oak Brook, Ill. 60521
(312) 887-3200

Marketing personnel: Paul D. Schrage, sr exec vp-chief mktg officer; Peter A. Nelson, sr vp-mktg; Richard G. Starmann, sr vp-comm; Roy T. Bergold Jr., vp-adv; David B. Green, vp-natl mktg; Ronald W. Miessler, vp-comm svcs; Laurie Grace, asst vp, dir-mktg; Jim Rand, asst vp-mktg svcs; Charles L. Rubner, asst vp-comm; Emil Terri, asst vp-mktg & media svcs; Dean Barrett, asst vp-natl mktg; David Dandurand, dir-sports mktg; Chuck Ebeling, dir-corp comm; Court Kenaston, Jerry Powers, Vic Trela, dirs-field mktg; Linda Kravitz, dir-youth mktg; Don Lorr, dir-mktg rsch.

Brands/services by agency of record:

McDonald's

Ad agency: Leo Burnett USA, Chicago: Jim Shymkus, exec vp, client svcs dir; Jerry Conner, Barry Krause, sr vps-acct dirs; David Heggen, Debra Stowe, Suzanne Farrand, Nina Abnee, Michael Tam, Tom Claggett, acct supers.

■

Black consumer mktg

Ad agency: Burrell Advertising, Chicago: Barbara Jackson, vp-acct super.

■

Hispanic consumer mktg

Ad agency: Conill Advertising, New York: Noah Sifuentes, vp-mgmt rep.

■

Sales promo

Ad agency: Frankel & Co., Chicago: James Mack, exec vp; Roger Lipker, vp-acct dir, sports mktg; Robert Schneider, vp-acct dir, youth mktg; Rick Bollinger, vp-acct dir, adult mktg.

RANK
50

Mobil Corp.

New York
ADVERTISING: **$ 166.3** MILLION

Sales & earnings

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	56,716	49,865	13.7
Earnings	1,258	1,407	(10.6)
U.S.	**1987**	**1986**	**% chg**
Sales	22,350	19,250	16.1
Division sales	**1987**	**1986**	**% chg**
U.S. petroleum	14,082	11,794	19.4
Foreign petroleum	33,804	29,200	15.8
Chemicals	2,926	2,391	22.4
Montgomery Ward	5,342	5,065	5.5

U.S. advertising by media

($ in thousands)

Media	**1987**	**1986**	**% chg**
Newspaper	6,366	7,912	(19.5)
Business pub	2,229	2,564	(13.1)
Magazine	3,744	3,957	(5.4)
Newsp supp	360	415	(13.3)
Farm pub	253	265	(4.3)
Outdoor	94	66	42.5
Network TV	12,996	10,619	22.4
Spot TV	17,108	16,285	5.1
Network cable	1,248	1,103	13.1
Network radio	200	90	121.0
Spot radio	7,689	9,598	(19.9)
Measured	52,285	52,874	(1.1)
Unmeasured	114,000	115,000	(0.9)
Total	166,285	167,874	(0.9)

Mobil Corp., in a move to reverse its unprofitable efforts to diversify, sold off Chicago-based retailer Montgomery Wards for $1.6 billion to an investment group headed by MW management.

The sale, finalized in June 1988, will significantly reduce Mobil's 1988 ad budget. In 1987, the retailer accounted for 15% of measured spending at Mobil, according to BAR/LNA totals.

A large chunk of Mobil's ad spending is attributed to Mobil Corp.'s sponsorship of various events including the Williams racing team in the Grand Prix Drivers Championship, the Mobil Track & Field Championship and Public Television's Masterpiece Theater. Mobil Corp. also continues as a corporate voice on national issues that affect the industry through advocacy advertisements. DDB Needham, New York, handles.

Mobil now has only two divisions that advertise consumer products. Mobil Oil's Marketing & Refining division, Stamford, Conn., markets gasolines and motor oils, and Mobil Chemical Co., also in Stamford, markets consumer chemical products including Hefty, Kordite and Baggies.

Mobil gasoline had another successful year as U.S. sales increased to 865,000 bbls. per day in 1987 from 841,000 bbls. in 1986. Leading in this climb was Mobil's Super Unleaded Plus with sales up 27%. Mobil Oil, in keeping up with its competitors, introduced its 93-octane Super Unleaded Plus in Chicago, St. Louis, Madison, Milwaukee and Green Bay, Wis. The new gasoline, according to

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the company, is designed to meet the needs of consumers wanting higher-quality and better performance fuels for their automobiles.

BAR/LNA does not break out spending for each gasoline but the entire line received $7.4 million in measured ad support, virtually unchanged from 1986. Mobil currently holds a 6.9% share of the auto gasoline market putting it in fifth place. Shell leads the market with a 9.4% share, followed by Chevron at 8.1%, Texaco at 7.6% and Amoco at 7%. Mobil expects further growth as it continues to modernize its service stations presently located in 32 markets spanning 16 states.

Mobil 1 synthetic lubricant was supported by $6.5 million in measured media, up 3.6% from 1986. DDB Needham, New York, demonstrated Mobil 1's ability to withstand extreme temperatures in a TV spot that used the talents of special-effects supervisor George Gibbs of "Indiana Jones and the Temple of Doom."

Mobil ranks fourth in the lubricants market with a 6.4% share behind Exxon (21.7%), Sun (10.8%) and Chevron (10.5%).

Mobil Chemical had record sales in 1987. Hefty, its offering in the plastic bag market, continued to fight First Brand's Glad bags for market leadership. The line currently holds a 31.6% share compared with Glad bags 32.5%. Hefty Cinch Sak led the brand's charge in 1987 with a 22% increase in sales. In a line extension, the company introduced a Super Cinch drawstring bag in 1988. For the year, measured ad support for the Hefty line grew 9.3% to $11.8 million.

Introduced in 1987 by Mobil Chemical was Lustra premium gift wrap made with Mobil's OPPalyte film. The product was supported by $404,000 in spot TV and initial supplies have sold out.

Results for the first-half of 1988 show earnings at $992 million, up 78% from the first half 1987. The increase comes mainly from record income for Mobil Chemical Co. In addition, auto gasoline sales grew by 2% and lubricants by 17%.

MOBIL CORP.
150 E. 42nd St.
New York, N.Y. 10017
(212) 883-4242

Corporate personnel: Allen E. Murray, chmn & president-coo.

Brands/services by agency of record:

Corp adv

Ad agency: DDB Needham, New York: Lawrence Iannuzzelli, exec vp; Anne Oliver, sr vp-mgmt super.

Mobil Oil Corp.
New York

Corporate personnel: Allen E. Murray, chmn & ceo; Richard F. Tucker, vice chmn & president-coo; Eugene A. Renna, president-Mobil mktg & refining-Worldwide.

Mobil U.S. Marketing & Refining Division
Fairfax, Va.

Marketing personnel: Joseph L. Cooper, president.

Brands/services by agency of record:

Mobil auto gasoline
Mobil 1 oil

Ad agency: DDB Needham, New York: Lawrence Iannuzzelli, exec vp; Bill Mattes, sr vp-mgmt super.

Mobil Chemical Co.
Stamford, Ct.

Marketing personnel: Robert G. Weeks, president.

Brands/services by agency of record:

Hefty bags
Baggies
Kordite

Ad agency: Wells, Rich, Greene, New York: Sandy Carlson, exec vp-creative dir.

RANK
99

Monsanto Co.

St. Louis
ADVERTISING: **$ 84.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	7,639	6,879	11.0
Earnings	436	433	0.7

■ *U.S.*	*1987*	*1986*	*% chg*
Sales	4,883	4,638	5.3
Operating income	501	506	(1.0)

■ *Division sales*	*1987*	*1986*	*% chg*
Chemicals	3,858	3,548	8.7
Agri prods	1,305	1,153	13.2
Electronics	185	154	20.1
Fisher Controls	749	645	16.1
NutraSweet	722	711	1.5
Pharmaceuticals	820	665	23.3
Other	NA	3	NA

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	858	380	126.0
Business pub	2,908	2,639	10.2
Magazine	5,069	3,723	36.2
Newsp supp	76	61	24.8
Farm pub	5,997	5,501	9.0
Outdoor	3	21	(86.0)
Network TV	32,580	35,217	(7.5)
Spot TV	4,423	6,142	(28.0)
Network cable	592	318	85.9
Network radio	1,637	3,133	(47.7)
Spot radio	1,547	1,428	8.3
Measured	55,689	58,563	(4.9)
Unmeasured	29,000	30,000	(3.3)
Total	84,689	88,563	(4.4)

Monsanto, whose acquisition of G.D. Searle Co. in 1985 touched off a sweeping strategic repositioning within the company to free it from highly-cyclical commodity-type businesses, may discover that pivotal move to have been its bugbear.

Searle overnight made Monsanto the world's No. 1 marketer of aspartame. It also housed a potentially strong pharmaceutical unit that produced and marketed the Copper-7 intrauterine device. But Copper-7 figured into an $8.75 million judgment against Searle (Monsanto) this month in a St. Paul federal court.

The case could touch off a flood of lawsuits against Monsanto, shades of the Dalkon shield and A.H. Robins, because the woman involved in the case claimed the IUD led to sterility. The court found that Searle had failed to issue warnings about risks connected with the birth-control device and that the company had intentionally misrepresented the IUD. More than 10 million women used the device between 1974 and 1986.

The judgment comes at a time when the Searle drug unit seemed about to turn around its operations. Although it has not posted operating gains since the Monsanto buyout, it has a list of promising products in the regulatory pipeline. Searle alone spent 24% ($200 million) of its sales in 1987 for R&D, well above the pharmaceutical industry's 15% average.

These high R&D costs carried throughout the company, and along with charges related to restructuring, acquisitions and divestitures, kept the lid on earnings in 1987. Earnings climbed only 1% above 1986 levels on an 11% growth in sales. However, for the first six months of 1988, net income has increase 43% to $220 million as sales have grown 2% to $2.26 billion.

In measured advertising, Monsanto's biggest change was for household carpeting made of Wear-Dated Fibers with StainBlocker. Monsanto launched its largest ever campaign for Wear-Dated Fibers in February 1987 with $8.4 million in measured seven-media spending. Monsanto's campaign.

Monsanto's Wear-Dated Fibers campaign was partly a response to a significant increase in competition among the big four carpet makers, including Monsanto, Allied Corp.'s Allied Fibers division, E.I. du Pont de Nemours & Co. and 3M Co. The four companies collectively have spent up to $80 million in 1987, enlisting such spokesmen as comedian Don Rickles for Allied. DuPont initiated the big consumer advertising push behind carpets when it introduced its StainMaster brand in late 1986.

NutraSweet, the brand name for the aspartame-based sweetener developed by Searle in 1965 and launched in 1981, accounted for 46% of Monsanto's 1987 spending, or $20.4 million, down 17%.

Equal, the aspartame-based low-calorie tabletop sweetener, accounted for Monsanto's second-largest seven-media spending total, with $11 million in 1987 outlays, down 31%.

Aspartame captured more than 80% of the market for artificial sweeteners in 1987. That worldwide market is approaching $1 billion. Monsanto's NutraSweet unit recorded sales of $722 million in 1987, up 2% over 1986. Since 1985, sales of NutraSweet and Equal have grown 128%. Establishing brand preference is critical to the brand's future because the NutraSweet unit's patents on aspartame expire in 1992 in the U.S.

A NutraSweet spokesman said patterns of advertising spending will change as NutraSweet moves beyond the brand awareness stage.

"We've come a long way in established our identity, and now we're aiming to bridge the gap between brand loyalty and brand preference," the spokesman said.

The market for NutraSweet continues to expand rapidly. In June 1988, the FDA approved its use in yogurt, chocolate milk, aseptically-packaged fruit juices, Jell-O ready-to-serve, wine coolers and frozen desserts, and government approval was granted for NutraSweet in France. NutraSweet also petitioned the FDA in 1988 to approve use of an encapsulated form of NutraSweet in baked goods. The sweetener is now used in 1,200 brands worldwide, and in 34 food categories in the U.S. Carbonated beverages are believed to represent about half of the total sales of NutraSweet.

Another important product for the NutraSweet unit is Simplesse, an all-natural fat substitute that could dramatically reduce calories and cholesterol in different types of products, such as ice cream, cheese spreads and mayonnaise. Simplesse was introduced with much fanfare in January 1988, but came under FDA scrutiny in February. NutraSweet now plans to file a petition with FDA to affirm the product as "generally recognized as safe," which could take years.

Monsanto also had significant spending for Roundup and other row crop herbicides in 1987, using a strategy of price cutting to open new international markets. International sales of Monsanto herbicides boosted the Monsanto Agricultural Company's sales 10% in 1987 to $1.18 billion.

Worries about the depressed farm economy in the U.S., and uncertainty about acreage set-aside programs announced in 1986 led to lower levels of media spending. U.S. measured spot TV spending for Roundup fell 33% in 1987 to $1.2 million, according to BAR/LNA. For Lasso herbicide, spot TV spending fell 29% in 1987 to $2.4 million.

Monsanto herbicides received $6 million in measured spending for farm publications in 1987, up 9% over 1986. Farm spending figures supplied by AGRICOM are totals for companies without brand breakouts.

Also in May 1987, the agricultural division selected St. Louis-based Bartels, Carstens & Associates as agency of record, replacing its long-standing relationship with Muller Jordan Weiss, St. Louis.

Joining BC&A were three former Monsanto Agriculture Co. employees, including: Jim Robertson, formerly director marketing-communications, now senior VP; Dave Althaus, formerly marketing manager, now VP-acct super and Steve Barr, formerly manager of marketing communications, now VP-acct super. Also changing jobs was Joe Osborn, former VP-creative group head at Muller Jordan Weiss, who took the same position at BC&A.

MONSANTO CO.
800 N. Lindbergh Blvd.
St. Louis, Mo. 63167
(314) 694-1000

Corporate personnel: David L. Sliney, corp vp-mktg.

Monsanto Agricultural Co.
St. Louis, Mo.

Marketing personnel: Nicholas L. Reding, pres-exec vp; Robert W. Reynolds, vp-N.A. Div; Lee Miller, vp-animal sciences; Jerry L. Neff, dir-row crops, Lasso; Klaus Koch, dir-small grains/specialty; J. Rick Darnaby, dir-industrial/residential; Arnold W. Donald, dir-lawn & garden; Charles S. Crivello, dir-industrial & residential.

Brands/services by agency of record:

Agricultural Co.

Ad agency: Bartels, Carstens & Associates, St. Louis: Donn Carstens, president; Jim Robertson, sr vp, dir-client svcs; Dave Althaus, Steve Barr, vps-acct supers; Joe Osborn, vp-creative group head; Christie Sisler, Lisa Furfine, acct execs.

Monsanto Chemical Co.
St. Louis, Mo.

Marketing personnel: Robert G. Potter, president; David L. Sliney, vp-mktg; Joan Cornwall, dir-mktg comm.

Brands/services by agency of record:

Chemical Co.

Ad agency: Muller Jordan Weiss, St. Louis: Ruth McKinney, sr vp-genl mgr; Scott Spencer, acct exec.

■

Wear-dated fibers

Ad agency: Kerlick, Switzer & Johnson, St. Louis: Michael Switzer, president-acct super; Elizabeth Knehans, J.C. Dillon, acct execs.

Monsanto Electronic Materials Co.
Palo Alto, Calif.

Marketing personnel: Haskell Waddele, vp-commercial mktg.

Brands/services by agency of record:

Electronic Materials Co.

Ad agency: (In-house): Haskell Waddele, vp-commercial mktg.

Fisher Controls International
Clayton, Mo.

Marketing personnel: Claes Hultman, group vp-worldwide sales; Gary Brown, dir-mktg.

Brands/services by agency of record:

Fisher Controls Intl

Ad agency: (In-house): Gary Brown, dir-mktg.

G.D. Searle & Co.

Marketing personnel: Sheldon G. Gilgore M.D., chmn & president-ceo; William I. Greener, sr vp-public affairs; Grant W. Denison Jr., vp-mktg, planning, strategic devel.

Brands/services by agency of record:

G.D. Searle Co.

Ad agency: William Douglas McAdams, New York: Eugene Fine, sr vp-acct super; Denise Stolonski, acct exec.

NutraSweet Co.
Skokie, Ill.

Marketing personnel: Robert Shapiro, chmn & ceo; Lauren S. Williams, president-coo; William Wohlfeil, vp-mktg.

Brands/services by agency of record:

Equal

Ad agency: Ogilvy & Mather, New York: David Warden, sr vp-group dir; Jeff Wilcox, acct exec.

■

NutraSweet

Ad agency: Ogilvy & Mather, Chicago: Ian Miller, sr vp-group dir; Barbara Elmendorf, vp-mgmt super; Jim Mitchel, acct super; Charles Day, acct exec.

RANK
28

Nestle S.A.

Vevey, Switzerland
ADVERTISING: **$ 340.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	25,500	21,900	16.4

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	2,476	1,110	123.0
Business pub	3,685	4,163	(11.5)
Magazine	25,044	21,622	15.8
Newsp supp	1,306	148	784.0
Outdoor	1,119	611	83.3
Network TV	86,607	88,131	(1.7)
Spot TV	48,924	41,018	19.3
Network cable	3,847	3,505	9.8
Network radio	3,620	3,171	14.2
Spot radio	4,198	1,537	173.1
Measured	180,825	165,015	9.6
Unmeasured	160,000	146,000	9.6
Total	340,825	311,015	9.6

Nestle SA expanded its Nestle and Carnation brands in the U.S. to a wide range of new products and line extensions, and, uncharacteristically, created a corporate ad campaign.

The world's largest food company also was at the forefront of one of the most significant and controversial issues facing advertisers and agencies in the late 1980s: agency compensation.

Nestle, which began serious consideration of a worldwide agency fee system in 1986, continued to explore ways to experiment with non-commission agency compensations to involve agencies more deeply in Nestle's total communications efforts.

It asked its major international agencies, including Lintas:Worldwide, McCann-Erickson, Publicis and J. Walter Thompson Co., to submit proposals regarding compensation and new ways to contribute to "totally integrated centralized communications orchestration." Nestle insisted the approach is not a cost-cutting measure. With the removal of commissions, the fee system could be augmented with incentives geared to the success of the brand and based on set criteria such as sales volume or brand share, sources said.

Nestle subsidiary Carnation Co. in May 1987 cut the commission it pays its ad agencies from 15% to 12%-13%. In addition, both Carnation and U.S. unit, Nestle Enterprises, consolidated large portions of their media buying in 1988.

Nestle Foods named J. Walter Thompson USA, New York, to handle its consolidated $18 million spot media buying assignment in a one-year test, affecting four of its other agencies. Three months earlier, Carnation consolidated its network TV buying at Lintas:New York, shifting an estimated $30 million in spending from

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Nestle in early 1988 said it was seriously considering a compensation clause in agency contracts that would require them to pay Nestle certain expenses should it have to find a new agency as a result of merger-related conflicts.

In early 1988, Nestle Enterprises, known for its reticence about publicizing its business and particularly financial matters, ran a 24-page color insert describing the company's operating units—Beech-Nut Nutrition Corp., Hills Bros. Coffee, L.J. Minor Inc. (foodservice), Nestle Foods Corp., Nestle Foods Puerto Rico, Stouffer Corp. and Wine World—in *Forbes'* 500 issue. The $800,000 insert marked the first time the company had done corporate advertising.

Nestle, through Carnation's newly-formed nutritional products division, made a long anticipated move into the U.S. infant formula market with the announcement that, in fall 1988, it will begin marketing Good Start H.A., a hypo-allergenic, whey-based infant formula and Good Nature, a follow-up formula for older babies eating solid food.

Nestle, which will have to battle formidable competition in the $1.6 billion U.S. infant formula market, is counting on the pristine, family-oriented image of its Carnation subsidiary to sidestep the problems associated with Nestle's marketing of formulas in the Third World.

In the late 1970s, Nestle waged a long battle with the World Health Organization over WHO's proposed marketing rules, but agreed to comply with the group's standards in early 1984. Consumer groups had boycotted the company, charging it with misleading uneducated mothers in developing nations.

Nestle, which planned to break with tradition in the U.S. formula industry and advertise the new formulas directly to mothers (consumer advertising is not used by the two leaders in the formula industry), took heat for those plans. The American Academy of Pediatrics opposed the company's plan to use the Carnation logo on an "information campaign," using print ads to alert new mothers to the problems of formula intolerance in their babies. Carnation finally bowed to pressure from the academy and agreed to drop its logo from the ads. It continues to negotiate with the academy for planned media advertising in support of Good Nature.

Nestle markets Good Start H.A. in West Germany, France, Belgium and Switzerland, but has no plans to market either formula in developing countries.

Bristol-Myers and Abbott Laboratories lead the U.S. formula market with 38% and 54% shares, respectively.

Nestle's other U.S. baby products unit, Beech-Nut Nutrition Corp., found itself in hot water in 1987. Beech-Nut pleaded guilty to federal charges that it had sold adulterated and mislabeled apple juice intended for babies and agreed to pay a $2 million fine and $140,000 Food & Drug Administration investigative costs. It also settled a class action suit about the juice for $7.5 million which provided a consumer cash fund and products for certain retailers. Beech-Nut, second runner in baby foods to Gerber Products Co., Fremont, Mich., increased measured ad spending for its baby foods 30% to $4.8 million.

Nestle raced to build a national presence in the fresh prepared-foods business in 1987 with the acquisition of Pasta & Cheese, Long Island City, N.Y. Through Carnation, Nestle repackaged the line of fresh pastas and pasta sauces under the Contadina Fresh brand name and prepared for a mid-1988 national rollout, supported by $20 million to $40 million in advertising. Carnation invested $100 million in the line, including acquisition costs and capital expenditures.

Other early players in the fresh prepared-foods market are Kraft Inc., which is testing a line of refrigerated line of salads, entrees and desserts under the Chillery brand, as well as Delissio All-in-One pizza kits, Di Giornio pasta and sauce dinners, and Marquessa chilled chocolates; General Foods, with its Culinova venture and Ronzoni refrigerated pastas and sauces and Campbell Soup Co., which continues to experiment with its Fresh Chef line.

In frozen foods, Nestle's Stouffer Foods Corp. continued to hold the lead in the $1.5 billion low-calorie entree segment with its Lean Cuisine brand, despite sluggish growth and intense competition from H.J. Heinz Co.'s Weight Watchers brand. The low-calorie industry segment grew 3.5% in sales in 1987, slightly more than the frozen dinner market as a whole. Together, Lean Cuisine and Weight Watchers control about 70% of the segment, with 40% and 30%, respectively.

Stouffer lowered Lean Cuisine's price tag about 10% in 1987 and decreased ad spending 24% to $10.1 million. The brand will face new competition in 1988 and 1989, from Sensible Chef by ConAgra, and from Eating Right, a new low-calorie entry from Kraft's All American Gourmet unit that is known for its Budget Gourmet line. Both Sensible Chef and Eating Right are currently in test.

Spending also decreased for Stouffer's Red Box line, down 50% to $5.4 million. In contrast, spending for the Dinner Supreme line, introduced in 1986, increased 116% to $6.8 million.

Stouffer leads frozen entrees overall, with an estimated 38.5% of the $3.5 billion market. The company in mid-1988 added Tatham-Laird & Kudner to its agency roster, giving the agency what is believed to be significant new product assignments.

Nestle Foods added Nestle Premium Ice Cream Bar to its frozen novelty line, consisting of Nestle Crunch Ice Cream bar and Nestle Quik on a stick, in 1987. It supported its frozen novelties with $3.9 million in media spending, up 143% from 1986.

Carnation increased its stake in the fast-growing $2.7 billion frozen treat segment, repackaging its entire line, including three new products, under the Carnation Ice Cream Treats brand. It followed the $40 million 1987 introduction of Heaven Bars, Heaven Sundaes, Fruit Scoops and Berry Swirl Bars, with Creamy Lites, Cheesecake Bars and Chocolate Malts in 1988.

Nestle, which made an unsuccessful run at Rowntree PLC, one of Britain's biggest confectioners, decreased overall spending for its confection brands in the U.S. Ad spending for Nestle's Morsels dropped 27% to $8.6 million. Measured spending for the company's candy products, including Nestle Crunch, Nestle White, Henri Nestle Premium Chocolates and Chunky, among others, also declined 46% to an estimated $8.2 million. The bulk of that was $6.2 million supporting Nestle Crunch, according to BAR/LNA.

Despite the decrease in spending, Nestle saw sales growth of 35% in its major candy brands in 1987 and held steady in its race with Cadbury for the third-ranking position in chocolates, behind Hershey Co. and M&M/Mars. Ad expenditure for candy brands could increase in 1988 and 1989 as a world cocoa glut drives ingredient prices down and frees up more funds for marketing.

In coffee, Nestle's other staple business, the company's Hill Bros. unit expanded distribution of its namesake brand into the Midwest, and hired its first Hispanic agency, La Agencia de Orci & Asociados, Los Angeles, for MJB coffee. Nestle Foods also jumped on the Colombian bandwagon in 1987, introducing Taster's Choice Colombian Select, in soluble and ground roast versions, with $8.7 million in ad spending—the company's largest expenditure for a single entry. Nestle's overall coffee spending dropped 7.5% to $31 million, despite consumer trends toward less coffee drinking.

Nestle passed Quaker Oats Co. to capture the No. 2 spot in the $5.7 billion pet-food market, despite sales growth of just 1% in 1987 for the industry as a whole. That fact that cats remain the convenience pet of choice benefited Nestle and its Carnation unit, because Carnation is a predominantly cat-food company, as opposed to Quaker's dog-food orientation.

Despite a drop in sales, Carnation's Come 'N Get It, moved into the No. 5 position in dry dog food, up a notch from 1986. Carnation completed national expansion for Grand Gourmet, a premium canned food for larger dogs, by the end of 1987. Grand Gourmet received $5.4 million in ad spending.

Carnation increased spending for premium entries Fancy Feast canned cat food, which received $11.5 million in ad support, and Mighty Dog canned dog food, which got $6.5 million. It virtually

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Source: Survey of Buying Power 7/86. Circulation 86-87.

discontinued ad support for Friskies Buffet canned cat food, which remained the No. 3 brand, behind Heinz' 9-Lives and Mars Inc.'s Kal Kan, but ahead of Fancy Feast. Friskies dry cat food received $5.4 million in ad support.

Carnation in 1987, moved its Fancy Feast assignment, and its Specialty Foods Division (frozen novelties) from Foote, Cone & Belding, to Dailey & Associates in October 1987.

NESTLE SA
353 Case Postale
1800 Vevey
Switzerland

Nestle Food Corp.
100 Manhattanville Rd.
Purchase, N.Y. 10577
(914) 251-3000

Marketing personnel: Blair Gensamer, sr vp-mktg & strategic planning; John D. Burke, vp-mktg svcs.

Brands/services by agency of record:

Taster's Choice
Nestle Premium Ice Cream Bar

Ad agency: HBM/Creamer, Pittsburgh: Eric Fischer, vp.

■

Chambourcy Chilled Desserts
Nestle Crunch Bar
$100,000 Bar,
Bit-O-Honey
Raisinets
Goobers
Nestle Hot Cocoa Mix,
Wispride cheeses

Ad agency: Jordan, McGrath, Case & Taylor, New York: John Taylor, exec vp.

■

Quik milk flavorings
Nescafe

Ad agency: McCann-Erickson, New York: Peter Heinz, sr vp-group dir.

■

Nestea prods
Sunrise Instant Coffee
Nestle Milk Chocolate Bar
Oh Henry
Chunky
Nestle Morsels
Henri Nestle Premium Chocolates
Toll House Chocolate Morsels
New prods
All spot buying

Ad agency: J. Walter Thompson, USA, New York: Steven Dworin, sr vp.

Beech-Nut Nutrition Corp.
Fort Washington, Pa.

Marketing personnel: Joseph Gaeto, vp-mktg.

Brands/services by agency of record:

Beech-Nut Foods

Ad agency: Sherwood & Schneider, New York: Marvin Schneider, chmn & ceo; Lew Sherwood, president.

Carnation Co.
Los Angeles, Calif.

Marketing personnel: Tim Crull, president-ceo; John McMennamin, sr vp-mktg svcs; Anne Fox, media dir; J. Davidson, sr art dir; James R. Richards, promotion/production mgr; Glynn C. Morris, vp-specialty foods div; Stephen Cunliffe, president-Pasta & Cheese; John Harris, vp, genl mgr-instant & evaporated prods div; Ernie Strapazon, genl mgr-nutritional prods div; James Dintaman, sr vp-Contadina/Libby div.

Brands/services by agency of record:

Libby's Juicy Juice
Libby & Kerns Nectars
Libby canned meats
Pumpkin
Salmon
Contadina tomato products
All spot buying

Ad agency: Bloom Cos., Dallas: Mark Bateman, vp-mgmt super.

■

Evaporated milk
Friskies Buffet cat food
Sales promotion
Dairy products
Specialty foods
New prods

Ad agency: Dailey & Associates, Los Angeles: Robert Brownson, exec vp-acct group dir.

■

Bright Eyes
Chef's Blend
Come 'n Get It
Fish Ahoy
Friskies Dry Cat Food
Mighty Dog
Breakfast Bars
Hot Cocoa Mixes
Instant Breakfast
Nonfat Dry Milk
Coffee Mate
Fancy Feast

Ad agency: Lintas:New York: Terry Rosenquist, exec vp-client svcs.

■

Pasta & cheese
Grand Gourmet dog food
Good Start and Good Nature

Ad agency: Ogilvy & Mather, Los Angeles: Roger Wojahn, vp-mgmt super.

Hills Bros.
San Francisco, Calif.

Marketing personnel: Barry Reis, vp-mktg; Tony Adamich, dir mktg.

Brands/services by agency of record:

Hills Bros. and Chase & Sanborn coffees

Ad agency: Cohen/Johnson, Los Angeles: Vicki Rittermal, acct super.

■

MJB prods

Ad agency: Hal Riney & Partners, San Francisco: Karen Wallerich, acct super.

Stouffer Foods Corp.
Solon, Ohio

Marketing personnel: David Jennings, president; Gerald DeCroce, vp-mktg; Dave Alexander, mgr-mktg svcs; Jeffrey Peck, mktg mgr-entrees & side dishes; Paul Devries, new prods mgr.

Brands/services by agency of record:

Lean Cuisine
Entrees/side dishes
Pizza

Ad agency: HBM/Creamer, Pittsburgh: John O'Leary, Richard Grinberg, sr vps.

■

New prods

Ad agency: Tatham-Laird & Kudner, Chicago: Robert Hielscher, sr partner, dir-client svcs.

Stouffer Hotel Co.
Solon, Ohio

Marketing personnel: William Hulett, president; Ronald A. Nykiel, sr vp-mktg; Robert Nance, dir-adv & promo.

Brands/services by agency of record:

Stouffer hotels

Ad agency: Wyse Advertising, Cleveland: Tom O'Toole, Joe Pianecki, acct supers.

Stouffer Restaurant Co.
Solon, Ohio

Marketing personnel: Rick Cassara, vp-mktg.

Brands/services by agency of record:

Stouffer restaurants

Ad agency: Wyse Advertising, Cleveland: Tom O'Toole, acct super.

Wine World
St. Helena, Calif.

Marketing personnel: Mike Moone, president; J.F. Tonjum, vp-sales & mktg.

Brands/services by agency of record:

Wine World

Ad agency: Mojo, San Francisco: John Galbraith, Barbara Frazier, sr vps.

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COLLISION
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FORUM
PERSONNEL INC

342 Madison Ave., New York, NY 10017
212-687-4050

RANK
47

Nissan Motor Co.

Tokyo
ADVERTISING: **$ 181.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	33,950	34,187	(0.7)
Earnings	516	162	218.5

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	22,357	17,627	26.8
Business pub	946	1,248	(24.2)
Magazine	19,361	20,297	(4.6)
Newsp supp	213	34	534.3
Farm pub	0	149	NA
Outdoor	212	1,020	(79.3)
Network TV	46,680	46,266	0.9
Spot TV	43,593	44,426	(1.9)
Network cable	453	592	(23.4)
Network radio	2,735	0	NA
Spot radio	6,890	10,382	(33.6)
Measured	143,438	142,042	1.0
Unmeasured	38,000	38,000	0.0
Total	181,438	180,042	0.8

Nissan Motor Corp. USA, subsidiary of Nissan Motor Co., Tokyo, is seeking a clearer focus for its product line after suffering through another year of diffused regional advertising and continued brand identification problems.

Nissan's "corrective" steps in 1987 and early 1988 have included a change in its primary ad agencies, the selection of another agency for a new luxury car debut and the centralization of regional dealership advertising. Meanwhile, it maintained its ad spending levels of 1986 with 1987 expenditures of $181.4 million.

Sales and earnings in the accompanying box for both fiscal years were converted from yen to dollars at an average annual exchange rate of Y125 = $1.

In a move to gain better coordination of it market strategy, Nissan plans to cut all local ad funding for dealers by Oct. 1 and consolidate the business with its new national agency Chiat/Day, Los Angeles. This could remove Nissan billings from more than 30 agencies handling advertising for 62 Nissan dealer groups nationwide.

Although dealers groups can continue doing business as they choose, Nissan will stop its ad contributions to dealer associations. Those funds will be used by 11 regional general managers for market-by-market ads created by Chiat/Day.

Nissan will spend $60 to $80 million on regional advertising in the 1989 model year. Dealers spent $75 million for advertising in 1987, one-third of it from Nissan.

Nissan corporate goals for the U.S. for the early 1990s is the sale of one million vehicles annually and first place among foreign automakers (both U.S. and foreign production) by the early 1990s.

During 1987, Nissan unit sales were 820,866, up 24.6% from the prior year. Imports were 622,510 of the total, and represented a 13.2% decrease from the prior year. The total for imports and domestic production gave Nissan an 8% share of the U.S. car/truck market, behind Toyota at 9.1%, followed by Honda at 6.1% and Mazda at 3.2%.

Nissan's import total for cars and trucks gave it a 22% share of the import market, behind Toyota's 31.5%, but ahead of Honda, 12.4% and Mazda, 11.6%.

Nissan relies heavily on truck sales, which in 1987 were down 3.08% in the U.S. They fell from 30.7% of all Nissan units sold in the U.S. in 1986 to 26.3% in 1987. Nissan's Smyrna plant accounted for 78,678 of the truck unit sales, or 36.3% of the 216,514 compact trucks sold by Nissan for the year.

The Japan Automobile Manufacturers Assn. reports Nissan's worldwide domestic production in 1987 at 2,159,757 units including—1,750,970 cars and 401,330 trucks along with 7,457 other vehicles—down from 2,235,382 units or 3.3% from 1986. Nissan ranks second among Japanese auto producers, behind Toyota, followed by Mazda, Mitsubishi and Honda.

Squeezed by lower profits and the intense competition among economy models, Nissan plans to launch in fall 1989 a line of upscale luxury cars under the Infiniti nameplate to be supported by a separate U.S. dealer network. Models include a V-8 engine, four-door sedan and a six-cylinder sports car and four-wheel steering. Price: $30,000 to $40,000.

The move into the upscale market makes Nissan the second Japanese automaker to establish a special dealer network for luxury cars, well after Honda's Acura in 1986. Toyota also will begin importing a luxury car line known as Lexus in the 1989 model year.

Nissan expects Infiniti sales to be much smaller than Honda's Acura. Ultimately, annual volume may reach 150,000 units from some 300 dealers, but will not approach the 400,000 annual sales Honda is projecting by 1990. The first wave of 75 Infiniti dealers will begin selling cars in 1990.

Hill, Holliday, Connors, Cosmopulos, the Boston-based ad agency which won the estimated $60 million Infiniti account in early July, will set up a Los Angeles office. The launch will include both coasts. Infiniti is expected to draw $45-$60 million in ad spending in its introductory year.

Nissan studies have shown that since its name change from Datsun in 1984, only 45% of the general public knows the Nissan name. Last spring, after five years and hundreds of millions of ad dollars to build the Nissan name, consumer research revealed that unaided recall of Nissan as an automaker was still 20% lower than Datsun the year before the switch.

This "identity" crisis was quickly addressed by Chiat/Day, Los Angeles, which won the account in August 1987 from William Esty Co.

The new corporate image-building campaign, launched last October by Chiat/Day, was themed "Nissan: Built for the human race," and featured Nissan designers and engineers extolling the virtues of their product and how Nissan cars are built to fit into personal lifestyles.

Although the company appeared pleased with the campaign, some dealers believed it focused too much on image and not enough on sell.

First phase, from October through December, placed emphasis on the Nissan name. Performance, innovation and technology benefits were addressed in the second phase. Phase three ads were product-oriented and featured individual models, particularly on TV and print.

For 1988, Nissan's model lineup consisted mainly of holdovers from the previous year, including the popular Nissan Sentra models. Other holdovers included the Stanza, Pulsar NX, Maxima, 200SX, 300ZX and Stanza Wagon.

Nissan's seven-passenger van, introduced in 1987, accounted for $31 million of Nissan's $143.4 million in measured media expenditures. The new model offers dual air conditioning as standard on the XE and GXE models.

Import sales of the best-selling Sentra, priced at $6,699 for the standard five-speed, two-door sedan, accounted for 121,139 units, down 23.7% from 1986. However, when sales of 119,678 U.S.-built Sentras are included, the resulting 240,817 total makes it No. 1 selling "import" in the U.S. The Sentra received $13.6 million in measured ad spending, down 35% from 1986, according to BAR/LNA.

The 1987 output of Sentras (plus 78,678 pickup trucks) at the Nissan plant in Smyrna has enabled the company to import additional upscale models from Japan, easing the self-imposed restrictions of the Voluntary Restraint Agreement on all Japanese cars.

The Smyrna plant will be expanded within the next few years to build new products, which eventually could be exported to Japan and Europe.

Unit sales of other imported Nissan models in 1987, compared with the previous year, were Maxima 94,092 (112,755 in 1986), Stanza 64,745 (67,804), 300-ZX 33,649 (52,936), Pulsar 62,175 (47,350), 200-SX 30,196 (45,952).

During the year, car ad spending amounted to 60% of total measured media. Nissan compact trucks accounted for more than $33.8 million in measured media spending, the most of any Nissan product, according to BAR/LNA. Sales of small trucks entered a slump in 1987 in the U.S., but while Nissan sales were off modestly, Mazda's totals dropped 21.2% and Toyota's fell 20.9%. Mitsubishi bucked the trend with a 48.2% unit sales boost.

NISSAN MOTOR CORP. U.S.A.
P.O. Box 191
Gardena, Calif. 90247-7635
(213) 532-3111

Corporate personnel: K. Hagiwara, president.

Marketing personnel: Tom Mignanelli, exec vp-operations; Joseph M. Opre, natl adv mgr; John Nystrom, mktg dir, Nissan div; Terry Foutz, natl auto adv mgr; John Rinek, natl truck adv mgr; Mark Grimm, natl merch mgr; Susan Furedi, media planning mgr; Byrne Owens, natl dealer adv mgr, Infiniti Division; Bill Bruce, vp-genl mgr; Dave Hubbard, natl adv mgr.

Brands/services by agency of record:

Nissan

Ad agency: Chiat/Day, Los Angeles: Lee Clow, president-creative dir; Tom Patty, exec vp-acct dir; Steve Goldman, vp-mgmt super, cars; George Hartley, vp-mgmt super, trucks; Tom Cavenaugh, mgmt super, genl svcs; David Butler, sr vp-assoc creative dir; Mas Yamashita, vp-assoc creative dir; Hank Antosz, vp-media dir.

■

Infiniti

Ad agency: Hill, Holliday, Connors, Cosmopulos, Los Angeles: John M. Connors Jr., president-ceo; Dennis Farrington, sr vp-mgmt super; Felice Kincannon, media dir; Charles J. Cushell IV, sr vp-mktg dir.

RANK
66

Noxell Corp.

Baltimore
ADVERTISING: **$ 134.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	489	439	11.5
Earnings	44	37	17.5
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	414	377	9.8
Operating income	72	67	7.9

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	NA	144	NA
Magazine	24,109	22,485	7.2
Outdoor	0	38	NA
Network TV	48,992	37,361	31.1
Spot TV	3,570	2,749	29.9
Network cable	545	1,045	(47.8)
Network radio	0	3	NA
Spot radio	659	1,046	(37.0)
Measured	77,876	64,871	20.0
Unmeasured	57,000	47,000	21.3
Total	134,876	111,871	20.6

Noxell Corp., a Baltimore-based manufacturer of toiletries and household products including Cover Girl, Noxzema and Lestoil, upped its ad budget in 1987 to promote its new Clarion line of cosmetics and to fight off competition in other market segments.

Cover Girl, market share leader in the cosmetics market, maintained its position as the most heavily advertised cosmetic brand during 1987 with Cover Girl models Carol Alt, Christie Brinkley, Jennifer O'Neill and Renee Simonsen carrying the message to the public.

The 1987 sales for Cover Girl continued to pull away from top contender Maybelline from Schering-Plough. Among mass marketed lines of makeup, Cover Girl had

21% market share in 1987 vs. 18% for Maybelline. Schering-Plough consolidated Maybelline's $60 million ad account at DDB Needham Worldwide, Chicago, last year as part of its effort to fight off competition from Noxell.

In the liquid foundations line of facial makeup, Noxell posted gains from Replenishing Liquid and from consumer acceptance of its new Extremely Gentle line of fragrance free and hypo-allergenic makeup.

Consumer demand also increased for face powders, a market in which Cover Girl already claims a 50% share. Cover Girl Cheekers, a mini-blush product introduced in 1987, helped the company achieve record sales in the blush category.

Cover Girl Moisture Wear makeup posted growth attributed largely to new packaging graphics, market acceptance of its moisturizing benefits and the strength of the Moisture Wear ad campaign by Lintas:New York.

In response to increased demand for products for sensitive eyes, Cover Girl came out with Extremely Gentle Mascara. Retail sales audits credited Cover Girl with six of the top 10 selling mascaras.

Eye shadow sales also increased with the introduction of eight-kit shadows and a basic strengthening in its single shadow line, Cover Girl Pro-Colors, which was introduced in 1985. Sales for Pro Lining Pencils went up with the introduction of new shades, an upgraded product and aggressive advertising.

Nail enamel took a dip in 1987, following a national trend of weakening nail polish sales. But nail treatment products posted some gains.

Noxell repackaged its Cover Girl lips, and the line continued to increase its hold in the largest color cosmetic category.

Noxell eased off on advertising for Clarion, which rolled out nationally in September 1986. Designed for women with sensitive skin—a group Noxell estimates at half of all women—Clarion included 85 initial products. The national rollout of a line that large is almost unheard of in the industry, according to analyst Ben Peress at the Washington securities firm of Johnston, Lemon.

The Clarion product line, initially backed by $15 million in advertising from Lintas:New York, sold at prices 20% to 30% higher than the Cover Girl line. Clarion includes foundation, lip and eye products. Displays include a self-service computer to assist customers with a color analysis. In 1987, Clarion accounted for roughly $40 million in sales, which was substantially below earlier estimates of $50-$55 million.

Nonetheless, Clarion represents a very successful line for Noxell without cannibalizing sales from Cover Girl. The company plans to cash in on that success by expanding the line to about 150 products by the end of this year. Noxell projects a 20% sales jump from Clarion this year with the new products adding to the bottom line.

Earlier this year, Leo Burnett USA snatched the $20 million Clarion account away from Lintas, which has been a Noxell agency since the late 1940s. Industry estimates place Lintas' Noxell billings as high as $60 million.

Noxell also has increased its pricing for selective products to pass on higher packaging costs. That move could help profitability, but Mr. Peress warned that excessive price hikes could price the product too high for its target market.

In the toiletries market, Noxell has lost some market share to top contenders. It plans to combat those losses by stepping up marketing and putting more emphasis on new product development. In 1987, Noxzema Medicated Skin Cream continued as the top facial cleansing cream in the U.S. It brought out two new antiseptic skin cleansers and rang up unit and dollar gains.

Sales volume was up slightly in the household products division where lead product, Lestoil liquid cleaner, had a slight increase in sales. It was backed with $1.1 million in measured spending, down 16%, according to BAR/LNA.

NOXELL CORP.
11050 York Rd.
Hunt Valley, Md. 21030-2098
(301) 628-7300

Marketing personnel: George L. Bunting Jr., chmn & ceo; Marvin L. Hathaway, president-coo; Eugene H. Levering, sr vp-sales; Peter M. Troup Sr., vp-mktg; Charles J. Busta, vp-mktg, Cover Girl; Michael B. McNamara, vp-mktg, Clarion cosmetics & toiletries; Donald S. Pettit, mktg dir-new prods; Doug J. Gallow, dir-mktg rsch; William B. Harford, dir-household prods; Bruce F. Nelson, exec vp, mgr-Caliente Chili.

Brands/services by agency of record:

Noxell prods
Noxzema skin cream
Cover Girl prods
MoistureWear
New prods

Ad agency: Lintas:New York: F. Stone Roberts, exec vp (Noxell); Sheri Colonel, sr vp-mgmt super (Noxell); Nancy Korda, mgmt super (Noxzema); , Paul Guagliardo, acct exec (Noxzema); Holly Bowen, asst acct exec (Noxzema); Linda Emanuel, vp-acct super (new prods); Jackie Brecher, acct exec (new prods); Dan McLaughlin, vp-acct super (Cover Girl); Rob Scott, acct exec (Cover Girl eyes); Marjorie Quinn, acct exec (Cover Girl lips & nails); Sheila Dailey, vp-acct super (Cover Girl makeup & MoistureWear); Wendy Bell, acct exec (Cover Girl makeup); Angie Crew, acct exec (MoistureWear).

■

Clarion prods

Ad agency: Leo Burnett USA, Chicago: Dan Reid, exec vp; Linda Wolf, sr vp-acct dir; Brad Brinegar, vp-acct super; Eric Happell, sr acct exec (face); Lisa Craig, acct exec (lips & nails); Polly Lee, acct exec (eyes); Andy Moat, asst acct exec (face).

■

Noxzema shave cream
New prods

Ad agency: Campbell-Mithun-Esty, New York: Peyton Sise, vp-mgmt super; Rand Pearsall, vp-acct super; Diane Nuttall, asst acct exec.

■

Lestoil

Ad agency: Seligman, Potterfield & Johns, New York: Rudi Seligman, ceo; Tom Potterfield, president; Rich Ruddock, acct exec.

■

Caliente Chili prods

Ad agency: GSD&M, Austin, Texas: Steve Gurasich, acct super.

RANK
62

Nynex Corp.

New York
ADVERTISING: **$ 142.8** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	12,084	11,342	6.5
Earnings	1,277	1,215	5.1
■ ***Division sales***	***1987***	***1986***	***% chg***
Local service	5,686	5,659	0.5
Network access	3,132	2,984	5.0
Toll service	1,334	1,254	6.3
Other	1,932	1,445	33.8

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	19,457	18,614	4.5
Business pub	679	415	63.9
Magazine	4,655	3,425	35.9
Newsp supp	1,520	980	55.1
Outdoor	235	415	(43.5)
Network TV	0	44	NA
Spot TV	33,783	24,796	36.2
Network cable	180	89	101.8
Network radio	177	0	NA
Spot radio	6,112	3,591	70.2
Measured	66,798	52,369	27.6
Unmeasured	76,000	60,000	26.7
Total	142,798	112,369	27.1

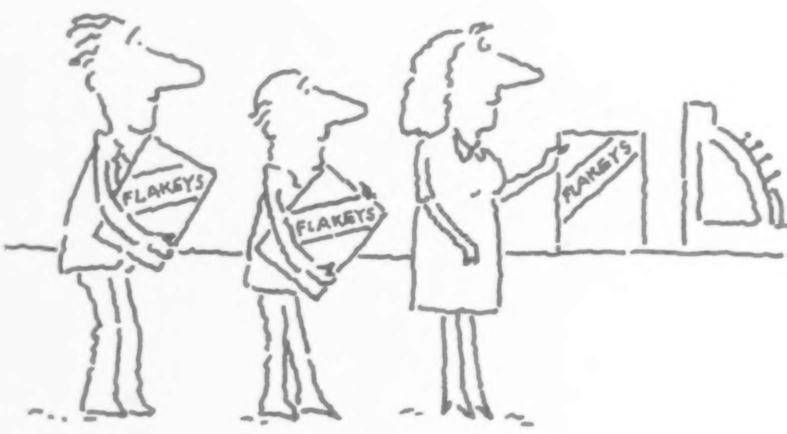
Nynex Corp. outlined a strategy in 1987 centered on combining its telecommunications strength with an expanded range of products and services, including communications equipment, computer systems and software.

The strength of its telecommunications operation is apparent in the company's 1987 financial results in which the telephone subsidiaries, New York-based New York Telephone and Boston-based New England Telephone and Telegraph, accounted for 88% of the Nynex's $12.1 billion in operating revenues.

During the past year, Nynex spent $2.3 billion to upgrade networks of New England and New York Telephone, increasing digital access lines to 3.5 million and installing over 195,000 miles of fiber cable.

In measured media, New York Telephone ad dollars in 1987 nearly doubled to $18.3 million from 1986. Residence and business TV campaigns, both themed, "A Call Can Make a Difference," were designed to spur usage and increase revenues. The business campaign centered on call networking to achieve success. The residence portion focused on the emotional reward of a call.

The New York public telephone campaign promotes brand reliability to stimu-



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Downers Grove, Illinois 60515-5713

late usage. The theme is, "Get Street Smart—Nothing's More New York than New York Telephone Public Phones."

Measured spending of $8.25 million was flat at New England Telephone. New England Telephone launched a campaign featuring conflict. The residential series that plays on a father and daughter who haven't talked to each other in two years. The business series focuses on a lost architectural design contract and efforts to get it back. Both series end happily, the conflicts resolved over the phone. The tag line is, "We're the one for you New England. New England Telephone and Telegraph."

New England Telephone residence usage is up 12.9% and business usage has improved 5% through June 1988, said Geraldine O'Brien, director of advertising.

A $15 million umbrella corporate awareness campaign, "The Answer is Nynex," kicked off in November 1987 and will run throughout 1988. The campaign is designed to heighten awareness to the Nynex name, especially outside its northeastern base.

"We needed to raise awareness that we're more than a phone company and Yellow Pages. Nynex owns several software companies. We're in computers with our business centers, and we have credit companies," said Sheila Enwright, staff director-corporate advertising. Nynex Corp. general promotion measured spending increased 74% to $4.7 million in 1987.

Spending for Nynex Information Resources jumped 33% to $8.4 million in 1987 as the division launched a bevy of new products and services. Resources entered new markets in 1987, with directories in northern New Jersey and southern Connecticut. The first specialty directory, Nynex Boaters, was introduced for Massachusetts and Rhode Island. Seven additional maritime advertising directories are planned this year for New York, Florida and California markets. A telemarketing services division was launched offering design of facilities, list management, training and consulting, and in October 1987, the division also introduced Fast Track Digital Directory, the Nynex white pages listings on compact disc.

New companies were added to Nynex Information Solutions group. In February 1987, Solutions acquired BIS Group, London, a software system for banking applications. This April it purchased CAP International, a Marshfield, Mass.-based marketing information company specializing in market research and consulting, and this June reached agreement to acquire the professional services and software products of New Jersey-based AGS Systems.

Nynex Business Information Systems markets business telecommunications systems and office automation products. Spending dropped substantially to $86,000 in 1987, from $2.6 million in 1986. Nynex Business Centers, with 80 outlets across the U.S., is second only to Businessland, with 94, in office automation retail centers, said StoreBoard Inc., a Dallas-based market research company for the computer industry. But business is believed to be down.

"I'm not convinced retail stores amount to anything for Nynex. Their basic business is pretty strong; growth is there in the long term," said Jack Grubman, analyst, PaineWebber, New York. "Overall, Nynex earnings have been slightly below expectation. Their overall core business, the telephone business, has been strong. That's offset by revenue problems in their unregulated businesses," he added.

Mr. Grubman is opposed to diversification for the Baby Bells, believing growth into areas that are a natural extension of the telephone business—cellular, cable TV—is the way to go. "Regional Bell operating companies run the risk (of going) from a well-managed telephone company to a mismanaged conglomerate," he said.

Nynex is already into cellular as its Mobile Communications division operates cellular systems in markets in New York, New Jersey, Massachusetts and Rhode Island. It will enter New Hampshire and will construct 40 new cells this year.

Judge Harold Green, who oversaw the breakup of AT&T and rules in such matters, will likely review the cable entry question. He did allow the regional Bells to get into transmission of data, although they could not create their own. That decision opens the door for videotex and other transmission.

"Nynex's outlook is good for its core business. The New York-Boston corridor is chock full of information intensive businesses that use telecommunications to a large degree . . . it is very fertile ground. The regulatory environment is one of the more favorable ones. But the management of Nynex has to prove they can be more innovative, like Bell Atlantic, in utilizing their network," Mr. Grubman said.

NYNEX CORP.
335 Madison Ave.
New York, N.Y. 10017
(212) 370-7400
NYNEX CORP.
1113 West Chester Ave.
White Plains, N.Y. 10604
(914) 644-6000

Corporate personnel: James Hennessy, exec vp; Ivan Seidenberg, sr vp-external affairs; Paul Goetz, vp-corp mktg; Emery Westfall, corp dir-external relations.

Brands/services by agency of record:

Corp adv

Ad agency: Young & Rubicam, New York: Robert Gleckler, mgmt super; Terry Pranses, acct super; Bob Mangone, acct exec.

New York Telephone
New York

Marketing personnel: Theodore Federici, vp-external affairs; Michael Clendenin, mng dir-external affairs; Louis Kruh, dir-adv.

Brands/services by agency of record:

Public telephone

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Gary Andrews, sr vp-dir-accts; Rob Erlichman, asst acct exec.

■

Public telephone

Ad agency: Bozell Direct, New York: Tim Fenton, president; J.B. Harrison, acct super; Howard Fishman, acct exec.

■

Direct mail

Ad agency: Chapman Stone & Adler, New York: Rosemary O'Brien, vp-mgmt super; Usha Krishnan, acct super; Lorraine Salta, sr acct exec.

■

Hispanic mkts

Ad agency: Conill Advertising, New York: Carlos Rossi, president; Marisol Estay, acct exec.

■

Direct mail
Various programs

Ad agency: Grey Direct, New York: Jim Battin, vp-acct group mgr; Margaret Myhan, acct super.

■

Business & residential adv

Ad agency: Young & Rubicam, New York: Larry Shapiro, vp-group dir; Richard Bodge, mgmt super; John Morris, acct super-residence usage; margaret McKinley, acct super-business prods & svcs; Julie Butkiewicz, acct exec-business prods & svcs; Hugh Nesbitt, acct exec-residence usage.

New England Telephone
Boston

Marketing personnel: James Crain, vp-external affairs; Albert Troia, mng dir-external affairs.

Brands/services by agency of record:

Business & residential adv

Ad agency: Harold Cabot & Co., Boston: William H. Monaghan, president; Carolyn Smith, vp-mgmt super; Arthur Sweetser, acct super; Peter Hathaway, Natalie Cox, acct execs.

■

Residential direct mail

Ad agency: Cabot Direct, Boston: Suzanne Delice, vp-mgmt super.

■

Genl & business direct mail

Ad agency: Dickinson Direct Response, Quincy, Mass.: Reid Dickinson, president.

■

Business direct mail

Ad agency: Marcoa DR Group, Boston: George Zahke, chmn.

Nynex Information Resources Co.
New York

Marketing personnel: Harold Dakin, vp-business devel; Bernie Bloomfield, vp-mktg & staff.

Brands/services by agency of record:

Yellow Pages

Ad agency: Chiat/Day, New York: Mary Maroun, mgmt super; Lorraine Arado, acct exec.

■

Hispanic mkts

Ad agency: Conill Advertising, New York: Carlos Rossi, president; Marisol Estay, acct exec.

Nynex Business Information Systems
New York

Marketing personnel: Doug Martin, vp-office systems; Tom Philie, asst vp-mktg.

Nynex Business Centers
Atlanta, Ga.

Marketing personnel: James N. Turner, sr vp; Dawn Barrs-Elkourie, mgr-adv.

Brands/services by agency of record:

Nynex Business Centers
Nynex Business Information Systems

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston: Scott Cheyne, sr vp-group dir; Beth Broderson, vp-mgmt super; Robert O'Leary, acct exec.

Nynex Mobile Communications
Pearl River, New York

Marketing personnel: Nancy Anderson, vp-mktg & technology.

Brands/services by agency of record:

Collaterals

Ad agency: Lohmeyer, Simpson Communications, Morristown, N.J.: Richard Ricciardi, exec vp; Valeria Moody, acct exec.

■

Boston Cellular Service

Ad agency: Rizzo Simons & Cohn, Boston: Philip Mathews, acct super.

RANK
18

J.C. Penney Co.

New York
ADVERTISING: **$ 513.5** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	15,332	14,740	4.0
Earnings	608	478	27.2
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	14,771	14,117	4.6
Operating income	451	445	1.3
■ *Division sales*	*1987*	*1986*	*% chg*
J.C. Penney	13,428	12,888	4.2
Catalogue	2,585	2,332	10.8
Drug stores	791	727	8.8
Belgian operations	561	623	(10.0)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	4	3	12.1
Magazine	9,044	8,487	6.6
Newsp supp	1,208	906	33.3
Outdoor	31	22	39.9
Network TV	48,507	46,867	3.5
Spot TV	12,951	14,929	(13.2)
Network cable	2,847	1,616	76.1
Network radio	2,612	1,218	114.4
Spot radio	292	875	(66.6)
Measured	77,497	74,924	3.4
Unmeasured	436,000	421,000	3.6
Total	513,497	495,924	3.5

For retailing giant J.C. Penney Co. Inc., mid-1987 to mid-1988 was the year of the move.

The department store operator in spring 1987 announced it would relocate its corporate headquarters from New York City to Plano, Texas, a Dallas suburb—a move the company believes will save it between $60 million and $70 million annually from reduced overhead and travel expenses in a more centrally-located office.

And while Penney curtailed some of its projects during the move transition, it maintained its ad spending level. TV advertising claimed the largest measured total of $61.5 million, about the same for both years, with 80% of that in network TV, according to BAR/LNA.

The bulk of its budget continues to be devoted to local ROP newspaper advertising and to preprints. Preprints are counted as unmeasured advertising in this report. They traditionally account for the majority of the mega ad budgets of the major retailers. Penney's in-house ad department puts out a 16-to 48-page insert weekly.

Penney's move to Texas was one more step in a strategic realignment for Penney begun in 1983 when the company announced it would discontinue some of its traditional hard-good lines like paint and appliance to focus on clothing and home furnishings.

The company has continued to narrow its focus this year by announcing it would drop some of its smaller departments like photography and consumer electronics. At its annual meeting in May, the company said it has set aside nearly $60 million to renovate the 4.4 million sq. ft. of space freed up in its stores after closing these departments.

The move also helped Penney streamline its staff. When the move was announced, it had about 2,200 managers in New York City. When the move was completed, it had transferred 1,200 to the Dallas area, some of whom were personnel from regional operations who had spent time in New York training before moving to Texas. Penney hired 800 managers locally and eliminated 200 positions which it said were no longer needed because of improved technologies or streamlined operations.

The changes in personnel extended to the advertising department. Ad manager Ed Hayward said he hired about 60 people in Dallas to fill out his 80-member in-house staff, which was trimmed from 140 in New York City. He said because of the company's reorganization into fewer lines and a push for increased productivity, he has been able to operate with a leaner staff.

When Penney announced its move, its advertising agency N W Ayer, New York, announced it would open a Dallas office. Ayer has set up a full-service office and hired professionals locally to manage the office and work with creative efforts. The account is being handled by both Ayer offices.

While analysts said it's too early to judge the effects of replacing a sizable portion of the retailer's managers, some observers see the changes as reinforcing its realignment.

John Plummer, a partner in Ward Howell International, a New York executive recruiting firm that specializes in retail clients, said he believes Penney's replacement of about half of its management staff will strengthen the overall team. "They are bringing people in who are looking more toward the way the market is today than it was yesterday."

Edward Johnson, analyst with Johnson Redbook in New York, believes it will take months before actions by new managers affect company operations. "When you replace that many people, you get rid of a lot of deadwood, but you discombobulate operations, particularly in the buying department," he said. "Changes in buying won't show up for months."

Thus far, the move does not appear to be having a dramatic effect on the company's bottom line although its sales and net income for the second quarter of 1988 were down, a trend common in the sluggish retail environment.

For the three months ended July 30, Penney reported net income of $81 million on sales of $3.2 billion compared with net income of $103 million on sales of $3.4 billion for the same quarter in 1987. However, the company showed an increase in net income for the first half of 1988, up from $157 million in 1987 to $212 million this year.

While the move has created some short-term disruptions for the company, longer-term or long-planned programs continued. Last fall Penney kicked off a test of Telaction, its home shopping system, in the Chicago area. Penney began planning the project in late 1985 and has spent more than $60 million to get the interactive shopping service started, which cable subscribers can access by using a push-button telephone. If the test is successful, it will expand the offering to other markets.

The company also continued its series of in-store special events emphasizing the offerings of a specific country. In early 1988, it was India. The effort, dubbed "Expedition India," was backed with a $12 million, two-week ad campaign including a 30-second spot produced by Ayer.

J.C. PENNEY CO.
1301 Avenue of the Americas
42nd Floor
New York, N.Y. 10019
(212) 957-4321

Marketing personnel: W. Barger Tygart, exec vp, dir-merch; Ronald Shuler, dir-mktg comm; Joe Chicoski, mgr-media svcs; Darryl Erickson, sales plans mgr; Edward Hayward, adv mgr; Kay Baker, mgr-publicity, special events; Paul Clark, mgr-corp special events; Dave Nafziger, dir-vis merch; Gerald Testor, mgr-presentation; Charles Lipscomb, dir-pers merch; Robert Burke, controller-merch.

Women's Division

Marketing personnel: John A. McConville, president; Kenneth T. Russo, div vp, dir-mktg.

Men's Division

Marketing personnel: Thomas D. Hutchens, president; J. Raymond Pierce, div vp, dir-mktg.

Children's Division

Marketing personnel: James L. Hailey, president; Andrew Cumming, div vp, dir-mktg.

Home and Leisure Division

Marketing personnel: James J. Kennedy, president; J. Thomas Arthur, div vp, dir-mktg.

Brands/services by agency of record:

J.C. Penney stores & prods

Ad agency: N W Ayer, New York: Chuck Meding, sr vp-exec acct dir; Agi Clark, exec dir-creative svcs; Christina Anderegg, sr vp-mgmt super; Jeanne Chenard, sr vp-group creative dir; Meryl Nierman, vp-acct super.

RANK
6

PepsiCo Inc.

Purchase, N.Y.
ADVERTISING: **$ 704.0** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	11,485	9,110	26.1
Earnings	595	458	29.9
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	9,515	7,884	20.7
Operating income	817	628	30.1
■ *Division sales*	*1987*	*1986*	*% chg*
Soft drinks	4,099	3,450	18.8

LAPEL PINS
Widen the visibility of your company. Your design custom-molded into 3D lapel pins . . . richly decorated in full color. Clutch or pin-back. Also available as golf marker. 3¢ to 22¢ (minimum 1,000). Free samples. Distributors welcomed.
KNOBBY KRAFTERS Dept. 202
P.O. Box 300 Attleboro, MA 02703
(508) 222-7272

Reach Pennsylvania's Capital Market
The Patriot-News and Sunday Patriot-News reach Pennsylvania's most important decision-makers because Harrisburg is the Keystone State's capital market. ■ The captains of government (four military bases as well as state government) call the Harrisburg Patriot-News their hometown paper.
■ 106,097 Daily ■ 168,709 Sunday*
phone (717) 255-8203 or (212) 697-8020 for details
*March 1988 Publisher's Statement
Harrisburg Patriot-News
Represented by Newhouse Newspapers

■ Division sales	1987	1986	% chg
Snack foods	3,202	3,018	6.1
Restaurants	4,139	2,642	56.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8,178	8,806	(7.1)
Business pub	187	399	(53.3)
Magazine	936	1,082	(13.5)
Newsp supp	32	65	(50.6)
Outdoor	4,518	3,213	40.6
Network TV	140,342	115,128	21.9
Spot TV	271,069	256,521	5.7
Network cable	3,742	5,107	(26.7)
Network radio	5,203	874	495.0
Spot radio	19,766	22,342	(11.5)
Measured	453,973	413,538	9.8
Unmeasured	250,000	228,000	9.6
Total	703,973	641,538	9.7

PepsiCo's continued diversification into the fast-food business has replaced soft drinks as its biggest category by both sales and advertising in 1987, although on the creative side, the ad beat is definitely with Pepsi because the year found Michael Jackson pushing the cola to his big hit, "Bad."

Mr. Jackson received a reported $10 million-plus for his part in the BBDO Worldwide commercials that aired October. Then this year, Pepsi added heavyweight boxing champion Michael Tyson to plug Diet Pepsi in an attempt to shore up its fast-eroding share in that market segment.

Total sales for PepsiCo rose by more than 26% in 1987 and those increases came without adding major new divisions, as the company had in 1986 when it acquired Kentucky Fried Chicken and Seven-Up International.

For the diversifying PepsiCo, soft drinks now account for only about 36% of its business and have been eclipsed in total sales by the restaurant segment which brought in about $85 million more than soft drinks during 1987. Restaurants also accounted for 59% of PepsiCo's total measured ad spending, according to BAR/LNA, which monitors seven national media.

PepsiCo's tapping of big-time presenters has shown it to be an aggressive marketer against old nemesis Coca-Cola. But, on the production side of its soft drink business, it has proved more reactive. Coca-Cola has been rapidly buying up independent soft-drink bottlers and spinning off its bottling operation into a separate but controlled company thereby gaining greater control of its reproduction and distribution operation.

Pepsi has followed though in more modest fashion. The company thwarted IC Industries' attempt to buy outright RKO Enterprises bottling operation from parent GenCorp. Earlier this year, PepsiCo and IC solved the dispute by agreeing to form a joint venture by merging into one unit, the RKO unit, IC's Pepsi-Cola General Bottlers Inc. and two other PepsiCo-owned bottlers in the Midwest. Pepsi took a 20% interest in the venture, which became the largest Pepsi bottling operation not controlled by PepsiCo.

This June the company agreed to pay $705 million for the soft drink bottling operations of Grand Metropolitan Inc., the third largest independent Pepsi bottler in the U.S., accounting for about 3.6% of Pepsi's total sales.

Overall, Pepsi continues to chase Coke for soft drink market share. While both companies continue to make small advances in total market share at the expense of their smaller competitors, PepsiCo has been unable to close the gap on Coca-Cola, according to *Beverage Industry*, a trade journal.

The magazine reports that Coca-Cola brands claimed a 40% share of the soft-drink market in 1987 while various PepsiCo brands accounted for 30.9% of total sales. Both figures represented a gain of about two-tenths of a point over the previous year.

But in the diet soft drink market, Pepsi lost ground to Coke. While various Coke diet brands grew from 42.4% in 1986 to 43.9% of that market segment in 1987, Pepsi's share of the market slipped from 31% to 27.1%.

Beverage Industry editor Gary Hemphill noted that the "Cola wars" appear to have shifted to the sugarless arena. "Traditionally, the first quarter of the year is considered the big period of diet soft drink marketing because people are trying to get rid of weight they put on during the holidays. This year, that just spilled over into the summer."

The only category in which Pepsi holds a lead is in the juice-added market where Slice and Diet Slice are both segment leaders. But even that market is a troubled one, Pepsi officials have admitted. In November, the company transferred its $30 million account for Slice from J. Walter Thompson USA to BBDO.

At the time, Pepsi had seen the Slice slice of the total soft-drink market fall from 3.8% in 1986 to 2.7%. The moves came at a time when the entire juice-added market was in decline. Juice-added drinks accounted for 4.9% of the total 1986 soft-drink market and then declined to 4.5% last year. The 1988 figures are expected to put the share even lower.

The Slice move was not the only major advertising switch for PepsiCo. BBDO also won control of the $25 million Pizza Hut account from both Chiat/Day, Los Angeles, which handled creative, and DeWitt Media, New York, which handled media buying.

While snack food revenues increased 6% at Frito-Lay, PepsiCo's big Dallas-based unit, Frito-Lay held onto its market supremacy with a 51% share of estimated $6 billion snack food market. Four Frito-Lay brands were among the top 10 sellers among all dry food brands in supermarkets.

The trio of fast food chains—Kentucky Fried Chicken, Pizza Hut and Taco Bell—gave PepsiCo the world's largest restaurant system with 16,500 stores. Symbolically, for the world's most populated market, KFC opened the world's largest fast-food restaurant in Beijing. By itself, the overall KFC operation contributed $4.1 billion to PepsiCo's total $11.5 billion in worldwide sales.

It also was a year of significant international expansion for PepsiCo, from the agreement with the Soviet Union to open a Pizza Hut restaurant in Moscow to a vastly increased marketing program for Pepsi in Brazil, the world's third largest soft-drink market. Worldwide, Pepsi reported spending $840 million in advertising during 1987, up 19.7 from 1986.

Brand Pepsi was given some $60 million of U.S. measured spending. While the Messrs. Jackson and Tyson ads were the high profile elements in the PepsiCo advertising strategy, the company also increased ad spending for Kentucky Fried Chicken through J. Walter Thompson. KFC received the highest measured expenditure of any PepsiCo brand—$109 million, some 63% in network TV and 35% in spot TV, according to BAR/LNA.

PepsiCo is the nation's largest advertiser on spot TV where it funnels most of its advertising for the Pepsi brand. By contrast, Coca-Cola spending for the Coke brand is divided equally between network and spot TV.

PEPSICO INC.
Anderson Hill Rd.
Purchase, N.Y. 10577
(914) 253-2000

Corporate personnel: Roger A. Enrico, president-ceo; Alan Pattasch, sr vp-worldwide creative.

Pepsi-Cola U.S.A.

Corporate personnel: Craig E. Weatherup, president-coo; Michael Lorelli, exec vp-mktg & natl sales; John M. Cranor III, president, Pepsi-Cola East; Ronald W. Tidmore, president, Pepsi-Cola South; Christopher A. Sinclair, president, Pepsi-Cola Central; Christopher M. Hallenbeck, president, Pepsi-Cola West; Robert French, vice president, sales & mktg staff svcs.

Marketing personnel: Kim Kelley, sr vp-sales & channel mktg; Judy Fearing, vp-colas; Donald Uzzi, vp-flavors; Earl Shirley, vp-strategic mkt devel; Frank Rupp, vp-graphic arts; John Moorhead, vp-mktg svcs; Rick Rock, vp-media.

Brands/services by agency of record:

Pepsi Cola
Diet Pepsi
Slice
Mountain Dew
Packaging & promo

Ad agency: BBDO, New York: William Katz, sr vp-mgmt super; Andy Russem, Jeff Mordos, Evelyn Owen, acct supers.

■

Domestic Black adv

Ad agency: Lockhart & Pettus, New York: Keith E. Lockhart, president; Ron D. Harris, sr vp, dir-client svcs; Monica Hudson, asst acct exec.

■

Mug root beer

Ad agency: Lois Pitts Gershon Pon/GGK, New York: Mark Rothman, mgmt super; Andy Brief, acct super.

■

Domestic Hispanic adv

For advertising rates and [illegible] please call:

Atlanta: [illegible]
Boise: [illegible]
California: (213) 450-6660
Chicago: (312) 559-0780
Detroit: [illegible]
New York City: (212) 818-9160
New York State: (914) 769-0091

SATELLITE ORBIT
THE MAGAZINE OF THE NEW TELEVISION

Satellite ORBIT is a CommTek Publication
Source: SMM — Simulation, 1986

Ad agency: Siboney Advertising, New York: Carla Frum, vp-acct super.

■

Pepsi Cola Co.-
fountain beverages
regional mktg & adv

Ad agency: Tracy-Locke, Dallas: Mike Rawlings, exec vp, Mark Lamperski, Bruce Orr, mgmt supers.

■

Ice Mountain bottled water

Ad agency: Waring & LaRosa, New York: Richard Upson, sr vp-acct mgr.

RANK
46

Pfizer Inc.

New York
ADVERTISING: **$ 182.1** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	4,920	4,476	9.9
Earnings	690	660	4.5
■ **U.S.**	**1987**	**1986**	**% chg**
Sales	2,651	2,483	6.8
Operating income	635	684	(7.2)
■ **Division sales**	**1987**	**1986**	**% chg**
Health care	3,118	3,878	(19.6)
Agriculture	519	492	5.5
Specialty chemical	514	416	23.6
Materials science	374	327	14.4
Consumer	396	365	8.5

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	749	225	232.9
Business pub	3,165	3,294	(3.9)
Magazine	21,287	20,922	1.7
Newsp supp	1,073	75	1,331.2
Farm pub	1,558	1,067	46.0
Outdoor	22	2	1,243.8
Network TV	43,412	41,548	4.5
Spot TV	1,493	1,258	18.7
Network cable	301	296	1.8
Measured	73,059	68,686	6.4
Unmeasured	109,000	103,000	5.8
Total	182,059	171,686	6.0

Although Pfizer Inc. continues to put its muscle behind its lucrative pharmaceuticals division, it unveiled several new consumer products in 1987 to help drive up sales volume by 9% to $4.9 billion in fiscal 1987.

Slow growth in Pfizer's traditionally most profitable sector, pharmaceuticals, sapped profitability. Worldwide net income increased only 4.5%, far behind the 13.8% gain produced in 1986. U.S. operating profits declined 7.7%.

The two consumer products division, Leeming/Pacquin and Coty, accounted for sales of $396 million, up 8.5%. The division funneled heavy advertising behind the introduction of Equalactin, an OTC remedy for both diarrhea and constipation launched in mid-1987. Measured ad spending came to $6 million.

The major expenditure was a TV campaign featuring a tortoise and hare to depict the two ends of the extreme treated by the product. In-house agency Adforce handles the account.

Equalactin specifically acts to restore the bowel's normal water balance. Pfizer estimates more than 20 million people in the U.S. suffer from this problem. Retailers report that Equalactin, which has no direct rival, has done very well in the estimated $700 million laxative/anti-diarrhea category. During calendar 1987, its manufacturers sales reached $1 million, according to senior consultant Jim Saberton of Charles Kline & Co., Fairfield, N.J. "That appears small because the product was rolled out mid-year and did not have full distribution until year end. "We are expecting it to do quite well in 1988," he said. Although Equalactin treats both constipation and diarrhea, it is tracked along with anti-diarrhea products giving it over a 2% share of the category, according to Mr. Saberton, who added that Johnson & Johnson's McNeil division's, Imodium A-D, newly-approved OTC remedy will be stiff competition for other anti-diarrhea products.

Ben-Gay and Barbasol were moved from McCaffrey & McCall to Ally & Gargano during the year in an effort to add new life to mature products. According to a company spokesman, the company wanted new creative, especially for Ben-Gay. The once dormant sore-muscle reliever category has been undergoing renewed growth and Leeming/Pacquin wanted to capitalize on it, he said. Measured spending also declined 20.3% to $5.5 million in 1987. Marketing thrust continues to address arthritis sufferers and consumers with sports-related aches for Ben-Gay, which holds a 40% share of the medicated skin product and liniment market, well ahead of No. 2 Thompson Medical Co.'s Aspercreme at 20%.

Visine, whose measured spending dipped 9.8% to $12 million, still leads the market although it faces stiff competition from Schering-Plough's Ocuclear, a new contender in the eye-drop business, and Abbott Lab's Murine.

Even competition featuring technological breakthroughs cannot seem to put a dent in Barbasol's strength in the shave cream market. It commands about a 20% share of the $300 million market, and that without much measured ad spending. Barbasol got only $1.2 million in measured spending, down 37%. A gel form is in the planning stages, sources report.

The Leeming/Pacquin division got a new category with the acquisition of Plax, an anti-plaque dental rinse which came with Pfizer's buyout of Oral Research Laboratories Inc. Although Plax controls less than 5% of the total market, it has caused category leaders like Colgate-Palmolive (Colgate toothpaste) and Procter & Gamble (Crest) to delve deeper into the concept of end-benefits, retailers explain.

Pfizer's Coty unit remains the sales leader in mass fragrances at most leading drug chains. The $949 million men's fragrance category is lead by Coty's Stetson with an 8.5% share, according to a leading warehouse tracking service. That's up from only 4.8% just four years ago and it outpaces perennial leader, Shulton's Old Spice with an 8.3% share. "They captured a spirit and they've stood by it and made it a best seller," observes Allan G. Mottus, an industry consultant.

Measured spending behind Stetson rose to $6.6 million, up 10.9% from 1986. A new men's fragrance called Iron debuted during 1987, backed by a $5 million budget. Retailers say Iron has been a solid performer, but not as dynamic as Stetson. Stetson, Coty's Men's Musk and Iron produce sales of $65 million. Coty backed off the musk classification in 1987, to emphasize its non-musk scents. Spending against men's musk declined from $2.1 million in 1986 to $947,000.

But this year, Coty is rolling out a novelty musk scent called Mexicali Musk, a tequila-like bottle featuring a plastic worm inside. The idea, according to a company spokesman, is to take advantage of the nation's love of Mexican beer and foods.

Lady Stetson has been a big item for mass retailers and takes honors as one of the top three sellers in mass outlets Coty plunked down over $8.3 million to put it there during 1987. The company said sales improved by more than 73% since its launch in 1986. Exclamation, launched this year, is an upscale mass fragrance set off in chic black and white packaging. Agency for the $5 million budget is Ketchum/Hicks & Greist. Pfizer also acquired Sand & Sable fragrance in 1987 and expanded the brand's market behond the South where it is better known.

Coty put spending behind its Overnight Success Cream, a product ripe for the booming mass skincare market. Measured spending totaled over $2.3 million.

The success of the consumer products division in 1987 is just icing for Pfizer. The real gem is its healthcare division which has continually produced breakthrough drugs. Sales of $3.1 billion in this division account for 63% of net sales.

Most of its new pharmaceuticals are promoted directly to physicians and therefore have no measured spending. Pfizer spends millions of dollars in staffing a detail force to physicians as well as sampling efforts. The bevy of items accounts for a climb in unmeasured spending.

Pfizer also has been using some consumer advertising for its ethical pharmaceutical since 1986. Diabinese, an oral hypogycemic drug for advertising to consumers in 1986, received $163,000 in measured spending in 1987, up from $79,000. Measured spending for Pfizer's general quality-of-life image campaign was $2.6 million.

Although several Pfizer pharmaceuticals had a rough year, industry analysts predict a major turnaround in 1988. "Feldene, the largest-selling anti-inflammatory, is on the road to recovery," said Joseph P. Riccardo of Bear Stearns, New York. Feldene's sales should hit $600 million in 1988, an increase of $76 million, according to Mr. Riccardo. He blames Pfizer's lackluster performance on a mature product line that will shortly be corrected by new products in the pipeline.

In specialty chemicals, two products currently awaiting FDA approval are chymosin, for use in cheese-making, and alitame, a high-intensity sweetener. Pfizer filed for approval of chymosin, the first for a food using recombinant DNA technology. Alitame is 2,000 times sweeter than sugar and has higher heat stability. This allows it to be used in baking.

PFIZER INC.
235 E. 42nd St.
New York, N.Y. 10017
(212) 573-2323

Corporate personnel: Edmund T. Pratt Jr., chmn-ceo; Gerald D. Laubach PhD., president.
Corporate media buying: Adforce Inc., New York: Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

Pfizer Agricultural Products
New York

Corporate personnel: M.W. Roche, president.; W.P. Crawford, exec vp.
Marketing personnel: R.B. Behrenhausen, vp-mktg & devel; G.H. Levy, C.E. Lofgren, P.O. Wilder, dirs-mktg & business devel.

U.S. Agriculture Business
New York

Marketing personnel: F.G. Klein, mktg mgr-rsch; E.C. Iannazz, W.C. Wehr, adv mgrs; D.M. Perusse, vp-sales; R.N. Fountain, vp-mktg; R.E. Dreikorn, M.A. Lederman, S.V. Walker, mktg mgrs.
Brands/services by agency of record:

Agricultural prods

Ad agency: Rumrill Hoyt, Rochester, N.Y.: Helen Hutchings, group mgr; Jim Baxter, acct super.

Pfizer Consumer Products
New York

Corporate personnel: J.F. Harmon, president.

Leeming/Pacquin Division
New York

Marketing personnel: J.F. Anderson, sr vp; R.L. Unger, vp-mktg; T.F. Coughlin, vp-sales; H.K. Gray, vp-purchasing & packaging devel.
Brands/services by agency of record:

Unisom

Avrett, Free & Ginsberg, New York: Don Bandman, exec vp; Marlene Wheeler, acct super.

■

Visine
Visone A.C.
Rid
Bonine

Ad agency: Backer Spielvogel Bates Worldwide, New York: Lee Hines, exec vp; Zealie Van Raalte, acct super.

■

Ben Gay
Barbasol

Ad agency: Ally & Gargano, New York: Jim Feeney, exec vp; Pat Prozzi, vp-acct dir.

■

New prods

Ad agency: Smith/Greenland, New York: Bert Rosenberg, exec vp-acct super.

■

Equalactin

Ad agency: Adforce Inc., New York: Robert J. Geller, president.

Coty Division
New York

Marketing personnel: J.T. Markowski, vp-mktg; J.L. Abernathy, sr vp-sales; J. Webster, vp-sales.
Brands/services by agency of record:

Lady Stetson
Iron
Overnight Success
Exclamation cosmetics

Ad agency: Ketchum/Hicks & Greist, New York: Josef Schreick, vp-acct super; Tim Whiting, acct exec.

■

Emeraude
Stetson

Ad agency: Warwick Advertising, New York: Madeline Lewis Smokler, acct super; Mary Nugent, acct exec.

■

Mexicali Musk

Ad agency: Beber, Silverstein & Partners, Miami: George Klas, vp-acct super; Jennifer Beber, acct exec; Joe Perz, creative dir.

Pfizer Chemical Products
New York

Corporate personnel: D.E. Kolowsky, president; D.F. Farley, exec vp.
Marketing personnel: P.J. Regan, vp-operations; W.D. Benfer, vp-U.S. sales; F.P. Chapman, vp-field operations, Vincent DeGennaro, dir-adv & promo.
Brands/services by agency of record:

Industrial chemicals

Ad agency: Poppe-Tyson, New York: William Giacalone, acct super.

Pfizer Pharmaceuticals Products
New York

Corporate personnel: William C. Steere Jr., president; P.G. Tombros, exec vp.

Pfizer Laboratories Division
New York

Marketing Personnel: G.N. Jortner, exec vp-dir opertions; Dean Maglaris, vp-mktg; B.J. Robison, vp-sales; W.B. Surran, dir-mktg svcs.
Brands/services by agency of record:

Diabinese
Minizide

Ad agency: Cline Davis & Mann, New York: Jack Slonaker, vp-acct super.

■

Minipress
Feldene
Procardia
Navane
Protropin
Toranaite

Ad agency: Dorritie & Lyons, New York: John Dorritie, president; Jim Stroup, sr vp, dir-client relations.

Roerig Division
New York

Marketing personnel: K.L. Katen, vp-dir operations; Hank McCrorie, vp-sales; W.J. Canata, dir-sales & training; R.O. Fulmer, vp-mktg; Karen Davies, group prod mgr; E.R. Frank, J.P. Kelly, sr prod mgrs.
Brands/services by agency of record:

Glucotrol
Sinequan
Unasyn
Branded ethical prods

Ad agency: Cline Davis & Mann, New York: Jack Slonaker, vp.

■

Cefobid

Ad agency: Dorritie & Lyons, New York: John Dorritie, president.

Pfizer Hospital Products
New York

Corporate personnel: E.C. Bessey, president-ceo; Robert DiDomenico, vp-mktg planning; D.R. Thacker, president-Pfizer material science prods, president-mineral, pigments & metals, chmn-Quigley Co.; William Nazarewicz, vp-minerals; W.A. Wilkinson, vp-pigments, magnetics, iron oxide; J.C. O'Donoghue, president, Quigley Co.
Marketing personnel: T.R. Laakso, dir-sales & mktg, pigments, iron oxide; P.R. Saueracker, dir-sales & mktg, minerals.; R.M. Galloway, vp-sales, Quigley Co.
Corporate media buying: Adforce Inc., New York: Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

RANK
1

Philip Morris Cos.

New York
ADVERTISING: **$1.558** BILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	27,695	25,[illegible]9	9.0
Earnings	1,842	1,478	24.6
■ **U.S.**	**1987**	**1986**	**% chg**
Sales	18,228	17,568	3.8
Operating income	3,631	3,249	11.8
■ **Division sales**	**1987**	**1986**	**% chg**
Tobacco	14,644	12,691	15.4
Beer	3,105	3,054	1.7
Food	9,946	9,664	2.9

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	49,740	57,590	(13.6)
Business pub	2,893	2,986	(3.1)
Magazine	243,331	225,132	8.1
Newsp supp	9,060	17,307	(47.7)
Farm pub	0	267	NA
Outdoor	50,207	61,283	(18.1)
Network TV	330,778	342,444	(3.4)
Spot TV	111,888	133,724	(16.3)
Network cable	20,522	22,186	(7.5)
Network radio	8,937	7,750	15.3
Spot radio	29,489	4,502	555.0
Measured	856,846	875,170	(2.1)
Unmeasured	701,000	576,000	21.7
Total	1,557,846	1,451,170	7.4

Philip Morris Cos. has adopted a get-tough stance to beef up earnings in virtually all its industry categories—from the company's strong defense of tobacco marketing to its directives to its food and beer divisions.

During 1987, Philip Morris managed to remain tops in the $33.7 billion tobacco market with a record 37.9% share, up 1.1 share points—this in an industry laboring under a 2.5% unit decline influenced by the loss of its first liability suit, the U.S. Surgeon General's branding of smoking as addictive, Canada's adoption of a full ad ban and the proliferation of anti-smoking laws on the local level.

PM came out swinging in the summer of 1988 with a $5 million ad effort, created by Reuben Smith Associates, Nashville, reminding American industry that smokers are a potent "economic force" with "$1 trillion in financial power."

This followed its unusual display of solidarity with competitor, R.J. Reynolds Tobacco, when PM supported RJR after it fired Nabisco agency Saatchi & Saatchi DFS Compton for creating anti-smoking ads for another client Northwest Airlines. After the incident, Northwest said PM barraged its offices with almost 7,000 Mailgrams and disruptive calls to the airline's reservation system.

PM's hard-nosed policy extended to its General Foods and Miller Brewing subsidiaries when its informed them that it was losing patience with their low earnings performance. The profit pressure triggered shock waves and changes at Rye Brook, N.Y.-based GF, including a restructuring, an incentive compensation package for ad agencies and the departure of GF's top executive, Philip Smith.

Miller also was jolted by PM's profit

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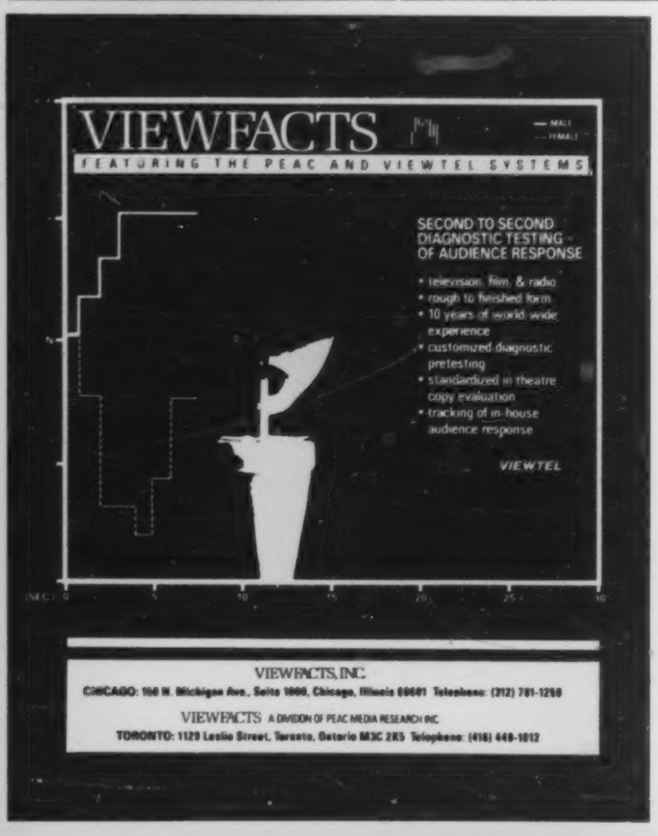
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mandate, resulting in a new president for the Milwaukee brewer and the exploration of new creative for the company's $75 million Miller Lite campaign. Miller President William Howell, 57, took early retirement in January 1988. He was succeeded by Leonard Goldstein, 60, the company's former senior VP-sales.

In July 1988, Mr. Goldstein ordered up new creative executions for the brewer's Miller Lite campaign created by Backer Spielvogel Bates Worldwide. At presstime, no decision had been made whether Miller would drop its 15-year-old "Less filling. Tastes great" campaign. Agencies involved in the brainstorming are currently on the Miller roster, including New York-based BSBW, J. Walter Thompson USA (New York and Chicago) and Leo Burnett USA, Chicago.

That same month, Phil Smith, GF's54-year-old president-CEO and PM vice chairman, announced he would leave to join Pillsbury Co. Mr. Smith was said to be chafing over his inability to "run his own show" at GF.

It was Mr. Smith who masterminded the restructuring of GF. Through the restructuring, nearly 25% of the company's corporate staff was eliminated and General Foods Corp. became a holding company for three independent units, General Foods USA, GF Coffee & International and Oscar Mayer Co. Ervin Shames, 47, was named president-CEO of GF USA; Robert Seelert, 44, was named president-CEO, GF Coffee & International and James McVey, 55, became president-CEO Oscar Mayer. PM will not fill Mr. Smith's post.

The restructuring held up compensation negotiations with GF's agencies until May, when an incentive compensation package was approved awarding up to 3 percentage points more in revenue for outstanding advertising to its agencies. Based on an A, B, or C grading system, the top percentage is believed now to be 16.3%. The package applies only to GF USA.

PM's 37.9% share in the cigarette market helped PM keep its distance from runner-up RJR, whose 32.6% share rose only 0.3 share points from the previous year, according to John Maxwell, analyst with Wheat First Securities, Richmond, Va. Brown & Williamson Tobacco was third at 10.8%, a drop of 0.9 share points; followed by Lorillard, 8.2% share, up 0.1 share points; American Brands, 6.9% share, down 0.3 share points and Liggett & Myers 3.6%, down 0.3 share points.

RJR launched an attack on Marlboro country in summer 1988 with new creative for its Camel and Salem brands designed to bring in younger smokers, which are Marlboro's main franchise. But Marlboro still leads the pack of all cigarette brands in 1987, with a 23.9% market share, said Mr. Maxwell, up from 22.9%. Spending was $84 million in measured media, about even with the prior year.

The original "Marlboro Man," David Millar, 81, died of emphysema-related illness in 1987. The cowboy legacy he did so well to establish continues to define Marlboro. During the year with an extensive campaign for Menthol Marlboro Lights by Leo Burnett, Chicago.

Ads for PM's Merit, the leading low-tar cigarette, in early 1988 abandoned sailing imagery with an aggressive new effort stressing taste and low-tar benefits. The company also began a blind taste test for consumers. Leo Burnett handles Merit, which was supported with $35 million in spending, according to LNA.

Although Merit is the No. 1 low-tar with a 4% share, RJR's Vantage, is close behind at 3.2%. Lorillard's True, with only a 1% share, launched a hard-hitting campaign with a taste message almost concurrently with PM's Merit ads.

Benson & Hedges unit sales dropped 6.7% in 1987 prompting some changes in the creative for the brand's advertising campaign via Wells, Rich, Greene, New York. The much talked about campaign is themed "For people who like to smoke." B&H's share is 4.2%, down slightly from its 4.4% share in 1986. Spending in 1987 is measured at $44 million.

Total company spending in most media were down in 1987. In late March, GF consolidated all its network TV buying at D'Arcy, Masius, Benton & Bowles, New York, a $35 million windfall for DMB&B in addition to the $50 million in buying assignments it already held. The loser was Y&R New York, who previously held network daytime.

Company-wide earnings at GF were depressed because of its troubled coffee division, causing Mr. Smith, at a shareholders meeting in April 1988 to call 1987 "a painful year" for domestic coffee. The company was unprepared for a dramatic drop in retail coffee prices and had an excess of high-priced inventory on hand. As a result, GF funneled the bulk of its spending to cents-off and trade promotion and away from advertising.

The strategy proved costly. While Maxwell House spending, at Ogilvy & Mather, New York, plummeted from $33 million in 1986 to almost nil by year end 1987, GF's total market share also plunged from 35.9% to 34.6%. Meanwhile, rival Procter & Gamble's Folgers gained share from 28.2% to 31.4%.

By early 1988, GF vowed "a rapid-fire series of marketing programs" said Mr. Smith. Maxwell House returned to the air, but dropped its "Coffee Made Our Way" theme for its old "Good to the Last Drop" tag line.

In April, P&G launched a new threat, changing over Folgers to a "fast-roast" technology nationally. With the new technique, beans are roasted faster and hotter, so they "puff more" according to the company, resulting in 13 ounces of the new Folgers being equal to 16 ounces of regular Folgers. Supermarket buyers said GF would have to either convert Maxwell House or "discredit" P&G.

In meals, GF downscaled its Culinova fresh prepared entrees to less exotic fare, lowering the price to less than $4 from a high of over $7 at retail.

Impromptu, GF's shelf-stable line testing in Evanston, Ill., and Portland, Me., was described by Mr. Smith as "our most promising product" at the annual meeting in 1988, but GF declined to give results.

Despite record ad spending in 1987, GF's market share for cereal dropped during the April/May 1988 period as compared to the previous year, according to Tim Ramey, analyst with County Securities, New York. Post's share dropped from just over 12% to 11.8%, he said, compared to a gain for Kellogg Co. to 41.8% from January through May 1988, from 41.1% in 1987.

GF became embroiled in the Great Raisin War of 1987 when Kellogg Co. sued GF and its agency, Grey Advertising, over claims made in Post Raisin Bran advertising. Kellogg filed a $100 million lawsuit in U.S. District court in Kalamazoo, Mich., charging that the Post ads "inaccurately claim that the raisins in Post Natural Raisin Bran are natural and unprocessed." The suit was settled out of court in summer 1988. No damages were paid.

Meanwhile, Post changed its Raisin Bran ads, enlisting the California Raisin Advisory Board's Dancing Raisins to plug the cereal. Post began running teaser ads in April 1988 and by July 1988 rolled a :32 national TV spot featuring the Raisins in concert.

Post also introduced a resealable "Zip*Pak" technology for its cereals, beginning with Raisin Bran, in 1987, supported with ads starring John Denver.

Raisin Bran received $17.7 million in measured media spending in 1987, up from $15.4 million in 1986. Post Raisin Bran' share hovered near 2% in 1987, only half of Kellogg's Raisin Bran's 4%.

Total cereal spending for Post was $88 million, up 11.3% from the prior year. Grape-Nuts received the most support—$28 million up 40%.

To revive the $800 million powdered drink segment, which is declining at about 5% annually, GF rolled national in February 1988 with Tang Fruit Boxes, an aseptic drink, spending $20 million on the campaign. The ads feature Claymation figures and "mouths" sliding off children's faces to "run" to the grocers to buy the Fruit Boxes. The theme: "The taste your mouth can't wait for."

Separately, GF rolled national with a $20 million effort for Kool-Aid themed "Wacky Wild Kool-Aid Style," and a $25 million consumer promotion. GF also launched a national "Big Chill" style Kool-Aid campaign for adults, with parents discussing the ups and downs of having kids—and having kids drink Kool-Aid.

In the $2 billion-plus frozen novelty market, GF rolled out three new products in 1988: Jell-O Pudding Pops Deluxe, Kool-Aid Kool-Pops frozen drink bars

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with Vitamin C and Crystal Light Cool 'n Creamy bars. Young & Rubicam was assigned Pudding Pops Deluxe; Grey received Kool-Aid and DMB&B the Crystal Light bars.

Spending for all Jell-O and Crystal Light frozen novelties in 1987 was $14 million, up 17% from the previous year.

In August, 1987, GF sold its Open Pit barbecue sauce to Campbell Soup Co. for an undisclosed sum.

Miller Brewing registered only a 0.6% increase in shipments in 1987 as compared to Anheuser-Busch's 3.8% gain. Emanuel Goldman, analyst with PaineWebber, put A-B's 1987 market share at 40.4% as compared to Miller's 21.2%. Stroh Brewery comes in third with 11.1%.

A change of direction was brewing at Miller in 1988, as the company announced its intention to concentrate more fully on promotion and local advertising at the expense of national ads. First quarter 1988 figures from LNA show a decline in total measured spending to $26 million from $35 million in first quarter 1987.

The biggest spenders in the Miller lineup in 1987 were Miller Genuine Draft, with $52.4 million in measured spending, up substantially from 1986 spending of $37.7 million and Miller Lite, with $73.8 million, down slightly from 1987's $76.3 million.

Miller Lite, the No. 1 light beer, saw its sales grow only 0.5% to 19.2 million barrels in 1987. Meanwhile, A-B's Bud Light soared 23% to 8 million barrels and Adolph Coors Coors Light rose 12% to 8.2 million barrels. To raise its share of the light market, Miller began testing Lite Genuine Draft in four markets in March 1988.

Miller tried to stem decline of its High Life brand, which skidded from a 13% share in 1980 to 4.9% in 1987, according to industry newsletter *Impact*, with a fresh ad approach from J. Walter Thompson, New York. The campaign scrapped the "Made the American Way" theme line for "Stop and Taste the High Life." The company, in 1988, is expected to pump more spending into High Life, which was supported by $20 million in measured media in 1987.

Lowenbrau TV ad spending was cut in 1987 to $10 million from $19 million the prior year, with the bulk of Lowenbrau's spending in print. But, in February 1988, the company shifted gears with a network TV campaign featuring a lion chained to a beer barrel via JWT.

Miller also broadened its base through the acquisitions this February of Chippewa Falls, Wis.-based Leinenkugel Brewing, a premium lager marketer. Agency is Frankenberry, Laughlin & Constable, Milwaukee, handles the Leinenkugel's estimated $1 million in measured spending.

PHILIP MORRIS CO.
120 Park Ave.
New York, N.Y. 10017
(212) 880-5000

Philip Morris USA
New York

Marketing personnel: William Campbell, exec vp-mktg & sales; David E.R. Dangoor, vp-mktg; Vincent Buccellato, vp-sales; Edwin McQuigg, vp-sales devel; Ellen Merlo, vp-mktg svcs; Jon Zoler, dir-mktg rsch; Richard Stirlen, dir-media; James Spector, dir-consumer promo; Louis Suwarna, dir-new prods; Michael Heinrich, dir-purchasing; Cathy Leiber, dir-events promos; Nancy Brennan Lund, group dir-Marlboro; Brian Schuyie., group dir-full margin brands; Lawrence Wexler, group dir-price value brands; Timothy Beane, mgr-mktg planning; Irene Bick, mgr-direct mktg; Esther Fortner, mgr-special media; Carolyn Levy, asst dir-consumer rsch; Roy Anise, mgr-mktg analysis; Barbara Weinstein, mgr-mktg info; Celestial Kohl, group mgr-Marlboro; Richard Camisa, brand mgr-Marlboro 100's & Menthol; H. David Mackey, brand mgr-Marlboro Reds & Lights; Renee Simons, brand mgr-Benson & Hedges; James Scully Jr., brand mgr-Merit; Herbert Foster III, brand mgr-Virginia Slims; Arthur Goldfarb, brand mgr-Alpine & Famous Value Brands; Arthur Raporte, brand mgr-Cambridge & Players; Susan Alter, brand mgr-new prods; Alex Aliksanyan, asst brand mgr-Parliament.

Brands/services by agency of record:

Parliament

Ad agency: Backer Spielvogel Bates Worldwide, New York: Diane Metzler, vp-assoc media dir.

■

Marlboro
Merit
Virginia Slims

Ad agency: Leo Burnett USA, Chicago: James Oates, exec vp-acct dir; Peter Volz, acct dir.

■

Benson & Hedges

Ad agency: Wells, Rich, Greene, New York: Lisa Patrick, acct super; Chris Lloyd, acct exec; Leslie Burrow, asst acct exec; Meg Malone, acct exec, new prods.

Miller Brewing Co.
Milwaukee, Wis.

Marketing personnel: Robert Toldeo, vp-brand mgmt; William Barrett, Jerome Schmutte, Scott Steward, group prod dirs; Michael Boykin, brand mgr-Matilda Bay & imports; Noel Hankin, brand mgr-Lite Genuine Draft & new prod; Tamara Hauck, brand mgr-Lite; Robert Tyley, brand mgr-Miller High Life; Ralph Kytan, brand mgr-Genuine Draft; Jeff Schouten, brand mgr-Milwaukee's Best, Meister Brau & Lowenbrau; David Krishock, brand mgr-new prods.

Brands/services by agency of record:

Miller Lite
Genuine Draft
Meister Brau
Milwaukee's Best
Miller corp adv

Ad agency: Backer Spielvogel Bates Worldwide, New York: Dan Merrick, Jerry Siano, acct execs (Lite); J.B. Raftus, Laura Lancaster, acct execs (Genuine Draft); Roberto Calderin, acct dir (Meister Brau, Milwaukee's Best, corp adv).

■

Lite Genuine Draft
Miller corp adv

Ad agency: Leo Burnett USA, Chicago: Brian Goldner, T. Scott Edwards, acct execs (Geunuine Draft Lite); Chris Miles, Charles von Weise, asst acct execs (Genuine Draft Lite); Mike O'Neal, John Kovos, acct dirs (corp adv).

■

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif.: Eduardo Del Rivero, sr vp; Randel Ransom, acct super.

■

Miller High Life

Ad agency: J. Walter Thompson, New York: Greg Sieck, acct dir.

■

Lowenbrau

Ad agency: J. Walter Thompson, Chicago: William Howard, sr vp-acct dir; Michael Kahn, acct super; Mary Jean Vuco, acct coord.

■

Black mkt adv

Ad agency: Mingo Jones Advertising, New York: Cliff Ruffins, acct super (Miller High Life, Genuine Draft); Andrea Fant, acct exec (corp adv); Marc Strachan, acct dir (Miller Lite).

Mission Viejo Realty Group
Mission Viejo, Calif.

Marketing personnel: James Gilleran, president-ceo; Jack Raub, exec vp.

Brands/services by agency of record:

Mission Viejo Realty

Ad agency: Green, Martin & Nevins, Costa Mesa, Calif.: William Green, president.

General Foods Corp.
White Plains, N.Y.

Corporate personnel: Ervin Shames, president-ceo; Thomas Hoeppner, group vp; William Korab, group vp, genl mgr, Post; Brian Laragh, group vp; Gregory Murphy, vp, president-ceo, Bakery Holding Co.; Stephen Sadove, vp; David Hurwitt, vp-mktg & comm svcs; David Braun, dir-media & promo svcs; Richard Helstein, dir-adv svcs.

Marketing personnel: Gregory Murphy, vp-GF USA, president-ceo, Bakery Holding Co., president-ceo, Entenmann's; David Collins, vp-GF USA; exec vp-Bakery Holding Co., president-Boboli; Kurt Wissehr, president-ceo, Freihofer's; Douglas Smith, vp-genl mgr, beverage div; Ann Fudge, mktg mgr, beverage div; Peter Robinson, business mgr, Bird's Eye; Polly Judson, mktg mgr, Bird's Eye; Rick Powers, devel mgr, Culinova; Yves Colcon, mktg dir, Culinova; Steve Sadove, vp-dry grocery; John Bowlin, general manager-starches, dry grocery; Gabrielle Hermann, vp, genl mgr, dry packaged desserts; Dan Gioia, mktg mgr, dry packaged desserts; Sylvester Hinkes, vp, genl mgr, Enhancer div; Paul Singer, consumer mktg mgr-established brands, Enhancer div; David Gustin, genl mgr, frozen desserts; Maritta Ko, devel mgr, Impromptu; Maggie Wolf, prod mgr, Impromput; William Korab, group vp, genl mgr-Post cereals; John Canavan, asst genl mgr-Post cereals; John Watson, genl mgr-refrigerated desserts; Mary Hiecke, category mgr-refrigerated desserts; Robert Ronzoni, president-Ronzoni foods; John Bowlin, genl mgr-starches, Ronzoni foods.

Brands/services by agency of record:

Entenmann's
Crystal Light
Crystal Lite frozen novelties
Cool Whip
Good Seasons

Ad agency: D'Arcy Masius Benton & Bowles, New York: Peter Rosow, sr vp, dir-acct mgmt; Allen Adamson, Carla Gambescia, Lance Smith, vps-acct dirs.

■

Post Raisin Bran
Grape-Nuts
Grape-Nut Flakes
Honeycombs
Fruit & Fibre
40% Bran Flakes
Crispy Critters
Minute Rice
Stove Top stuffings
Oven Fry coating
Impromptu
Kool-Aid
Kool-Aid Koolers
Baker's Chocolate/Coconut
D-Zerta
Dream Whip

Ad agency: Grey Advertising, New York: Jack Frantz, exec vp-mgmt rep; Carol Herman, Carolyn Carter, Jerry Zaret, sr vps-mgmt supers.

■

Post Pebbles
Super Golden Crisp
Alpha Bits
Country Time
Tang
Tang Fruit Box
Log Cabin Syrup
Shake 'n Bake

Ad agency: Ogivly & Mather, New York: Dave Warden, sr vp-group dir; Rick Roth, sr vp-mgmt super.

■

Jell-O desserts
Bird's Eye
Ronzoni

Ad agency: Young & Rubicam, New York: George Guimares, exec vp-group dir; Fernan Montero, Fran Gormley, sr vps-group dirs.

General Foods Worldwide Coffee & International
New York

Corporate personnel: Robert Seelert, president-ceo; John Keenan, exec vp; Brian McIver, vp-group exec, planning and devel; John Webber, dir-mktg/rsch/mktg svcs.

Marketing personnel: Raymond Viault, vp-GFW, president-Maxwell House; Bob Pizzuti, dir-mktg/merch/devel, Maxwell House; Alan Plassche, vp, general manager-food service prods div; J. Mark Harran, dir-mktg & devel, food service prods div.

Brands/services by agency of record:

Yuban
Brim

Ad agency: D'Arcy Masius Benton & Bowles, New York: Peter Rosow, sr vp, dir-acct mgmt.

■

Maxwell House
Master Blend
Private Collection

Ad agency: Ogilvy & Mather, New York: Jack Reed, sr vp, dir-acct mgmt.

■

Sanka
International Coffees
Gevalia

Ad agency: Young & Rubicam, New York: Larry Shapiro, exec vp.

Oscar Mayer Foods
Madison, Wis.

Corporate personnel: James McVey, president-ceo.

Brands/services by agency of record:

Oscar Mayer meats

Ad agency: J. Walter Thompson, USA, Chicago: Jerry Johnston, sr vp-acct dir; Kimberly Crowe, acct super; John McGrath, Nancy Statza, Kathleen Reese, Leslie Shelton, Peg Martin, acct reps.

■

Louis Rich

Ad agency: D'Arcy Masius Benton & Bowles, New York: Peter Rosow, group dir; Lance Smith, acct dir; Stu Upton, acct super; Cathy Yachnin, acct exec.

RANK
82

Philips NV

Eindhoven, The Netherlands
ADVERTISING: **$ 107.2** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	25,229	26,340	(4.2)
Earnings	390	486	(19.8)
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	5,691	6,439	(11.6)
■ ***Division sales***	***1987***	***1986***	***% chg***
Lighting	3,138	3,275	(4.2)
Consumer electronics	8,037	8,155	(1.4)
Domestic appliance	3,031	3,013	0.6
Professional prods	7,013	7,675	(8.6)
Components	5,172	5,382	(3.9)
Miscellaneous	860	1,034	(16.8)

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	366	276	32.7
Business pub	4,385	2,738	60.1
Magazine	9,445	6,327	49.3
Newsp supp	166	416	(60.1)
Outdoor	4	1	216.7
Network TV	34,100	18,570	83.6
Spot TV	2,618	10,764	(75.7)
Network cable	1,723	1,850	(6.9)
Network radio	386	682	(43.4)
Spot radio	33	218	(84.8)
Measured	53,226	41,842	27.2
Unmeasured	54,000	42,000	28.6
Total	107,226	83,842	27.9

NOTE: *Financial totals converted at the rate of 2,089 FL = U.S. $1 for 1986 and 1987.

Philips NV, which in 1987 acquired the 42% of North American Philips Corp. stock it didn't already own, turned around this August to sell off 53% of its worldwide appliance unit to Whirlpool. The two moves by the Dutch company reflect the geographic direction of its marketing effort—the U.S.—and the need to shore up the bottom line, if not temporarily through a cash infusion. It also has reduced its share in several joint ventures.

Philips NV profits dipped in 1987 from the prior year, but they have been stagnant for several years as sales generally have climbed. The margin, or net income divided by sales, at Philips in 1987 was only 1.5%. That previously low figure continues into 1988. In the second quarter of this year, Philips net profits fell 44% to to $56.6 million, the lowest level since 1983, on sales of $6.1 billion, up 6%.

Philips said its performance has been hurt by cheap imports from the Far East, particularly South Korea, and the decline in the dollar, the latter affecting products produced in strong-currency areas like Europe but sold elsewhere. The U.S. accounts for 40% of its sales but only 25% of its production.

To gain more direct control of the U.S. operation, Philips paid $683 million for the remaining shares of NAPC. Philips has since divided its U.S. operations into two separate entities: NAPC and Consolidated Electronics Industries Corp., the latter housing its non-electronics business. CEI includes Anchor Brush Co., Genie home products, Selmer orchestral instruments and Magnavox Government & Industrial Electronics Co.

At the same, Philips has launched a worldwide plan to cut overhead and production expenses by eliminating 20,000 jobs (6% of the total) and closing 70 factories.

As part of Philips' consumer electronics division, which had a 1.4% decline in worldwide sales to $8.0 billion in 1987 although U.S. division sales were up, NAPC backed its Magnavox, Sylvania, Philips and Philco audio-video brands in the U.S. with measured ad spending of $23.9 million, up 7.8% from 1986.

The Philips brand name was reintroduced in 1987 which features prestige, high end TVs, audio equipment, VCRs and CDs. A $4-to-$5 million print campaign from Backer Spielvogel Bates, New York, featured a three-page magazine ad headlined "Philips discovers America." The Philips line now has 200 dealers, up from the original 100 a year ago, and markets 40 audio/video products.

The Magnavox brand, the biggest advertiser in the division, drew $19.4 million in measured spending, up 33% from the prior year, according to BAR/LNA. That level has been hiked about 50% to an annualized rate of $30 million for 1988. A four-month-long print and TV campaign from Backer Spielvogel Bates featuring the Smothers Brothers began in September 1987. Follow-up spots and print ads with the singing comedy duo promoting new color TVs, VHS-C camcorders and Universal remote are rolling out this winter.

According to *Television Digest*, 5% of 1987 model color TVs sold were Magnavox and sales of Sylvania and Philco brands brought Philips total market share to 9%, third among manufacturers' brands, with RCA at 17%, Zenith at 14.5% and ahead of Sony with 6%. That was about the same as 1986, but down from the 1981 high of more than 13% for the brands.

Philips is the world's largest manufacturer of lamps and world leader in light bulb sales. In the $1.5 billion (retail dollars) U.S. consumer lighting market, Philips Lighting Corp. is No. 2 with a 15% market share behind General Electric and ahead of GTE Sylvania. Sales of light bulbs for 1987 were up 42% over 1986 and sales for the first three months of 1988 were 62% higher than same period last year. Philips Lighting Corp. spent $9.4 million in measured advertising in 1987, up 36%. Sales of the Longer Life bulb were up 75% for first quarter of 1988. Other new campaigns included a print campaign for Director bulbs (for track and ceiling lights) and one for security lighting with McGruff the crime dog. Ninety percent of Philips Lighting Corp.'s advertising is network TV.

The former NAPC consumer products division, renamed the Norelco Consumer Products Division, includes the Schick and Philips home products brands. Philips plans to eventually market all these products under the Norelco or Philips name. In 1987 Norelco, the No. 1 electric razor marketer with an estimated 39% share, phased out non-rotatract shavers and concentrated advertising spending on TV and print for the rotatract models. Remington was close behind with a 37% share at the close of 1987.

New domestic appliances in 1987 were low-noise hairdryers, cordless hair curlers and a ton of coffeemakers. Philips is improving design and making appliances easier to use and aiming them specifically at the youth market with modern design and color.

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A number of top-level personnel changes included the naming of Cees Bruynes as the new chairman-CEO of Consolidated Industries Electronics. He was chairman of NAPC, and was succeeding in that post by Gerrit Jeelof, who will continue as executive VP and vice chairman of the board of management and group management committee of Philips NV.

NV PHILIPS'
GLOEILAMPENFABRIEKEN
Groenewoudseweg
5621 BA Eindhoven
The Netherlands

North American Philips Corp.
100 East 42nd St.
New York, N.Y. 10017
(212) 697-3600

Corporate personnel: Gerrit Jeelof, chmn & ceo.

Philips Consumer Electronics Corp.
Knoxville, Tenn.

Corporate personnel: Donald F. Johnstone, president.

Marketing personnel: Paul Fredrickson, dir-mktg & merch; Robert Beasley, vp-mktg; William Ulewicz, vp-Magnavox sales; Thomas Costello, vp-Philips sales; Rick Policicchio, vp-Philips, Sylvania, Philco sales.

Brands/services by agency of record:

Magnavox
Philips brand
Sylvania

Ad agency: Backer Spielvogel Bates Worldwide, New York: Charles Decker, sr vp-mgmt super.

Norelco Consumer Products Division
Stamford, Conn.

Marketing personnel: L.M. Beggs, president; Walter Stark, dir-sales, admin & merch; Susie Stephansen, merch mgr.

Brands/services by agency of record:

Norelco

Ad agency: D'Arcy Masius Benton & Bowles, N.Y.: Alan Goltz, acct dir.

Philips Lighting Corp.
Somerset, N.J.

Marketing personnel: Richard D. Capra, president; Scot Weimer, mgr-adv & rsch; Jerry Preyss, vp-mktg.

Brands/services by agency of record:

Philips Lighting prods

Ad agency: Cliff Freeman & Partners, New York: Joseph McCarthy, mgmt super.

Genie Co.
Akron, Ohio

Marketing personnel: John T. Gray, president; Coleman Caldwell, vp-sales; Michael Fox, adv mgr.

Brands/services by agency of record:

Genie Co. prods

Ad agency: Wyse Advertising, Cleveland: Peter Winzig, acct exec.

Philips Business Systems
Woodbury, N.Y.

Marketing personnel: Paul Dentone, president; Timothy Holmes, vp; MaryAnn Barrise, adv svcs coord.

Brands/services by agency of record:

Philips Business Systems

Ad agency: Greenstone & Rabasca, Melville, N.Y.: Rick D'Amico, acct exec.

RANK
19

Pillsbury Co.

Minneapolis
ADVERTISING **$ 473.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1988*	*1987*	*% chg*
Sales	6,191	6,128	1.0
Earnings	69	182	(62.1)
■ *U.S.*	*1988*	*1987*	*% chg*
Sales	5,350	5,510	(2.9)
Operating income	258	444	(41.9)
■ *Division sales*	*1988*	*1987*	*% chg*
Food	3,560	3,363	5.9
Restaurants	2,630	2,764	(4.8)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	753	1,346	(44.1)
Business pub	467	323	44.5
Magazine	5,246	7,011	(25.2)
Newsp supp	23	134	(83.0)
Outdoor	1,629	1,340	21.6
Network TV	104,335	105,052	(0.7)
Spot TV	118,776	125,218	(5.1)
Network cable	1,300	1,549	(16.1)
Spot radio	16,366	18,178	(10.0)
Measured	248,895	260,150	(4.3)
Unmeasured	225,000	235,000	(4.3)
Total	473,895	495,150	(4.3)

Companies who issue their own "whew!" statements are rare. This past year Pillsbury joined the few when it called its fiscal 1988 "a year we are all glad to have behind us," and for good reason. It was a year of poor operating results and management and organizational shakeups.

Pillsbury suffered its second straight drop in net income in fiscal 1988 ended May 31, primarily as a result of a poor performance by Pillsbury's flagging restaurant group in which Burger King sales fell 1%, Steak & Ale's dropped 6% and Bennigan's slipped 3% from the previous year.

Pillsbury took decisive action to remedy the problem by announcing its intent to sell Godfather's Pizza, Quik Wok, Bay Street and Key West Grill restaurants, by modernizing or closing some Burger King, Steak & Ale and Bennigan's restaurants, and streamlining other company operations. All this resulted in a $215.3 million restructuring charge.

In mid-1988, Pillsbury's Foods Group was reorganized into Consumer, Industrial and International foods divisions as part of a plan to focus on fewer business and product lines. A down-sized restaurant group also enabled Pillsbury to focus on core restaurant chains—Burger King, Bennigan's and Steak & Ale.

Corporate shakeups continued through fiscal 1988 and into July, when Philip Smith, 54, was named president-CEO to replace William H. Spoor, who had come out of retirement to pinch hit until a replacement could be found for chairman-president-CEO John Stafford, who resigned in February. Mr. Smith previously held the same post at Philip Morris Cos.' General Foods unit.

His arrival followed the June resignations by Jeff Campbell, restaurant group chairman and Burger King president, and Kyle Craig, S&A Restaurant Corp. chairman-CEO. Charles Olcott, 41, was promoted to president-COO of Burger King overseeing worldwide operations.

Pillsbury's reported its worldwide advertising, promotion and selling costs were $653.9 million during fiscal 1988, up a modest 2.7% from fiscal 1987. Some $572 million of that was spent worldwide to advertise Pillsbury brands, up 5% from fiscal 1987.

In the U.S., Pillsbury's measured media spending for calendar 1987 dropped 4.3% to $248.9 million, some 75% of that spent on Pillsbury's various restaurant groups paced by $163.6 million expenditure for Burger King, virtually unchanged from 1986.

Burger King, the world's No. 2 hamburger chain with 5,578 units operating at the end of fiscal 1988, dropped J. Walter Thompson for N W Ayer in September 1987. Ayer produced a new campaign themed "We do it like you'd do it," and ads have returned to the "broiled vs. fried" theme of the past in hopes of rejuvenating sales that apparently weren't helped by JWT's "Herb" campaign of early 1987.

The chain plans to increase the number of new units opened in the U.S. to 40 by June 1989, from 25 in fiscal 1987 and 1988. Despite overcrowding in many markets, BK will open units in unconventional sites such as airports, hospitals, schools and zoos.

During the year, Pillsbury foods sales rose 6% to $3.56 billion, buttressed by a 7% growth in vegetable sales, an 18% growth in Haagen Dazs ice cream and a 35% increase in international foods sales. Sales of consumer foods, traditionally Pillsbury's largest segment, increased only 2%.

Although it remained the No. 1 marketer of frozen pizza, Pillsbury suffered a 6% drop in sales attributed to price hikes for Totino's brand pizza, which have since been rescinded. Pillsbury holds a 40% share of the frozen pizza market, down from over 50%, said John McMillin, food industry analyst for Prudential-Bache Securities, New York. Pillsbury spent only $1.4 million in measured media for Totino's, both microwave and frozen varieties.

Pillsbury concentrated sizable ad dollars behind microwave products which totaled $17.8 million in measured advertising, up 85% from 1986. Microwave cake mixes led the pack with a $6.3 million expenditure, up from $2.7 million in 1986. Pillsbury also launched Microwave Brownie Mix during the year, spending $2.4 million on the item, and spent heavily for multi-product advertising backing microwaveables on network TV ($4.8 million).

Among other personnel shifts, Thomas McBurney was moved from chairman of the Foods group to the newly-created In-

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The Times-Picayune's Weekly Coverage of the New Orleans Market:

	%	Total
All Adults	87	966,000
Executive/Professional Occupation	91	244,000
$50,000+ Household Income	95	110,000

Source: Total Retail Sales - 1987 Sales & Marketing Management, Survey of Buying Power
N.O. MSA Readership - Belden CMS, June-Dec. 1986

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ternational Foods division to become executive vice president and chairman; departure of U.S. Foods President Kent Larson; and Aug. 1 retirement of Don Osell, VP-marketing services for Pillsbury Co., who was replaced by Larry Constantineau, who assumes the newly-created VP-marketing services and market research.

PILLSBURY CO.
200 S. 6th St.
Minneapolis, Minn. 55402
(612) 330-4966

Corporate personnel: Philip L. Smith, chmn & president-ceo; Roger L. Headrick, exec vp-cfo.

Marketing personnel: Larry Constantineau, vp-mktg svcs & mkt rsch; Ron Kos, dir-adv svcs.

Food Group
Pillsbury Consumer Foods

Corporate personnel: John L. Morrison, chmn; Bob Lindsay Jr., vp-genl mgr, bakery & sweet goods; Dan Locke, vp-bakery & sweet goods; Mike Paxton, vp-genl mgr, prepared dough prods; Gary Klingl, vp-genl mgr, vegetables & side dishes.

Marketing personnel: David Webber, vp-mktg, pizza; Linda Keene, vp-mktg, bakery & sweet goods; Jerry Hanna, dir-mktg, bakery mixes; Dick Anderson, dir-mktg, frozen vegetables; Brent Bailey, dir-mktg, fish; Craig Evanich, dir-mktg, prepared dough prods; Larry Wheeler, vp-mktg, shelf stable vegetables; Rebecca Roloff, vp-mktg, fresh vegetables.

Industrial Foods

Corporate personnel: Russell J. Bragg, president.

Haagen-Dazs Ice Cream
Teaneck, N.J.

Corporate personnel: Mark L. Stevens, president.

Marketing personnel: Michael Bailey, sr vp-sales & mktg.

Burger King Corp.
Miami

Corporate personnel: Charles Olcott, president-coo.

Marketing Personnel: Anthony Lavley, exec vp-mktg.

S&A Restaurant Corp.
Dallas
(Steak & Ale, Bennigan's)

Corporate personnel: Jerry W. Levin, chmn; Donald J. Slater, president.

Marketing personnel: Nick Castaldo, sr vp-mktg, Bennigans, Steak & Ale; Ruth Reed, dir-mktg, Steak & Ale.

Brands/services by agency of record:

Burger King

Ad agency: N W Ayer, New York: Dom Rossi, exec vp-mng dir; Lee Rubin, sr vp-mgmt super; Alison Damis, Shari Leifer, Jack Rayher, acct supers; Bill Webster, sr acct exec; Peter Minnium, Nancy Ryan, Bob Schmitt, Mike Lehman, acct execs.

■

Burger King-Hispanic adv

Ad agency: Castor Spanish International, New York: Castor A. Fernandez, president, creative dir.

■

Burger King-Black adv

Ad agency: UniWorld Group, New York: Byron Lewis, chmn-ceo; Andy Bonaparte, vp-mgmt super; Beverly Nelson, acct super.

■

Green Giant prods
Refrigerated foods
Hungry Jack potatoes & pancakes
Totino's pizza
Jeno's pizza

Ad agency: Leo Burnett USA, Chicago: Susan Ball, acct super; John Miller, sr vp-acct dir; Edson Sessions, vp-acct dir.

■

Van de Kamp's frozen seafood and entrees

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles: Jim Helin, mng dir; Diane Krouse, vp-mgmt super; Arlene Spector, vp-acct super; Phil Odell, sr acct exec.

■

Haagen Dazs

Ad agency: Doyle Graf Mabley, New York: Marianne Collins, vp-mgmt super; Sarah Hiner, acct exec.

■

Corp trade adv
Consumer & sales promo svcs projects

Ad agency: Pride, Barber & Whaley, Minneapolis: Bob Pride, chmn; Lynn Dekker, vp-acct super.

■

Steak & Ale
Bennigan's restaurants

Ad agency: Lintas:New York: Robert D. Wadsworth, exec vp.

■

Bennigan's

Ad agency: Rosenberg & Co., Dallas: Trey Morgan, vp-acct super; Tom Rowe, acct exec.

■

All Ready pie crusts, cakes & frosting mixes
Pillsbury microwave prods
Artificial sweeteners
Figurines

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp, dir-client svcs.

RANK
2

Procter & Gamble Co.

Cincinnati
ADVERTISING: **$1.387** BILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1988***	***1987***	***% chg***
Sales	19,336	17,000	13.7
Earnings*	1,020	327	211.9
■ ***U.S.***	***1988***	***1987***	***% chg***
Sales	12,423	11,805	5.2
Net income*	864	305	183.3
■ ***Division sales***	***1988***	***1987***	***% chg***
Cleaners	6,668	5,784	15.3
Personal care	8,676	7,512	15.4
Food, beverage	2,963	2,976	(0.4)
Other	1,532	1,186	29.2

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	5,576	4,030	38.3
Business pub	3,579	3,194	12.0
Magazine	79,611	87,105	(8.6)
Newsp supp	2,217	640	246.6
Outdoor	842	293	187.1
Network TV	377,552	447,436	(15.6)
Spot TV	238,049	233,212	2.1
Network cable	23,713	27,597	(14.1)
Network radio	23,665	14,289	65.6
Spot radio	7,906	7,471	5.8
Measured	762,710	825,268	(7.6)
Unmeasured	624,000	675,000	(7.6)
Total	1,386,710	1,500,268	(7.6)

NOTE: *Worldwide earnings were reduced by $459 million and U.S. earnings were reduced by $357 million to reflect costs of restructuring in fiscal 1987.

Procter & Gamble Co. spent most of 1987 supporting existing brands and seeking more efficient media buys at the expense of its heavy network TV advertising. In the process, U.S. ad totals for this perennial No. 1 advertiser dipped 7.6%, dropping P&G to the No. 2 slot behind Philip Morris.

P&G's total measured ad expenditures also dropped for the second consecutive year as network TV expenditures fell 17.6% to $377.6 million, a figure that still makes P&G the king of network TV advertising.

Worldwide, the company's big ad budget helped push net sales 14% to $19.34 billion in fiscal 1988, ended June 30. P&G worldwide net earnings climbed 30% to $1.02 billion from $786 million last year, excluding the prior year's one-time charge that reduced net earnings by $459 million to cover restructuring of its manufacturing operations, including a drastic reduction of capacity for its Duncan Hines ready-to-eat soft cookie line.

"This past year's significant profit recovery is in line with our expectations," said John Smale, P&G chairman-CEO, and John E. Pepper, president, in a joint statement. "Broadly based volume growth, particularly in international operations, and the lower federal statutory tax rate in the U.S. were major factors contributing to the strong improvement in earnings." P&G's non-U.S. net sales have risen from 29.1% of the total in fiscal 1986 to 37.7% in fiscal 1988—a time period that has been marked by a steep drop in the value of the dollar.

Although P&G earlier this year sliced nearly $75 million more from its 1987 network TV budget, which was down $81 million from 1986, it more than compensated for the network TV spending cut with aggressive syndicated and cable TV buys, couponing, promotions and special-events programs.

"P&G's whole philosophy over the last two years has been to put more money into syndie deals, print and cable," said Greg Ostroff, a securities analyst with Goldman Sachs & Co., New York.In October 1987, P&G cut an estimated $20 million upfront deal on the 191 stations represented by Katz Television Group, and bought $10 million of time on the Turner Broadcasting System/Tribune Broadcasting "unwired network" system. The two deals are said to have offered P&G the advantages of lower cost-per-thousand, audience guarantees and the relative ease of one-stop buying.

P&G markets the leading brand in 21 of the 40 product categories in which it competes. Its largest measured media expenditure for a single brand in 1987 was $44 million for Folgers coffee, a 16% increase over 1986.

In October 1987, P&G established category business units through the company's domestic operations. All brands and products in a particular business category, such as disposable diapers or oral care products, now are grouped organizationally in the same unit under the direction of one general manager, in order to eliminate promotional duplications.

P&G, observers say, may reorganize its ad agencies along category lines. Such speculation was fueled in May when P&G transferred its estimated $4 million Bold laundry detergent account to Leo Burnett USA, Chicago, from Grey Advertising, New York. Burnett already handles Cheer and Era detergents.

Burnett also was the lucky winner in November 1987 when P&G pulled two brands from Wells, Rich, Greene, New York. Burnett won Prell shampoo and conditioner, and N W Ayer, New York, got the Citrus Hill Plus Calcium and Lite Citrus Hill brands. Ayer already had been working on regular Citrus Hill Select orange juice.

P&G in January moved its $10 million Pantene shampoo account to Grey Advertising, New York, from FCB/Leber Katz Partners, New York, citing competitive conflicts with the Leber Katz's Colgate business. P&G had inherited the agency when it bought Richardson-Vicks in 1985.

P&G's decreased measured ad spending coincides with what observers said is at the low-point of a new-product introduction cycle. The company this year concentrated advertising and marketing efforts on product reformulations, packaging improvements and line extensions of established brands. Such initiatives, the company said, "reached a record level throughout the domestic divisions this past year, contributing new unit volume and market share growth."

New unit volume records were set in both U.S. consumer and industrial divisions, the company said. Unit volume rose 4%, which analysts consider a "strong growth rate" for P&G. Domestic net earnings from operations jumped 26% to $864 million from $686 million the previous year.

"It's spooky," said Jack Salzman, household-products analyst with Goldman Sachs & Co., New York. "It's like everybody decided they'd wash more, brush their teeth more and buy brand-name goods."

However, Kidder, Peabody & Co. analyst Jay Freedman noted that the "3Ds," analysts' shorthand for P&G's core detergent, diapers and dentifrice businesses, are losing some of their historical importance to the company. The reason, he said, is those products face more competition and because P&G competes in far more categories than it used to.

The three categories still are essential to P&G's financial health, though. Disposable diapers alone account for 16% of all sales in fiscal 1988 and in the two previous years. Combined, the 3Ds bring in a third or more of all sales and 45% of profits, analysts said.

Yet, perhaps in recognition that it cannot survive solely on profits from those products, P&G during fiscal 1988 made significant moves to expand its presence outside its core businesses, particularly international expansion and in pharmaceutical marketing.

In December, the company finalized its acquisition of the Mainz, West Germany-based Blendax Group, establishing a major presence in the European health and beauty-care products market, and created a joint venture with a Hong Kong company to sell soaps, detergents and other products in mainland China. And in August, the company announced it would acquire Perfumarias Phebo, one of Brazil's top personal-care companies. Brazil is seen as the key to expanded distribution throughout Latin America.

To bring new OTC and prescription drugs to market more quickly, P&G set up several joint ventures with pharmaceutical companies including Upjohn Co., Gist-brocades of the Netherlands, Syntex Corp. and Meridian Diagnostics Inc.

The company also showed confidence in the marketability of olestra, its revolutionary fat substitute awaiting government approval, electing Charles Lieppe as VP in charge of the olestra division. The company said establishing a separate olestra division is "a more formal way of assessing olestra's potential." Initially, P&G plans to use the food additive in its Puritan and Crisco cooking oils and shortenings and Pringle's potato chips.

P&G backed its Citrus Hill franchise with more than $17.2 million in measured media spending in 1987, a 12% increase from the previous year. P&G is the third-ranked marketer in the $3 billion orange juice category.

In March 1988, P&G embarked on an adventurous new strategy for Folgers, replacing 16-ounce regular Folgers coffee with a 13-ounce "fast roast" Folgers, made by roasting coffee beans "faster and hotter" which allows more flavor to be extracted from each bean; as a result, P&G uses fewer green coffee beans per can and can reduce the list price.

General Foods Corp., P&G's main competitor, has a 34.6% share of the $4.8 billion national coffee market. P&G is closing fast, with a 31.4% share, up from 28.2% share a year ago, according to P&G sales materials. In soluble (instant) coffee, GF holds a 39.5% case share, down from 40.8%, while P&G holds a 21.3% share, up from 19.7%.

P&G supported the Folgers line with more than $44 million in measured media spending, a 16% increase. National advertising is themed "The best part of wakin' up is Folgers in your cup."

The Pringle's potato chip line, supported with $14 million in measured media spending, added four new flavors: Original Idaho Rippled, French Onion Idaho Rippled and Taco 'n Cheddar Idaho Rippled and Light Ranch. The brand has grown to about a 7% share of the potato chip market, compared with Frito-Lay's 50% share. Pringle's low-oil varieties account for about 25% of the brand's total $200 million in retail volume.

P&G rolled-out four new gourmet cake mixes under its Duncan Hines label called Tiara Desserts and introduced Vienna White and Praline Crunch into the Duncan Hines brownie mix line. P&G ranks second to Pillsbury Co. in overall baking mix sales (including cake, brownie, muffin and bread mixes) and second to General Mills' Betty Crocker brand in the $170 million brownie mix line. P&G supported its Duncan Hines line, excluding ready-to-eat cookies, with $15.3 million in measured media, down 15%.

In the $860 million cooking oil category, P&G's category leading Crisco has a 22% share and Puritan, 6%. Both Crisco oil and shortening were supported with $19.3 million in measured spending, down 32%, while Puritan's media spending was slashed 71% to $3.2 million.

The introduction of Sparkle Crest for Kids helped maintain P&G's 40%-plus share of the $1 billion dentifrice category. P&G is the leading toothpaste marketer; Colgate-Palmolive Co.'s Colgate is second with a 30% share, followed by Beecham Products, 9.5% with Aqua-Fresh, and Lever Bros., 11% evenly divided between Aim and Close-Up.

The Big 4 toothpaste companies concentrated on segmenting the toothpaste category this year, with P&G alone marketing more than 38 various sizes and flavors of Crest. P&G supported Crest regular, kids and Tartar-Control with $39.9 million in measured media spending, up 26%, primarily on network and spot TV. One campaign for new Sparkle Crest for Kids, featuring animated dancing Sparkles, is themed "It will make you rush to brush." A separate campaign themed "The Dentist's Choice" broke in mid-June for its reformulated tartar-control formula Crest. The campaign emphasizes how regular use of the improved Crest shortens the length of dental check-ups.

Measured media support behind Scope totaled $18.6 million, up 21%, as the company continued a high-level of introductory support for new Peppermint Scope. Scope has a 24% share of the $600 million category, trailing the 28.9% share for Warner-Lambert's Listerine.

P&G said its volume and market share were up significantly in the $3.5 billion laundry detergent category because of its category-leading Tide, which the company said shipped a record number of cases. While Tide powder and liquid are the No. 1 detergents with shares of 17% and 10%, respectively, P&G's total share of the category slipped about 1 percentage point to 51.3%. P&G supported Tide with only $20 million in measured media spending, down 51% from 1987.

In February, P&G began testing Tide with Bleach, positioned as the "toughest-cleaning Tide," in Colorado, parts of Nebraska, North Dakota and Wyoming. The detergent, which "combines the power of Tide with color-safe bleach" is P&G's response to Clorox Co.'s entry into the detergent category with Clorox Super Detergent.

P&G also introduced a reformulated lemon-scented Dash powder and liquid, supporting the new brand with more than $8 million in measured media spending. It began testing Lemon Fresh Comet liquid chlorine, P&G's second entry into the $600 million-plus bleach category. The company already markets Biz powdered bleach, which holds an 8% share.

P&G in mid-1988 ended testing of Bold Washer-Dryer Paks, prepackaged detergent pouches that contained dryer-activated fabric softener, and discontinued its market test of Tide Multi-Action Sheets.

In the $443 million automatic dishwasher detergent category, P&G's Cascade is the leading brand with more than a 47% share. However, in the growing $140 million liquid segment, analysts said Colgate's Palmolive Automatic is the leading

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liquid detergent with a 41.3% share. Lever's Sunlight, in its first full year of national distribution, has a 31.5% market share, while liquid Cascade has 25.9%.

P&G added a lemon-scented Cascade liquid variety this year, and supported both lemon and regular-scented liquid Cascade with $13.3 million in measured media spending. Cascade powder received only $4.2 million, down 76%.

In March, P&G introduced April Fresh Downy fabric softener sheets and rolled out Downy SunRinse Fresh liquid fabric softener. P&G is the category leader, with Bounce dryer sheets holding a 38.4% share of the nearly $300 million segment, and Downy commanding more than a 52% share of the $407 million liquid fabric softener segment. P&G backed Downy with more than $18 million in measured spending, up 4.8%, while spending for Bounce declined 10% to $15.4 million.

P&G's share of the $660 million light-duty dishwashing detergent category rose 2 percentage points to 52%, with Dawn the market leader at 22%. P&G this year introduced Mountain Spring Dawn, but measured media spending dropped 34% to $9.1 million. Colgate-Palmolive is the second-leading light-duty detergent marketer with a 22% share.

P&G in October will introduce nationally Luvs Deluxe diapers designed differently for boys and girls. Called Luvs Deluxe for Boys and Luvs Deluxe for Girls, the thin, superabsorbent disposable diapers have been hot sellers in Midwestern test markets since they were introduced in October 1987. The rollout will be backed by a $15 million national multimedia campaign.

The introduction is viewed as bolstering P&G's 54% share of the $3.2 billion U.S. disposable diaper category. Archrival Kimberly-Clark Corp.'s Huggies holds a 34% share, up four percentage points. P&G's Ultra Pampers currently has a 39% share and Luvs, 15%, equal to its 1984 standing, the year before P&G launched its all-out effort to strengthen its position.

P&G supported Ultra Pampers with $27 million in measured media, up 5.3%, while Luvs got nearly $20 million, up 28% from 1986.

P&G's Always feminine-protection line received $17 million in measured media, a 23.3% drop. However, the brand gained four percentage points, and now holds a 24% share of the $1.2 billion category. Johnson & Johnson is the category leader with a 34.6% share, primarily due to the 19% share held by the Stayfree brand.

P&G's measured media support for its other paper products—Charmin bathroom tissue, Puffs facial tissue and Bounty paper towels—all showed virtually no measured media spending support. However, P&G commands more than a 26% share of the $2.1 billion toilet tissue category with its Charmin and White Cloud brands, and its Bounty paper towel is the leader in the $1.47 billion category.

P&G commands a 30.6% share of the almost $1 billion shampoo category, with Head & Shoulders again the category leader with more than a 10% share. P&G introduced improved packaging and formulas for the Vidal Sassoon haircare line, and supported it with more than $11 million in measured media support. Pert, restaged as Pert Plus, a combination shampoo, and now has a 5.4% share, up from 2.7% in 1986. Pert Plus was backed with more than $13 million in measured media, up 140%.

P&G's Bain de Soleil brand in 1988 redefined the fashion tan in advertising, acknowledging consumer concerns about overexposure to the sun. Print, radio and TV ads introduced the brand's super sunblock with a high sun-protection factor of 30. Emphasizing Bain de Soleil's range of protection and moisturizing benefits, the ads said, "In St. Tropez, women have no fear of exposure . . . For a luxurious tan that's never at the expense of beautiful skin, indulge in Bain de Soleil." The brand, supported with $2 million in measured media in 1987, has an estimated 8% share of the $450 million suncare category. Schering-Plough, marketer of Tropic Blend and Coppertone, leads the category with a combined 35% share.

In February, P&G filed a petition with the FDA to revised its listing of Metamucil's laxative benefit to include cholesterol reduction. Analysts say if P&G is successful in amending Metamucil's benefit listing, the brand will add to its current 60% share of the $170 million bulk-laxative category. Metamucil, supported with $9.4 million in measured media, is far ahead of Citrucel, marketed by Merrell Dow's Lakeside Pharmaceuticals unit, and Fiberall, the Ciba-Geigy product recently bought from S.C. Johnson & Son.

This summer, P&G began the national introduction of Maximum Strength Pepto-Bismol, a line extension of its category-leading Pepto-Bismol stomach remedy brand. Pepto commands an 18% share of the $360 million antacid category, leading Norcliff-Thayer Inc.'s Tums at 13%. The brand received more than $20 million in measured support, up 7.2%.

Vicks cough-cold remedies received $18.3 million in measured media, up 14%. Nyquil holds a leading 12% share in the $1.2 billion category for cough, cold and sinus remedies.

P&G in October, 1987, came under fire by the National Association of Black-owned Broadcasters, who were dissatisfied with the company's limited use of minority media. In response, P&G purchased "a major block" of time on the Black Entertainment Network, and created a position for an assistant manager-target marketing, to coordinate ad placement with black-owned media.

John S. Scott, chairman of the board of Richardson-Vicks Inc. retired as an officer of R-V and from P&G's board of directors in December 1987. P&G said there will be no successor named to that position.

Charles C. Carroll was named vice-president-business development, health and beauty care. Bengt E. Braun, general manager-dishwashing products, packaged soap and detergent division, was named to succeed Mr. Carroll as manager, bar soap and household cleaning products division.

PROCTER & GAMBLE CO.
P. O. Box 599
Cincinnati, Ohio 45201
(513) 983-1100

Marketing personnel: L.A. Pritchett, vp-sales; J.R. Cucci, sales mgr-beverage div; B.A. Kindem, sales mgr-beauty care div; W.J. Lewis, sales mgr-bar soap & household cleaning prods div; W.A. Galloway, sales mgr-packaged soap & detergent div; A.H. Keller, sales mgr-food prods div; S.L. Zimbler, sales mgr-health & personal care div; Harold Tecklenberg, sr vp-Norwich div; J.F. Orr, sales mgr-Crush prods div; L.R. Love, genl adv mgr; R.L. Wehling, genl mktg svcs mgr; Barbara Thomas, ad mgr-beverage div; A.G. Lafley, genl category mgr-packaged soap & detergent div; M.A. Thompson, genl category mgr-beauty care div; M.A. Collar, genl category mgr, health & personal care div; J.H. Bess, adv mgr-paper prods div; J.D. Jones, genl category mgr, paper prods div; C.J. Bolek, mgr, mkt rsch dept; V.O. Hamilton, div mgr-genl adv dept.

Brands/services by agency of record:

Bold
Cheer
Chloraseptic spray and throat lozenges
Era Plus
Head & Chest cold remedy
Lava, Lilt shampoo & conditioner
Lilt home permanent
Luvs Deluxe disposable diapers
Secret
Gleem
Pert
White Cloud
Pepto-Bismol
Tempo
Prell shampoo & conditioner

Ad agency: Leo Burnett USA, Chicago: Mary Bishop, sr vp-client svcs dir.

■

Crest
Crisco shortening

Ad agency: Burrell Advertising, Chicago: Linda Pharr, vp-mgmt super; Fay Ferguson, acct exec.

■

Vicks Formula 44
Complete
Clearasil
Fasteeth
Fixodent
NyQuil
Lifestage vitamins
Cremacoat cough medicine
Vaporub
Victor's Cough drops
Vicks Inhalers
Sinex
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Pampers

Ad agency: D'Arcy Masius Benton & Bowles, New York: Tom Carey, mng dir; Peter Rosow, sr vp-dir of acct mgmt.

■

Ivory shampoo & conditioner
Wondra

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Clayton Wilhite, mng dir.

■

Professional adv of Attends
Crest
Crest rinses
Head & Shoulders
Peridex
Pepto-Bismol
Puffs Plus
Safeguard
Pampers
Norwich
Ivory Snow

Ad agency: Medicus Intercon International, New York: Lawrence Lesser, chmn.

■

Downy liquid and dryer sheets
Joy
Crisco & Crisco cooking oil
Jif
Puritan cooking oil
Pantene haircare line

Ad agency: Grey Advertising, New York: Neil Kreisberg, Clark Montgomery, exec vps.

■

Bounty
Zest

Ad agency: Jordan, McGrath, Case & Taylor, New York: Alice Bond, vp-mgmt super.

■

Professional adv
Folgers coffee
Ivory soap

Ad agency: Klemtner Advertising, New York: Robert C. Erwin, vp-acct super.

■

Citrus Hill Plus Calcium
Denquel
Peridex
Pediatric Formula 55

Ad agency: Lally, McFarland & Pantello, New York: Ron Pantello, president.

■

Cleaning prods for food service
Coin vending

Ad agency: Ketchum/Mandabach & Simms, Chicago: Lee Lippman, exec vp.

■

Crush
Folgers regular and decaffeinated coffee
Hires
Sun-drop
Puffs Plus
Citrus Hill Select
Lite Citrus Hill
Certain
Duncan Hines Baking Mix line

Ad agency: N W Ayer, New York: Warren E. Albright, exec vp.

■

Food service & lodging prods
Shortening oils
Coffee
Bar soap & amenities

Ad agency: Northlich Stolley Lawarre, Cincinnati: John Bloomstrom, vp-acct super.

■

Sassoon shampoos
Conditioners
Rinses

Ad agency: Peter Rogers Associates, New York: Peter Rogers, president; Leonard Favara, creative dir.

■

Bain de Soleil suncare line

Ad agency: Rosenfeld, Sirowitz, Humphrey & Strauss, New York: Shannon Eadom, acct super.

■

Tide
Tide liquid
Tide unscented
Cascade
Camay
Top Job
Comet
Comet Liquid
Dreft
Ivory bar soap
Ivory liquid soap
Oxydol
Dreft
Solo
Industrial chemical trade adv

Ad agency: Saatchi & Saatchi DFS Compton, New York: Paula Forman, exec vp-exec mgmt dir.

■

Percogesic analgesic
Dramamine
Icy Hot

Ad agency: Slater Hanft Martin, New York: Jerry Martin, chmn-mgmt super.

■

Biz
Mr. Clean
Coast
Comet liquid bleach
Head & Shoulders
Metamucil

Ad agency: Tatham-Laird & Kudner, Chicago: Robert Hielscher, sr partner, dir-client svcs.

■

Oil of Olay
Pringle's
Safeguard
Sure
Spic 'n Span
Gain
Banner bathroom tissue and paper towels
Spic 'n Span Pine

Ad agency: Wells, Rich, Greene, New York: Richard Hopple, president-worldwide.

RANK
78

Prudential Insurance Co. of America

Newark, N.J.
ADVERTISING: **$111.3** MILLION

Sales & earnings

($ in millions)

Worldwide	*1987*	*1986*	*% chg*
Sales	29,019	34,146	(15.0)
Earnings	867	1,437	(39.7)
Division sales	*1987*	*1986*	*% chg*
Premiums, annuities	17,875	20,382	(12.3)
Investment income	8,855	8,160	8.5
Broker-dealer revenue	2,674	2,182	22.5
Other income	(385)	3,422	(111.3)

U.S. advertising by media

($ in thousands)

Media	*1987*	*1986*	*% chg*
Newspaper	4,503	2,196	105.1
Business pub	775	269	188.3
Magazine	16,082	11,097	44.9
Newsp supp	3,464	1,579	119.4
Outdoor	542	178	204.0
Network TV	48,597	28,702	69.3
Spot TV	2,126	3,574	(40.5)
Network cable	3,808	3,202	18.9
Network radio	1,775	237	649.6
Spot radio	647	1,288	(49.8)
Measured	82,319	52,320	57.3
Unmeasured	29,000	18,000	61.1
Total	111,319	70,320	58.3

Diversification, exemplified by the "Moving Rock" corporate ad campaign running on network TV, enabled the Prudential Insurance Co. of America to increase total consolidated assets by $7.2 billion in 1987.

For the first time, Prudential in 1987 advertised its consumer financial services products as part of a corporate campaign on TV, print and radio which helped account for a 57% increase in total advertising during 1987.

Prudential spent $26 million on its corporate campaigns in 1987, twice the 1986 budget, according to BAR/LNA. This figure also includes advertising for various insurance and financial services, said company spokesman Scott Mason.

Of Prudential's total 1987 ad spending estimated by AA at $111.1 million, some $82.3 million of that was in 11 measured media, compared to $52.3 million in 1986.

The company's 1987 "Moving Rock" and "Above and Beyond" ad campaigns, are seen by industry observers as a prime example of recent insurance company efforts to reposition themselves as broad-based financial services companies. The latter in particular stresses customer service above individual products. Besides being the largest U.S. life insurer, Prudential is the world's largest non-bank corporation with $141 billion total consolidated assets in 1987.

Beyond the money spent on financial services in the corporate campaign, Prudential put an additional $6.9 million into consumer financial services advertising in 1987, more than half of it on network TV. This reflects a major increase over the $211,000 spent for financial services advertising in 1986.

On an individual service basis, Prudential also spent heavily in 1987 on life insurance ($2.6 million). The only increase in spending over 1986, however, was for automobile insurance, up 75%. Sales of automobile insurance policies, however, actually dropped in 1987, largely the result of rate increases, according to the company. Total life insurance sales were up 5%.

Diversification helped Prudential remain strong despite Black Monday. Already one of the largest U.S. real estate investors, it moved into the $13.5 billion residential real estate market in the spring of 1987, with the formation of Prudential Real Estate Affiliates Inc., headquartered in Southern California. Prudential began supporting its burgeoning network of real estate broker franchises with a $61,400 ad budget, most of it going to magazines.

New capital investments were at an all-time high of $4 billion in 1987, a 43% increase. Largest among 135 separate financings funded through Prudential Insurance Co. affiliates was a $700 million leveraged buyout of CBS Magazines. It was the largest unsecured leveraged buyout ever financed by Prudential, and at the time was the largest acquisition in the magazine industry's history.

The stock market crash contributed to a troublesome year for one subsidiary, Prudential-Bache Securities Inc. The company reported an after-tax loss of $164 million, despite a $14.5 million ad budget, up 51% from 1986.

Prudential's rapidly expanding network of group health and dental-care programs, supported in 1987 by $2.1 million in advertising, has become the largest and most widespread system of its kind in the U.S. New premiums and fees from sales of life insurance and health coverage to more than 2,000 groups exceeded $1.2 billion, a 24% increase over 1986.

Sales of medical-care coverage for individuals and small groups were lower in 1987, affected by rising premiums. However, Prudential/PruCare Plus, a new product offered to companies with 6 to 19 employees, helped generate a $10 million increase in total premium income from health coverages for small groups. The plan combines the cost control of a health maintenance organization with the freedom of choice of traditional major medical programs.

PRUDENTIAL INSURANCE CO.
OF AMERICA
Prudential Plaza
Newark, NJ 07101
(201) 877-6000

Marketing personnel: Scott C. Mason, vp-adv; Gabrielle K. Shanin, dir-adv; Mary Lou, Sack, Vickie J. Snoy, Anne Bushnell, adv mgrs; Robin Ryerson, Karen Heid, assoc adv mgrs.

Brands/services by agency of record:

Corp, life, property & casualty
(homeowners & auto)
Insurance brokerage
Prudential Asset Mgmt Group
Prudential Health Care System
Prudential Realty Group
Prudential Reinsurance Co.
Retirement planning
Small business

Ad agency: Backer Spielvogel Bates, New York: Steve Seiter, exec vp; Dennis Zolnierzak, mgmt rep; Richard Driscoll, Deborah Radcliff, vps-acct supers; Stacy Baron, Amy Portnoy, Harry Tower, acct execs.

■

Prudential-Bache Capital Funding
Prudential-Bache Securities

Ad agency: Backer Spielvogel Bates, New York: Sharon Mosse, exec vp; Richard Kornhauser, vp-acct super; Laurie Levy, acct exec.

■

Prudential Real Estate Affiliates

Ad agency: Backer Spielvogel Bates, Irvine, Calif.: Peter Smaha, vp-acct dir; Keren Potter, sr acct exec.

RANK
27

Quaker Oats Co.

Chicago
ADVERTISING: **$ 344.4** MILLION

Sales & earnings

($ in millions)

Worldwide	*1987*	*1986*	*% chg*
Sales	5,330	4,421	20.6
Earnings	256	244	4.8
Division sales	*1987*	*1986*	*% chg*
U.S. grocery	3,322	2,830	17.4
Intl grocery	1,186	991	19.7
Fisher Price	822	597	37.7

U.S. advertising by media

($ in thousands)

Media	*1987*	*1986*	*% chg*
Newspaper	2,032	1,671	21.6
Business pub	1,351	1,748	(22.7)
Magazine	26,147	18,654	40.2
Newsp supp	789	233	238.6
Outdoor	102	0	NA
Network TV	104,107	88,322	17.9
Spot TV	32,877	39,939	(17.7)
Network cable	3,156	2,356	34.0
Network radio	1,212	1,450	(16.4)
Spot radio	6,641	3,847	72.6
Measured	178,414	158,219	12.8
Unmeasured	166,000	148,000	12.2
Total	344,414	306,219	12.5

Quaker Oats Co. spent most of the past year fighting off unfriendly neighbors.

Not only did Quaker encounter aggressive competitors in several key businesses—including hot cereals, pet foods, frozen breakfasts and sports beverages—but in August Wall Street was rife with speculation that the company faced an unfriendly takeover attempt by Philip Morris Cos. On top of that, rumors circulated all year that Chairman-CEO William Smithburg was being wooed by other major food companies, including Pillsbury Co.

In trying to deflect its competition, Quaker increased its worldwide ad and marketing spending to $1.23 billion in fiscal 1988, up 28.4% from the previous year. That comes close to matching the 36.6% increase posted in fiscal 1987. Ad and merchandising expenditures for the U.S. and Canadian grocery products division, Quaker's largest business, were up 29%, to $853 million.

AA's estimate of $344.6 million for Quaker advertising is only for U.S. advertising, with 52% of that spent in measured media.

The marketing investment paid off in a 21% increase in worldwide sales from continuing operations, which rose to $5.33 billion. Operating income was up 15%, to $518 million.

The most bitter battle has been fought over oatmeal. During the 1987-88 hot cereal season, Quaker spent an estimated $46 million to defend its leading 68% share of the $606 million market, which SAMI/Burke said increased from $500 million at the start of the battle. Themed "It's the right thing to do," Quaker's TV and print campaign starring actor Wilford Brimley won the Grand Effie for marketing effectiveness from the New York chapter of the American Marketing Association.

This year, Quaker and General Mills are continuing the oatmeal war. General Mills with an 8% share is introducing Oatmeal Swirlers and upping its marketing budget to an estimated $35 million. Quaker has rolled national with Quaker Extra, an instant oatmeal fortified with 10 vitamins and minerals. Quakers also boosted its 1988-89 hot-cereal marketing budget to nearly $60 million.

With most of its cereal attention focused on oatmeal, Quaker basically kept even with its rivals in the $5.5 billion ready-to-eat cereal category; its fourth-place share rose to 7.6% in 1987 from 7.4% the previous year. Kellogg's 42% share remained the same over two years, while General Mills share dropped to 23.6% in 1987 from 24.1% and General Foods share increased slightly to 12.1% from 12%. Ralston trailed Quaker with 6.1% down from 6.2% in 1986.

Its only new product was Quaker Oat Squares, rolled nationally after a Midwestern test. This fall, Quaker is launching major new ad efforts for its Life and 100% Natural cereals. It also will add to its flagship Cap'n Crunch line with Christmas Crunch, a holiday product featuring red and green crunchberries. Bayer Bess Vanderwarker, Chicago, handles Cap'n Crunch.

Quaker Oat Squares are being marketed with a new slogan: "From the man who knows breakfast best." Reflecting that commitment to being the industry's leader in breakfast foods, Quaker shored up its lackluster Aunt Jemima line in July with the industry's first reduced-calorie frozen pancakes and pancake mix, under the Aunt Jemima Lite label. New frozen breakfast products from Campbell Soup Co. and ConAgra's Banquet division also damaged Aunt Jemima's position; Home-style Breakfasts were discontinued after a disappointing yearlong test.

Aunt Jemima holds a 31% share of the $526 million market for breakfast mixes and syrups, and a 28.7% share of the $337 million market for frozen breakfasts. Measured spending for the Aunt Jemima line, handled by J. Walter Thompson, Chicago, rose 80%, to $15.8 million.

Quaker faced a less visible but just as serious challenge in pet foods. Through its 1986 purchase of Anderson, Clayton & Co., Quaker became the nation's No. 2 pet-food marketer, with a 14% share, and leader in the $200 million semi-moist dog food category. But category leader Ralston Purina Co., which lost out in the bidding for Anderson, Clayton, quickly put Quaker on notice; Ralston rolled national last year with Grrravy, a parity product for Quaker's newly-acquired Gravy Train, and Moist & Meaty, a dead ringer for Quaker's Ken-L Ration Moist 'n Beefy. Ralston has an estimated 27% share of the pet-food market.

Quaker responded by relaunching Cycle canned and dry dog foods in spring with new names, packaging, formulas and ad campaigns; Quaker did not actively advertise Cycle in 1987. In July, Quaker followed with an estimated $15 million relaunch of Gravy Train. Measured spending for Gravy Train was cut in half, to $5.6 million, during the year before the relaunch. Chiat/Day, New York, handles both brands.

Quaker struggled with distribution problems of its King Kuts premium canned dog food, which chalked up sales of $35 million in its first year.

Even its largest and most successful brand, Gatorade, is facing new challenges. With annual sales of $300 million and an estimated 90% national share of the sports-drink market, Gatorade has been unscarred by its numerous regional and occasional national challengers. But after General Foods announced plans to test Kool-Aid Sports Koolers—aseptically packaged and targeted to kids—Quaker quickly rolled national with aseptically packaged GatorBox, supported by ads aimed at mothers and children.

In the past nine months, Quaker also has added a fifth flavor, Citrus Cooler, to the Gatorade lineup, and rolled national with GatorLode, a powdered carbohy-

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drate-loaded drink. Total measured spending for Gatorade increased 56.9%, to $20 million, in 1987. Bayer Bess Vanderwarker handles.

Quaker devoted a large chunk of ad and promotional dollars to a $26 million summertime tie-in with Lucasfilm's "Willow." The promotion, which included TV, free-standing inserts and promotional offers, tied in a record number of Quaker brands, from Golden Grain side dishes to cold cereals to Aunt Jemima products.

Quaker has high hopes for Golden Grain, and this year launched a new ad campaign from Chiat/Day, San Francisco, to help what it calls "undermarketed" brands. Sales were up 14.7% in 1987. Golden Grain holds about one-third of the $320 million rice side dish category and 28% of the noodle side dish category.

The Fisher-Price division, Quaker's only remaining nonfood business, continues to be a stellar performer in the rollercoaster toy industry. Sales rose 38%, to $821 million, with operating income up 63%, to $106 million. The division benefited from strong sales of its core infant products, plus a good reception for its Fun With Food playfood line. Despite a lukewarm reception for the PXL 2000 camcorder, its first toy aimed at preteens, Fisher-Price in August introduced Pocket Rockers, kid-size tape players. Spending for the division was $35 million, up 31.6% from 1986.

In February, C. Clarkson Hine was named VP-advertising, filling a slot that had been open for nearly six months. Mr. Hine came to Quaker from D'Arcy Masius Benton & Bowles, Chicago, and replaced Charles Decker, who last year became exec VP of Hill, Holliday, Connors, Cosmopulos, New York.

QUAKER OATS CO.
Merchandise Mart Plaza
Chicago, Ill. 60654
(312) 222-7111

Corporate personnel: William D. Smithburg, chmn & ceo; Frank J. Morgan, president-coo.

U.S. Grocery Products

Marketing personnel: C. Clarkson Hine, vp-adv; J. Byron Felter, group vp-sales; Max M. Lomont, vp-art & packaging; Katherine E. Smith, vp-consumer affairs.

U.S. Foods

Marketing personnel: James R. Tindall, exec vp; Lawrence K. Hathaway, president-cereals div; Peter J. Vitulli, vp-prod mgmt, ready-to-eat cereals; Kenneth J. Fedor, president-convenience foods div; Barbara R. Allen, vp-prod mgmt, Aunt Jemima.

Diversified Grocery Products

Marketing personnel: Douglas W. Mills, exec vp; Verinder K. Syal, president-Golden Grain; Serafino Posa, vp-prod mgmt, Golden Grain; George J. Yapp, president-Pet Foods div; Nancy Pitz, vp-prod mgmt, Pet Foods div; Russell L. Jones, president-food service; Paul Baron, vp-mktg, food service; John R. Blair, vp-mktg rsch.

Grocery Specialties

Marketing personnel: Michael J. Callahan, exec vp; John Breuer, vp-prod mgmt; Bill Schmidt, vp-sports mktg; U.B. Shockley, president-Wolf Brand prods.

Brands/services by agency of record:

Celeste pizza

Ad agency: Backer Spielvogel Bates, New York: Paul Mesches, acct exec.

■

Cap'n Crunch
Crunchy Bran
Gatorade
Oh!s
Kretschmer Wheat Germ
New prods

Ad agency: Bayer Bess Vanderwarker, Chicago: Brian Goodall, sr vp, dir-acct mgmt.

■

Industrial cereals
Mother's Oats

Ad agency: BBDM Advertising, Chicago: Richard B. Sanderson, exec vp-dir.

■

Wolf brand prods
Quacker corn goods & grits
Van Camp's pork & beans
Specialty prods

Ad agency: Berry-Brown Advertising, Dallas: Robert E. Berry, chmn.

■

Gaines dog foods

Ad agency: Chiat/Day, New York: Ira Matathia, Lauren Press, Dick O'Connell, acct mgrs.

■

Rice-A-Roni
Noodle-Roni

Ad agency: Chiat/Day, San Francisco: Matthew Chrisci, sr vp-mgmt super.

■

Quaker Puffed Wheat
Quaker Puffed Rice
New prods

Ad agency: McCann-Erickson, New York: Tom Jasinski, mgmt rep.

■

Quaker Oats
Instant Oatmeal
Quaker Extra
Life
100% Natural Cereal
Quaker Oat Squares

Ad agency: Jordan, McGrath, Case & Taylor, New York: Bruce Guidotti, mgmt super.

■

Granola Dipps
Chewy Granola Bars
Aunt Jemima breakfast prods
Ken-L Ration dog foods
Rice Cakes
New prods

Ad agency: J. Walter Thompson USA, Chicago: Alan Moser, sr vp-group acct dir.

Fisher-Price Toys
East Aurora, N.Y.

Marketing personnel: R. Bruce Sampsell, president; David B. Fisher, vp-sales & mktg.

Brands/services by agency of record:

Fisher Price toys

Ad agency: J. Walter Thompson USA, Chicago: Matthew Kurz, vp-acct dir.

■

New prods

Ad agency: Backer Spielvogel Bates, New York: Sharon Lai, acct exec.

RANK
21

Ralston Purina Co.

St. Louis
ADVERTISING: **$ 436.6** MILLION

Sales & earnings

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	5,868	5,515	6.4
Earnings	523	389	34.4
Division sales	**1987**	**1986**	**% chg**
Human, pet foods	3,945	3,694	6.8
Agri prods	639	1,435	(55.5)
Other prods	1,284	386	232.6

U.S. advertising by media

($ in thousands)

Media	**1987**	**1986**	**% chg**
Newspaper	2,467	2,512	(1.8)
Business pub.	344	456	(24.5)
Magazine	18,471	24,653	(25.1)
Newsp supp	96	329	(70.8)
Farm pub	1,143	1,229	(7.0)
Outdoor	513	547	(6.2)
Network TV	102,545	97,572	5.1
Media	**1987**	**1986**	**% chg**
Spot TV	25,152	33,532	(25.0)
Network cable	4,342	3,245	33.8
Network radio	4,963	5,944	(16.5)
Spot radio	2,570	8,013	(67.9)
Measured	162,606	178,031	(8.7)
Unmeasured	274,000	300,000	(8.7)
Total	436,606	478,031	(8.7)

Diversity appears to have energized Ralston Purina. From its inception nearly a century ago as an animal feed producer to its acquisition of Continental Baking Co. and Eveready Battery Co. in the mid-1980s, Ralston Purina has transformed itself into a major player in the consumer marketplace.

In no corporate division was this more evident last year than in Eveready Battery Co. During its first full year under the Ralston Purina banner, Eveready posted sales in excess of $1.1 billion, solidifying its first-place position in the highly-competitive battery industry.

During 1987, Eveready switched pitchers for its lucrative Energizer line, dropping Mary Lou Retton for Australian celebrity Jacko, whose loud, brash Energizer commercials were already a hit Down Under. Ted Bates International's George Patterson Pty., Sydney, produced the Australian ads, but DDB Needham Worldwide, Chicago, handled the $25 million account in the U.S.

DDB Needham also handled the print and TV campaign for Eveready's The Conductor, a new line of alkaline batteries introduced this past February. The premium-priced, high-output batteries are designed specifically for use in audio equipment.

In April 1988, Ralston Purina's in-house sales promotion division, Check-Mark, introduced a print campaign for Eveready Classic, the renamed line of traditional multi-purpose batteries. Ads were based on the theme "The world's choice for dependability," and initially appeared in the April issues of major consumer magazines.

In the $5.6 billion domestic pet foods industry, Purina led the pack with a 27.3% market share. The company positioned itself vigorously in the medium- and premium-priced markets through the introduction of dog foods, Purina O.N.E.

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DATA SOURCE: Erdos & Morgan, 1988

and Purina Pro Plan, dog snacks Cheesedawgs and Hearty Chews and cat food products Smart Cat and Unique.

Though in a battle with Quaker Oats for domination of the $3.5 billion dog food market, Purina's spending in seven measured media dropped to $39 million in 1987, down 26%. The heaviest promotional efforts were concentrated on Purina O.N.E., Purina Dog Chow, Grrravy and Purina Lucky Dog. Wells, Rich, Greene, New York, developed a campaign to reintroduce Purina's Butcher's Blend dry dog food via bacon-scented scratch 'n sniff newspaper inserts, while Scali, McCabe, Sloves, New York, created animated TV spots for Grrravy.

In cat foods, Purina conducted an agency review earlier this year, re-opening its dormant $8 million Meow Mix account. DDB Needham Worldwide, Chicago, got the final nod. Overall, however, Purina halved its expenditures in this area, spending $13.8 million in seven measured media vs. $27 million in 1986. Purina Cat Chow, Purina Kitten Chow, Smart Cat and Tender Vittles received the most promotional attention.

Continental Baking Co., makers of Wonder and Hostess products, recorded a boost in sales of 10.8%, attributed in part to the introduction of a dozen new products in regional and national markets over the past two years, including Wonder Light Bread, Hostess Choco-Bliss snack cakes and Bread du Jour.

Earlier this year, Continental added Hostess Pudding Cakes to its product list as part of an on-going effort to maintain dominance in the $1.25 billion snack cakes and pies market. Tatham-Laird & Kudner, Chicago handled the introductory campaign which consisted of inserts, print, radio and TV spots.

The introduction of new products which demanded heavy promotion resulted in a reshuffling of ad expenditures among Continental products. While spending in seven measured media more than doubled for Hostess Snack Cakes ($7.7 million in 1987 vs. $3.5 million in 1986) and Wonder Light Bread ($6.4 million in 1987 vs. $2.5 million in 1986), it fell for Hostess Pies ($2.1 million in 1987 vs. $7.8 million in 1986) and Wonder Bread ($4.6 million in 1987 vs. $6.2 million in 1986).

In all, Ralston Purina spent close to $31 million promoting Continental products last, down 7.8%.

Ralston Purina's fifth place ranking among cereal marketers remained unchanged in 1987. Ralston introduced several products over the past year starting with a new version of Freakies, a children's cereal it first marketed between 1974 and 1977. Wells, Rich, Greene, New York, the agency which handled the original account, was given the task of promoting the reincarnated Freakies, a pre-sweetened, multi-grain cereal with colored marshmallows.

Early this year Ralston introduced a second children's cereal, fruit-flavored Diner-Saurs, followed by the test-marketing of three new adult cereals—Bran News, Double Chex and Muesli. Avrett, Free & Ginsberg, New York, handled the Diner-Saurs introduction, Ally & Gargano, New York, Bran News and Wells, Rich, Greene, New York, Double Chex test markets assignment. Ralston's in-house agency, Centra Advertising, was given both the Double Chex and the Muesli national accounts.

Ralston's seven media measured spending on cereal products last year totaled $33.7 million, up 64.4%. Ad expenditures of $13.5 million for Chex cereals were nearly double the 1986 total, while spending on Chex Snack Mix promotions skyrocketed from $850,000 in 1986 to $5.2 million.

Chicken of the Sea tuna and pink salmon, with sales growing 6.5% to $290 million in 1987, received only $395,000 ad spending for pink salmon and virtually nothing for tuna.

RALSTON PURINA CO.
Checkerboard Square
St. Louis, Mo. 63164
(314) 982-1000

Grocery products

Corporate personnel: William H. Lacey, president; T.E. Touhill, vp, dir-adv, creative resources.

Marketing personnel: A.R. Bresler, vp-cat food group; T.E. Block, vp-dog food group; C.T. Carstentsen, vp-specialty dog group.

Brands/services by agency of record:

Hi Pro
Mainstay
New prods

Ad agency: Ally & Gargano, New York: Warren Dechter, exec vp.

■

Cat Chow
Kitten Chow
New prods

Ad agency: Avrett, Free & Ginsberg, New York: Larry Riegel, mgmt super.

■

Hearty Chews
Kibbles & Chunks
New prods
Purina Dog Chow
Purina 100 cat food

Ad agency: Centra Advertising Co., St. Louis: R.L. Anello, president, exec creative dir.

■

Meow Mix
New prods

Ad agency: DDB Needham Worldwide, Chicago: Charles Austin, mgmt rep.

■

Alley Cat
Benji's Moist & Chunky
Bonz
Chuck Wagon
Fit & Trim
New prods
Pets for People
Puppy Chow
Smart Cat

Ad agency: Gardner Advertising Co., St. Louis: John Fox, genl mgr.

■

Grrravy
New prods
Purina O.N.E.

Ad agency: Scali, McCabe, Sloves, New York: Stuart Epstein, exec vp-group mgmt rep.

■

Happy Cat
Lucky Dog
New prods

Ad agency: Tatham-Laird & Kudner, Chicago: Bob Janssen, mgmt super.

■

New prods
Tender Vittles

Ad agency: Wells, Rich, Greene, New York: Tom Hayes, exec vp.

■

Pro Plan

Ad agency: CheckMark, St. Louis: G.C. Cook, dir-promo & mktg svcs.

Branded Foods

Corporate personnel: W. Patrick McGinnis, president; Donald W. Rupprecht, president-Van Camp Seafood Co.

Marketing personnel: J.A. Nichols, vp, dir-mktg, branded foods group; J.E. Haley, vp-Van Camp Seafood.

Brands/services by agency of record:

Bran News
Ghostbusters cereal
New prods

Ad agency: Ally & Gargano, New York: Warren Dechter, exec vp.

■

Almond Delight
Diner-Saurs cereal

Ad agency: Avrett, Free & Ginsberg, New York: Larry Riegel, mgmt super.

■

COS Salmon
Double Chex
Honey Graham Chex
Hot Ralston
Muesli cereals
New prods

Ad agency: Centra Advertising Co., St. Louis: R.L. Anello, president, exec creative dir.

■

RyKrisp crackers

Ad agency: Martin, Marshall, Jaccoma & Mitchell, New York: George Jaccoma, exec vp.

■

Cookie Crisp
Fruit Islands cereal
New prods

Ad agency: Noble-Tennant Co., Chicago: Uwe Wende, vp-mgmt super.

■

Chex Snack Mix

Ad agency: Tatham-Laird & Kudner, Chicago: Bob Janssen, mgmt super.

■

Bran Chex
Freakies cereals
New prods

Ad Agency: Wells, Rich, Greene, New York: Tom Hayes, exec vp.

Continental Baking Co.
St. Louis, Mo.

Corporate personnel: J.W. Brown, chmn & ceo; J.A. Signore, president-coo.

Marketing personnel: M.S. Herrick, corp vp, dir-mktg, bread div; R.M. Proctor, corp vp, dir-mktg, cake div.

Brands/services by agency of record:

■

Beefsteak Rye
Home Pride bread
New prods
Variety Line

Ad agency: Grey Advertising, New York: Robert Schoenfein, exec vp.

■

Breakfast Bakeshop
Hostess Snack Cakes
New prods
Wonder Bread
Wonder Light

Ad agency: Tatham-Laird & Kudner, Chicago: Lisa Barnett, mgmt super.

Eveready Battery Co.
St. Louis, Mo.

Corporate personnel: J. Patrick Mulcahy, chmn & ceo; Phillip J. Kennedy, president-coo; G.L. Meffert, exec vp.

Marketing personnel: Susan O. Scott, vp, dir-primary batteries; John T. Sweetwood, vp, dir-lighting, new prods.

Brands/services by agency of record:

Eveready Heavy Duty batteries
New prods

Ad agency: Centra Advertising Co., St. Louis: R.L. Anello, president, exec creative dir.

■

Eveready flashlights
Rechargeables

Ad agency: Chiat/Day, Los Angeles: Randi Greenwald, mgmt super; Susan Sheldon, acct super.

■

Conductor
Energizer
New prods

Ad agency: DDB Needham Worldwide, Chicago: Charles Austin, mgmt rep.

■

New prods

Ad agencies: Levine, Huntley, Schmidt & Beaver, New York: Robert H. Smith, president-ceo.

Sive & Associates, Cincinnati: Marsh Cann, vp-dir.

RANK
51

Revlon Group

New York
ADVERTISING: **$ 165.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2,400	1,620	48.1

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,586	534	196.9
Business pub	196	219	(10.8)
Magazine	36,517	36,031	1.3
Newsp supp	2,013	1,141	76.3
Outdoor	14	0	NA
Network TV	31,678	34,746	(8.8)
Spot TV	6,904	10,254	(13.2)
Network cable	120	988	(87.8)
Network radio	900	1,219	(26.2)
Spot radio	1,312	1,269	3.4
Measured	83,239	86,402	(3.7)
Unmeasured	82,000	85,000	(3.5)
Total	165,239	171,402	(3.6)

Revlon spent 1986 getting bigger, and 1987 getting better. It reshuffled management, reorganized business segments and redirected marketing emphasis in 1987. A recognizable identity for the diverse cosmetics' company was the ultimate goal—the same goal put in place after the 1985 takeover by Ronald O. Perelman.

A single corporate identity is behind the launch of "The Nines" this month at Macy's in New York. "The Nines," embracing Revlon's fashion and designer lines, allows a customer to choose treatment, makeup and fragrances from nine of Revlon's prestige houses. Each line will offer a customer its "specialty," allowing the customer to coordinate her beauty needs from one convenient in-store location.

Included among "The Nines" are Ultima II, which specializes in color; the Princess Marcella di Borghese line, which will offer 'outrageous' colors and spa treatment products; Charles of the Ritz powder products and Alexandra de Markoff foundation products. Other lines include Lancaster, Revlon Classics and Revlon's prestige fragrances, such as Norell, Bill Blass and Halston.

A new line of treatment products, Jeanne Gastineau, will debut at the new branch of Bloomingdale's in Chicago which opened this month, and will eventually join its sisters as part of "The Nines." The print campaign, from Arnell Bickford Associates, New York, is scheduled for an October launch.

The Classic Revlon line is continuing its inhouse-designed campaign, "The most unforgettable women in the world wear Revlon," which features celebrities in a series of photographs by Richard Avedon. The September campaign, which features screen star Audrey Hepburn, was preceded by such famous faces as Brooke Shields and Liza Minnelli.

Ms. Minnelli and model Paulina Porizkova, in fact, proved revolutionaries in the cosmetic's industry. They signed on with Estee Lauder as well. Estee continues to dominate the prestige cosmetics market, with a 38% to 39% share of department store sales, followed by Cosmair, which holds a 14% share. Revlon is third at 10%. Revlon's Ultima II line is the No. 6 women's cosmetics brand, with a 3.6% share of market.

Revlon also is third in the mass market segment, where Noxell Corp.'s Cover Girl leads with a 21.2% share, followed by Schering-Plough's Maybelline at 19.5%, Revlon at 13.8% and Cosmair's L'Oreal, 5.2%, according to Value Line Investment Survey analyst Rudolph C. Carryl.

Cosmair leads the mass market fragrance category with Vanderbilt, having dethroned Revlon's Charlie fragrance from the top spot in 1987. Charlie, which received $2.8 million in measured support, down 22%, held a 5.2% share of the mass fragrance market in 1987. It has been gradually slipping since 1984 when it held a 5.9% share.

Altogether, Revlon has cornered 25% of the mass-fragrance market with its own developed brands that include Charlie, Intimate, Jontue and Scoundrel, plus its acquired fragrances like Enjoli, Tatiana, Forever Krystle, Midnight and X'ia X'ang. Xia X'ang received the largest media support among Revlon's fragrances, $3.5 million, in 1987.

Trouble, a new mass-market fragrance aimed at women 20- to 40-years-old, was introduced in department stores in August, and will enter the drugstore market in November. The $10 million campaign, developed by Hill, Holliday, Connors, Cosmopulos, New York, sports the tag line, "A little trouble keeps life interesting."

A new prestige fragrance, Couture, was introduced via Korey Kay & Partners, New York, in February at Bloomingdale's, prior to its national launch.

This year, Revlon re-introduced an older brand, the Clean and Clear shampoo system, aimed at the low-premium market segment. A $22 million campaign supports the first major shampoo/conditioner entry by Revlon in this $1.8 billion market since 1984, when Revlon introduced Hair's Daily Requirement, which is no longer being made by Revlon. Clean and Clear advertising features the product's clarity.

Neat-Touch professional manicure system was introduced in 1988 into the nail-care preparation market where Revlon is reported to generate $650 million a year in sales.

Revlon's Almay division introduced Stress Cream and Stress Eye Gel last year into that growing category. The Almay line received nearly $15 million in measured media support in 1987, up 36%. Max Factor's measured media budget remained at about $10 million.

Young & Rubicam became Revlon's agency of record as it took over the media-buying function from Bozell, Jacobs, Kenyon & Eckhardt, ending Revlon's brief one-year relationship with that agency, which left to take on Faberge Inc.'s $15 million Elizabeth Arden business. Y&R picked up Revlon's Flex haircare line, when Grey Advertising resigned the account to take on Procter & Gamble's $10 million Pantene haircare account. The Flex line received $5.6 million in measured support last year. Along with the media-buying function, Y&R received an estimated $30 million worth of business from Revlon.

Lawrence Wechsler, formerly the president of Revlon's Beauty Group, U.S., became president at the turn of the year of the newly-formed Revlon Communications and Creative Group, which oversees advertising and other marketing functions.

The company reformed its fragrance and Revlon brands cosmetics business, known as Group I, into the Revlon Classic Cosmetics and Fragrance Group. Arnold Zimmerman continues as president of the newly-formed group and Paul Block, who had been the division's senior VP-marketing, became exec VP-marketing.

Revlon's former Group II became the Beauty Care Group under the continued leadership of Neil Katz. Andrea Robinson was named president of Ultima II and Robert Nielsen was named president of the Fashion and Designer Group.

The parent company sold off its optical subsidiaries this year. Barnes-Hind and Coburn were sold to U.K.-based Pilkington Bros. for a reported $574 million, while Frigitronics Inc., an eye-care and surgical products manufacturer, which had been purchased in 1986, was sold to Staar Surgical for an undisclosed sum.

REVLON GROUP
767 5th Ave.
New York, N.Y. 10022
(212) 572-5000

Corporate personnel: Ronald O. Perelman, chmn & ceo; Howard Gittis, vice chmn; Sol Levine, president; Lawrence Wechsler, president-Revlon Communications & Creative Group.

Marketing personnel: Arthur I. Cohen, exec vp-adv; George W. Feld, vp-adv svcs; Richard Kressler, Laura Mogul, adv dirs; Anthony Cozzolino, budget media dir; Arnold Zimmerman, president-Revlon Classic Cosmetics & Fragrance Group; Paul Bloch, exec vp-Revlon Classic Cosmetics & Fragrance Group; Don Wilchek, sr vp-mktg, Revlon Classic Cosmetics & Fragrance Group; Neil Katz, president-Beauty Care Group; Andrea Robinson, president-Ultima II; Robert Nielsen, president-Fashion & Designer Group.

Brands/services by agency of record:

Germain Monteil Cosmetiques
The Nines (all of Revlon's cosmetics groups)

Ad agency: Arnell Bickford Associates, New York: Maryanne Harmon, media dir; Mary Marisola, assoc media dir.

■

Charlie
Classic Revlon
Clean and Clear
Intimate
Neat-Touch
Super Lustrous Lipsticks
Trouble

Ad agency: Hill, Holliday, Connors, Cosmopulos, New York: Wally O'Brien, president.

■

Care for Kids Mousse
Chaz
Revlon lipstick, nail enamel & face makeup
The Princess Marcella di Borghese

Ad agency: (In-house): 50th Floor Workshop.

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Newmark & Company, 1501 Broadway, New York 10036

New York: George W. Feld, vp-adv svcs; Leslie Goldman, Bobbi John, creative dirs.

■

Almay, prestige fragrances

Ad agency: Korey Kay & Partners, New York: Hans Zucker, assoc media dir; Harris Lefkon, vp, dir-media svcs; Leo Baumohl, media super; Marian Cicolello, media planner; Pam Schaefer, asst media planner.

■

Jean Nate
Jontue
Max Factor

Ad agency: Tarlow Advertising, New York: Russell Gilsdorf, media dir; Nancy Brodsky, Carolyn MacIver, acct exec.

■

Flex

Ad agency: Young & Rubicam, New York: Walter Gray, Marlene Chautin, Denise Weimann, group supers.

Professional Products Group
Jacksonville, Fla.

Corporate personnel: Irving J. Bottner, president

Marketing personnel: Louis Rapolo, sr vp-mktg

Brands/services by agency of record:

Professional Products Group

Ad agency: Merchandising Workshop, New York: Joanie Curcio, sr vp

RANK
5

RJR Nabisco

Atlanta
ADVERTISING **$ 839.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	15,766	15,102	4.4
Earnings	1,209	1,064	13.6
■ U.S.	**1987**	**1986**	**% chg**
Sales	11,721	11,338	3.4
Operating income	2,162	2,026	6.7
■ Division sales	**1987**	**1986**	**% chg**
Tobacco	6,346	5,866	8.2
Food beverages	9,420	9,236	2.0

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	20,242	50,347	(59.8)
Business pub	4,338	2,618	65.7
Magazine	105,674	120,281	(12.1)
Newsp supp	12,518	36,431	(65.6)
Outdoor	63,065	78,458	(19.6)
Network TV	209,777	155,301	35.1
Spot TV	31,272	36,457	(14.2)
Network cable	14,688	10,105	45.4
Network radio	2,226	3,954	(43.7)
Spot radio	8,788	9,286	(5.4)
Measured	472,589	503,237	(6.1)
Unmeasured	367,000	391,000	(6.1)
Total	839,589	894,237	(6.1)

RJR Nabisco lit a fire under the tobacco industry in 1987 with the announcement of a revolutionary new "smokeless" cigarette, and a year later, inflamed the ad industry by firing Saatchi & Saatchi DFS Compton on its $80 million-plus Nabisco Brands account.

In September 1987, RJR Tobacco Co. said it was preparing to introduce a cigarette that heats, rather than burns, tobacco and therefore does not emit sidestream smoke. The company is expected to spend about $100 million to develop and market the product, which has been assigned to Young & Rubicam, New York. Test marketing begins Oct. 1.

The "smokeless cigarette" caused an immediate furor among anti-smoking groups, which asked the Food & Drug Administration to regulate the new cigarette as a drug. To date, the FDA has not ruled on the request.

Then in April 1988, RJR ruffled more feathers when it dismissed Nabisco agency S&S DFS Compton for creating an anti-smoking commercial for another client, Northwest Airlines. RJR Tobacco Co. Chairman-CEO Edward Horrigan was said to be behind the move to "punish" the agency. The campaign was created and aired with no warning to RJR.

The company, faced with reassigning its cookie, cracker and confection business to a new agency, used the opportunity to realign its entire U.S. agency roster, eliminating Tatham-Laird & Kudner and Bozell, Jacobs, Kenyon & Eckhardt entirely.

RJR moved the bulk of its Nabisco business to its tobacco agencies. The biggest winner was FCB/Leber Katz Partners, agency for Salem and Vantage cigarettes, which picked up $90 million in Nabisco business, including Oreo and Chips Ahoy! cookies (from S&S DFS), Fleischmann's margarine (from TLK) and Life Savers roll candy (S&S DFS). FCB/LKP's total RJR Nabisco billings shot up to $125 million with the assignments.

Interpublic Group of Cos., whose McCann-Erickson unit already handled $150 million in billings for Camel and Winston cigarettes and Nabisco cracker brands, picked up new Nabisco business through its sister agencies, Lowe Marschalk and Lintas:USA. Lowe was assigned the $4 million Ortega Mexican food lines formerly at TLK, and Lintas, a newcomer to the Nabisco roster, was awarded $25 million in Planters nuts and snacks, including Baby Ruth and Butterfinger candy.

Long, Haymes & Carr, Winston-Salem, N.C., the agency for Doral cigarettes, was assigned the $4 million Bubble Yum account previously at S&S DFS.

Executive changes abounded at RJR and its Nabisco Brands subsidiary, the latter of which reorganized in 1988. In March 1987, Ross Johnson, RJR Nabisco president, added the title of CEO when J. Tylee Wilson stepped down from that post. But Mr. Wilson, although originally intending to keep the chairmanship, relinquished that office in April and took early retirement. Later that month, J. Paul Sticht, a retired RJR exec, was brought back as acting chairman, but was later succeeded by Charles Hugel, a surprise move because he was a non-company exec. Mr. Hugel remains president-CEO of Combustion Engineering Co. as well.

At RJR Tobacco USA, Dolph von Arx, 53, a former Thomas J. Lipton exec, succeeded Gerald Long as president-CEO. Mr. Long became chairman of that unit until his retirement in 1988.

Relating to RJR's move that brought $200 million in broadcast buying in-house from Ohlmeyer Communications in November 1987, president-CEO at Ohlmeyer, John Martin, became an exec VP at RJR Nabisco and William Liss, Ohlmeyer VP-public affairs, joined RJR in that capacity.

In December, the company formed a new unit, RJRN Golf, and later changed its name to Sports Marketing Enterprises Inc., awarding advertising and promotion of company-sponsored sports events to Long, Haymes & Carr.

In 1987, RJR adopted an incentive compensation system for its agencies, giving a 20% bonus to agencies doing "outstanding" work. A 10% bonus is given for "very good." Average and poor are not given bonuses, but paid an undisclosed, fixed commission.

RJR Nabisco made sizable media spending swings in 1987, funneling 34.7% more spending in network TV than in 1986. It increased cable by 40.5% but cut magazine spending 21.9% and sliced newspapers by 60%.

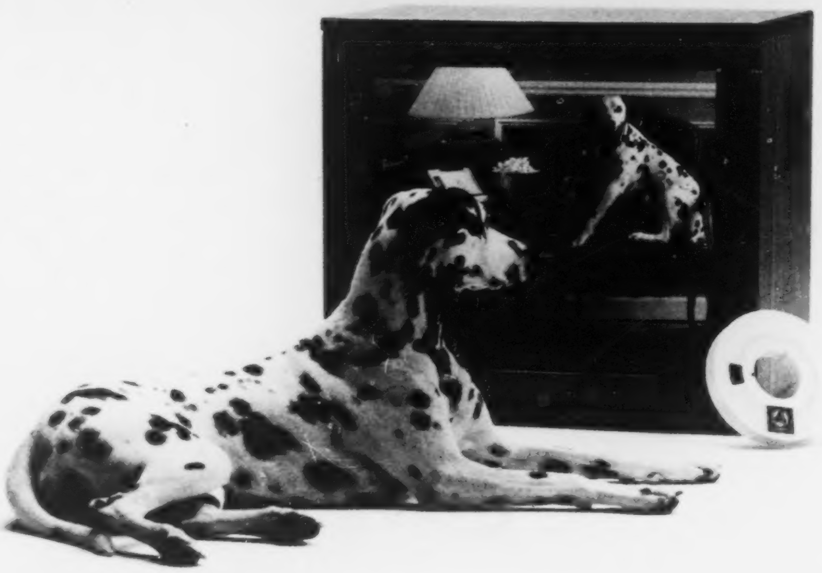
RJR increased its share of the $33.7 billion tobacco market to 32.6% from 32.3% in 1986, according to John Maxwell, analyst with Wheat First Securities, Richmond, Va. Still, RJR's gain paled in comparison to leader Philip Morris' increase of 1.1 share points to 37.9%. The overall market however decline by 2.5% in units.

To grab some of PM's share, RJR is focusing on its core full-price cigarette brands, Winston, Salem, Camel and Vantage, and concentrating on stealing away some of PM's [illegible] the young adult smoker.

But that effor[illegible] not fully under way until 1988, was not reflected in spending figures for the company's cigarette brands in 1987, with the exception of Camel. According to BAR/LNA, measured spending for Vantage plunged 39% to $22 million in 1987; Salem spending dropped 35% to $20 million, and Winston spending dipped 10% to $36 million. Spending in 1988, however, is expected to be up markedly.

The company's first move to update its brands was an aggressive new campaign for Camel, celebrating the brand's 75th anniversary. The ads, via McCann-Erickson, New York, brought "Old Joe," the brand's packaging symbol since its introduction, to life in musical and pop-up magazine ads themed, "75 Years and Still Smokin'." Then, in summer 1988, the campaign was expanded to show Old Joe dressed as "Top Gun" and "Miami Vice" type characters with a new theme, "Smooth Character." Camel's 1987 market share was 4.2%, according to the Maxwell Report, tying it for fourth place in cigarette brands with PM's Benson & Hedges.

The push to modernize Salem to appeal



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to younger smokers began in December 1987, when packaging was updated with vivid color and a more bold sailing motif logo. By summer, the effort was extended to advertising in a campaign from FCB/LKP. "Refreshest" theme were run in nine zoned editions of national magazines, which used sight and sound. The four-page ad contains a picture of a champagne bottle about to be popped on the first page. When the page is turned, a paper facsimile of a champagne cork "pops" out with an attention-getting sound.

Salem was the third-largest selling cigarette brand in 1987, according to the Maxwell Report, with a 7.7% share behind PM's Marlboro and RJR's own Winston. But that share dropped 0.1 point from 1986. Another menthol, Lorillard's Newport, is gaining share, to 4.3% from 3.8% in 1986.

RJR VP-advertising and brand management Rick Sanders said similar attention-getting efforts are planned for Vantage and Winston in 1988, but declined to specify further. Vantage's 1987 share was 3.2%, even with the prior year, but Winston's share dipped 0.1 share points to 11.1%.

In August 1988, the company introduced Magna, a generic-priced cigarette, into North Atlantic states. Long, Haymes & Carr handles the brand, whose ad theme is "Good Smoke. Great Price."

A major restructuring went into effect in June 1988 at Nabisco Brands, designed to trim staff 20% to 1,600. The restructuring broke the U.S. company into two additional operating companies, Nabisco Biscuit Co. and Nabisco Foods. Del Monte Foods and Del Monte Tropical Fruit already had been broken out as separate companies late in 1987.

Through the restructuring, Ellen Marram, 41, and William McKnight, 43, essentially switched jobs. Mr. McKnight, who was president-biscuit division, moved to president-CEO Nabisco Foods. Ms. Marram, previously president-grocery division, moved to president, Nabisco Biscuit. Peter Rogers, 49, added CEO of Nabisco Biscuit while remaining an exec VP of Nabisco Brands. And H. John Greeniaus, 43, moved to president-CEO of the Nabisco Brands holding company.

Nabisco in 1987 introduced a host of line extensions to established brand names, such as Oreo Big Stuf, new flavors of Newtons, chocolate enrobed Oreos, Ritz Bits and Cheese Ritz Bits crackers. A-1 Steak Sauce was extended with an A-1 Poultry Sauce, which received $3.4 million in measured spending.

The company said its "18 New Stars from Nabisco" cookie and cracker lines introduced in 1987 generated $200 million in sales that year, a figure anticipated to climb to $300 million in 1988. The company said the line generated "20 miles of new shelf space" in grocery stores for Nabisco. RJR Nabisco Vice Chairman Robert Carbonell told securities analysts in February 1988 that the "New Stars" increased the company's cookie market share to 37.1%, up one percentage point, and the company's cracker share up two points to 54.7%.

Two of the biggest stars in the line-up were newcomers: American Classic Crackers, supported by $5.9 million in 1987 spending, according to BAR/LNA, and Quackers, supported with $6 million.

The company rolled out Fruit Wheats cereal in 1987, a fruit-in-the-middle cold cereal entry which helped Nabisco achieve a 23% share of the adult cold cereal market, the company said. Spending on Fruit Wheats, advertised as "the In Cereal," was $10 million via FCB/LKP.

The adult market is a subsegment of a much larger ready-to-eat cereal market in which Nabisco held a 4.9% share in 1987, up from 4.5% the prior year. Only one Nabisco cereal, Shredded Wheat, made the top 10, with a 3.6% share.

Citing efficiencies, RJR moved its Planters division to Winston-Salem, N.C., combining its sales unit with tobacco in a new group called RJR Sales. Ralph Angiuoli, 51, formerly president of RJR Tobacco USA, was named president of the new unit.

During 1987, Planters introduced two major products: Planters Premium Select microwave popcorn and Life Savers Fruit Juicers, a 10% juice product rolled national in 1988. Premium Select received $6.3 million in 1987 measured spending, according to BAR/LNA.

Two new shelf-stable products joined the Del Monte line-up in 1987 and 1988, Del Monte Vegetable Classics, tested in Phoenix and Seattle, and Del Monte Yogurt Cup, a kid's yogurt which began rolling national in summer 1988. With Yogurt Cup, Del Monte concentrated on extending the company's single-serve cup snack line to 20 items.

In February 1988, Nabisco sold its confectionery brands, including Junior Mint, Charleston Chew and Sugar Daddy to Warner-Lambert Co.'s American Chicle Group. Terms were not disclosed. Sales in 1987 for the unit were $57 million.

RJR NABISCO
300 Galleria Parkway
Atlanta, Ga. 30339
(404) 852-3078

Corporate personnel: John D. Martin, exec vp; William J. Liss, sr vp-public affairs.

Brands/services by agency of record:

Corp adv

Ad agency: Babbitt & Reiman, Atlanta: Joel Babbitt, Joey Reiman, principals.

RJR Tobacco Co.
Winston-Salem, N.C.

Corporate personnel: Edward A. Horrigan Jr., chmn & president-ceo.

RJR Tobacco USA
Winston-Salem, N.C.

Corporate personnel: Dolph von Arx, president-ceo; Clyde Fitzgerald, sr exec vp.

Marketing personnel: John Winebrenner, sr vp-mktg; Lawrence Hall, vp-strategic mktg planning; Edward Blackmer, Richard Sanders, vps-adv & brand mgmt; David Fishel, vp-pr; A.L. Barnett, sr dir-promo; Dan Pearson, sr dir-media.

Brands/services by agency of record:

Salem
Vantage
Ritz

Ad agency: FCB/Leber Katz Partners, New York: Paul Lucy, sr exec vp-genl mgr; Robert Hirsch, sr exec vp.

■

Doral
Sports Marketing Enterprises
Magna cigarettes

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: Bob Graham, vice chmn-chief creative officer; Loren Chamberlain, vice chmn-chief marketing officer; Bob Fly, president-coo; Logan McCabe, vp, dir-special events & promo.

■

Camel
Winston

Ad agency: McCann-Erickson, New York: Craig Middleton, exec vp; Barry Schweig, Robert Dunn, sr vps-mgmt reps; Art Richter, Steve Goldstein, vps-acct dirs; Charlotte Rashti, David Pastore, acct execs.

■

More
Now
"smokeless cigarette"

Ad agency: Young & Rubicam, New York: Jane Brite, group genl mgr; Mike Feldman, group dir; Tony Pace, mgmt super.

Planters Lifesavers Co.
Winston-Salem, N.C.

Corporate personnel: John Polychron, president-ceo.

Marketing personnel: Thomas Muller, vp-mktg; Steven Brania, mktg dir-Planters nuts & snacks; Cheryl Bachelder, mktg dir-gum & hard roll candy; Lawrence Baumgart, mktg dir-Baby Ruth & Butterfinger.

Brands/services by agency of record:

Planters nuts, snacks and popcorn

Ad agency: Lintas:New York: Frank Devito, president, dir-creative svcs; Neill Myers, sr vp-mgmt super; Terry Rosenquist, exec vp; F. Stone Roberts, group exec vp, Roger Fishman, acct exec.

■

Care*Free Gum

Ad agency: FCB/Leber Katz Partners, New York: Lorie Donchak, vp-mgmt dir; J.C. Lee, senior vp-group mgmt dir; John Felice, asst acct exec.

■

Life Savers
Fruit Juicers
Breath Savers

Ad agency: FCB/Leber Katz Partners, New York: Tony Stanol, vp-acct dir; Lorie Donchak, vp-mgmt dir; J.C. Lee, sr vp-group mgmt dir, Martha Darmohraj, asst acct exec.

■

Bubble Yum

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: James Woods III, acct super.

Nabisco Brands
East Hanover, N.J.

Corporate personnel: James O. Welch, chmn; H. John Greeniaus, president-ceo; John Manfredi, vp-corp affairs.

Marketing personnel: John McRobinson, vp-business planning & devel; Robert Springer, dir-adv svcs; Dante Bonardi, dir-broadcast commercial production; Louis Rubinacci, dir-natl tv; Teri McNamara, mgr-spot tv/radio/print.

Nabisco Biscuit Co.
East Hanover, N.J.

Corporate personnel: Peter Rogers, chmn & ceo; Ellen Marram, president.

Marketing personnel: Harold Lees, vp-mktg; Sharon Fordham, sr dir-new business, William Stuart, sr dir-mktg svcs; Fran Rose, sr dir-strategic planning & mkt rsch; Allan Falvey, dir-consumer promo; Robert Garguilo, dir-mkt rsch; Marty Jaross, dir-creative svcs; Michael Perry, dir-adv & media production; Mark Kapsky, category business dir-Nilla/Newtons/Almost Home; George Pace, category business dir-Oreo/Chips Ahoy!; Sandy Putnam, category buiness dir-snack crackers; Eric Shulman, category business dir-Premium/Ritz.

Brands/services by agency of record:

Crackers

Ad agency: McCann-Erickson, New York: Rob McKinley, sr vp-group dir.

■

Cookies

Ad agency: FCB/Leber Katz Partners, New York: Jim Bernegger, group mgmt dir.

Nabisco Foods Co.
East Hanover, N.J.

Corporate personnel: William McKnight, president-ceo.

Marketing personnel: John Mitchell, vp-mktg; Bruce Campbell, dir-breakfast foods; Marc Schoenholz, dir-margarine; Roger Wagner, dir-desserts/pet snacks/regular brands; Steve Braitman, group prod mgr-sauces/condiments.

Brands/services by agency of record:

Margerines
Cereals
Desserts
Dog biscuits

Ad agency: FCB/Leber Katz Partners, New York: Samuel Eisnitz, exec vp-group mgmt dir.

A-1 Sauces
Grey Poupon Dijon mustard
Chun King
Ortega
College Inn broths

Ad agency: Lowe Marschalk, New York: John Most, vp-mgmt super.

Del Monte Foods USA
Coral Gables, Fla.

Corporate personnel: Robert Carbonell, chmn; A. Ewan Macdonald, president-ceo.

Marketing personnel: Bruce Wood, sr vp-mktg; Dennis Hixson, vp-sales; Gordon Chapple, mktg dir-vegetables/tomatoes; Deb Edwards, mktg dir-beverages/snacks; Doug Bargenquast, vp-Hawaiian Punch; Clyde Noel, mktg mgr-fruits/pineapple; Dee Ann Campbell, dir-mktg svcs; Robert Mutzl, group mgr-consumer promo; Kristi Outzen, mgr-adv svcs; Mark Lees, mktg dir-microwave.

Brands/services by agency of record:

Del Monte prods

Ad agency: McCann Erickson, San Francisco: Jack Tormey, exec vp-genl mgr; Wayne Fulcher, sr vp-mgmt super.

■

Hawaiian Punch

Ad agency: Solem/Loeb & Associates, San Francisco: Olive Lewis, sr vp-acct svcs.

■

Hispanic adv-
Hawaiian Punch

Ad agency: BCT Communications, San Francisco: Julio Rosetti, president.

Del Monte Tropical Fruit Co.
Coral Gables, Fla.

Corporate personnel: Paul Bott, president-ceo.

Marketing personnel: G.F. "Bud" Norwood, vp-North American sales & mktg; William Haase, vp-North American sales; Brad Knickerbocker, dir-mktg svcs & new prods; Howard Nager, dir-trade relations; Arnold Schurr, dir-food service sales.

Brands/services by agency of record:

Del Monte Tropical Fruit Co.

Ad agency: Cripsin & Porter Advertising, Coral Gables, Fla.: Peter Pluymers, vp-mgmt super.

RANK
31

Sara Lee Corp.

Chicago
ADVERTISING: **$ 278.1** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	10,424	9,155	13.9
Earnings	325	267	21.7
■ *Division sales*	*1987*	*1986*	*% chg*
Packaged goods	5,062	4,639	9.1
Food svcs	2,289	1,892	21.0
Packaged prods	3,191	2,717	17.4

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	5,360	1,881	185.0
Business pub	1,846	90	1,946.2
Magazine	27,438	22,738	20.7
Newsp supp	1,895	532	256.3
Outdoor	269	782	(65.7)
Network TV	66,917	68,313	(2.0)
Spot TV	24,814	21,199	17.1
Network cable	1,121	1,897	(40.9)
Network radio	2,701	3,091	(12.6)
Spot radio	781	2,078	(62.4)
Measured	133,141	122,599	8.6
Unmeasured	145,000	134,000	8.2
Total	278,141	256,599	8.4

Sara Lee restructured in 1987 from five to three business segments to cross-link its top brands. It sold off business lines that didn't fit its new lineup, including Electrolux, and broadened its European base through acquisition.

The company, already an experienced mail order marketer, also set in motion plans to expand direct marketing in the near future. It also plans to apply the Sara Lee corporate name to all operations of the company, a practice notably absent in packaging and advertising to date.

The company condensed its five business segments into three—Packaged Foods, Foodservice and Packaged Consumer Products. It cut, shifted and folded together its existing companies to gain product synergies within the divisions for its wealth of brands, many of which lead their market category.

Specifically, Packaged Foods consolidated Hollywood Brands (candy) and Sara Lee Bakery, the latter the new logo for Kitchens of Sara Lee and Chef Pierre (pies). Packaged Meats, another subunit of Package Foods, pulled together many regional processed meat companies and the nationally-marketed Jimmy Dean and Hillshire Farm sausage brands. Within that subunit, Standard was linked with Hi Brand, Buring and Seitz with Bryan, and R.B. Rice with Rudy's Farm, which in turn is merging with Jimmy Dean. Yet a third Packaged Foods subgroup—Coffee and Grocery—brought together Sara Lee's big Dutch beverage and tobacco unit, Douwe Egberts, and the new Akzo acquisition in Holland, the C.V.B.G. wine company, and Jonker Fris, the Dutch fruit and vegetable canner.

Foodservice centered around PYA/Monarch restaurant and institutional supply company, operating from the Atlantic seaboard through the Midwest. Booth Fisheries was folded into PYA/Monarch. Superior Coffee and Foods, and the Lyons chain of 63 family-style, 24-hour restaurants in California, Nevada and Oregon filled out the group, although the latter is believed to be on the block.

Packaged Consumer Goods pulled in hosiery units, leatherware, brushes, gloves, bras, shoe polish, the household and personal-care business of Intradal and part of the new Akzo addition in Europe.

Where this process shows holes, Sara Lee is buying or making acquisitions, most recently in manufacturers of hosiery, knit-wear, snacks and personal products. Where product duplication or performance or distribution are problems, it has viewed divestiture as one answer.

The biggest acquisition in Sara Lee history was its $600 million purchase early this year of Akzo Consumenten Produkten (ACP), a maker of foods and personal and household products marketed in 13 European countries, with $720 million total annual sales in 1986. Akzo was owned jointly by Akzo NV and Shell Petroleum NV.

Sara Lee in July 1988 agreed to acquire one of its Hanes hosiery manufacturing suppliers, Adams-Millis, High Point, N.C., in an exchange of stock valued at $80 million. A month earlier the company said it planned to purchase 50% interest in Pannill Knitting Co., Martinsville, Va., maker of fleeced sweatpants and sweatshirts. Earlier in 1988, it bought Stedman Corp., a North Carolina underwear and sportswear producer, which became part of Hanes Printables. French government approval is being sought to enlarge its holdings in Dim SA, a Frency hosiery-lingerie supplier company, from 34% to 60%.

Sara Lee's Kiwi household products line gained strength through the acquisition in late 1987 of Knomark Inc., a division of Papercraft Corp., New York. Knomark produces Ty-D-bol toilet cleaner, which will complement Kiwi's existing cleaners, including Toilet Duck and Bloo.

Sara Lee said its Electrolux sweeper company did not fit the long-term objectives of the company and sold it in October 1987 to its management and affiliates of the First Boston Corp. and Wesray Capital Corp. Also sold was New York-based Sirena Co., maker of Sirena swimwear and Wear-About leisure wear. Its West Coast Lyons Restaurant chain could be the next on the block.

Greater reliance on mail order also is in the works, said a corporate spokeswoman. Already Sara Lee uses mail order in the marketing of Fuller Brushes, Coach Leatherware and Wolferman Muffins, a Kansas City line. One of the newly-created operating companies is Sara Lee Direct, a combo of Coach, Fuller and an existing mail-order operation, Direct Marketing Division.

Adapting to the demographic punch of this era—no housewives at home to greet the door-knocking Fuller Brush man—Fuller is trying two alternatives: a 52-page four-color direct-mail catalog, circulating about 15 million copies, and three retail stores, two in the Dallas area and one, a factory outlet, in Birch Run, Mich.

The big Sara Lee foodservice unit, PYA Monarch, based in Greenville, S.C., this summer launched a new slick monthly tabloid, *The Monarch Edge*, which PYA/Monarch VP John P. Gates calls the "cornerstone of our entire marketing plan for the fiscal year." Going to 105,000 existing and potential customers in the company's marketing areas, the four-color papers carry ads not only for Monarch and other Sara Lee companies but for non-Sara Lee foodservice suppliers who want to reach the *Edge's* readers.

In new products, PYA/Monarch introduced two rape seed cooking oils, Nutra-Fry and Nutra-Clear, which the company claims have zero cholesterol and 50% less saturated fat than any other product now made in the U.S. A 1988 addition to the Kitchens of Sara Lee Hearty Fruit Muffin line was Raisin Bran Muffins, both frozen and microwaveable.

Hollywood Brands introduced a new Fun Size or miniature version of its familiar non-chocolate peanut and nougat Pay Day candy bar, sold in 12 oz. bags. After trying a multi-media tack for its advertising in 1986, Hollywood has gone back to print only. Spending rose 23% in 1987 to $3.2 from 1986. Ads appear in 28 titles covering a broad range of categories—service, glamor, men's, outdoor, sports—weighted 60% to women, since they make quantity purchases in supermarkets, and 40% to men, who tend to buy mostly single bars from vending machines.

In the biggest single segment of Sara Lee advertising, the Hanes line of hosiery,

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underwear and printables sports shirts, ad spending was down 8.5% to $32.7 million, according to BAR/LNA. Within the line, hosiery advertising was up 5.5% to $17.5 million, men's underwear fell 13.2% to $13.9 million and Hanes Children's underwear plummeted to only $482,200 from $2.9 million in 1986.

Major gainers among the various Sara Lee lines of media-promoted products were: Aris brands of gloves, slippers and accessories, up 35% to $19.2 million, Bali bras and panties, at $2.4 million, up from $645,900 and Kitchens of Sara Lee brands, climbing 7% to $12.4 million.

L'eggs advertising, which makes heavier use of television, compared to print, than Hanes, dropped 6.4% to $24.1 million. The meat line fell 12.3% to $21.9 million, although two major brands were up—Jimmy Dean, up 57% to $7.3 million, and Bryan Meats, up 19.5% to $4.8 million.

Spot TV is favored by all of Sara Lee's retail meat companies doing consumer promotion. Only Hillshire Farm and Jimmy Dean, the two truly national brands, use network. Hillshire Farm figured into one of Sara Lee's few agency changes during the year. Hillshire Farm Heartland Division, New London, Wis., switched its account, worth $5 million, from Frankenberry, Laughlin & Campbell, Milwaukee to Campbell-Mithun-Esty, Minneapolis.

With the coming of its new 1988 fiscal year, Sara Lee had a new president, Paul Fulton, 53, former exec vp and L'eggs Products exec who contributed to development of the famed egg-shaped package. Vacating the president's office to start a new career in public service at age 53 was John B. McKinnon, who subsequently agreed to stay for a year with Sara Lee, working to develop the foodservice line. New also is Cornelis Boonstra, 50, who became corporate exec VP.

Charles W. Lubin, 84, founder in 1949 of the Kitchens of Sara Lee, whose daughter's name was adopted in 1984 as the new corporate marque of Consolidated Foods Corp., died of a heart attack while driving in Chicago's Loop July 15, 1988. The Sara Lee label originally identified a cake brand which Mr. Lubin had named for his newly-born daughter, Sara Lee, following a suggestion from his wife, Tillie, which she had made in jest. In 1956, Mr. Lubin sold the highly successful Kitchens of Sara Lee to Consolidated Foods Corp.

SARA LEE CORP.
Three First National Plaza
Chicago, Ill. 60602-4260
(312) 726-2600

Marketing personnel: Randy Flaharty, vp-mktg, Aris Isotoner; Irene Prince, prod mgr-gloves & knitwear, Aris Isotoner; Nancy Greenberg, prod mgr-slippers, Aris Isotoner; Caryl Sotoka, prod mgr-mass merch, Aris Isotoner; Ted Richman, merch mgr-Aris Isotoner; Jean Gariepy, vp-genl mgr, dept/specialty store group, Bali Co.; Karyl Chongas, group dir-mktg, dept/specialty store group, Bali Co.; Doug Jotcham, business dir-natl accts, dept/specialty store group, Bali Co.; Richard Schoonover, business dir-bottoms, dept/specialty store group, Bali Co.; Wes Protheroe, sr business mgr-dept/specialty store group, Bali Co.; Ralph Shaw, business mgr-dept/specialty store group, Bali Co.; Steve Jones, vp-genl mgr, mass merch group, Bali Co.; Ted Cooper, dir-mktg, mass merch group, Bali Co.; Chuck Nesbitt, business mgr-mass merch group, Bali Co.; E. James Weber, vp-sales & mktg, foodsvc, Bil Mar Foods; Dan Lennon, dir-mktg, Bil Mar Foods; John Iwanski, prod mgr-beef; Tim Howlett, prod mgr-turkey; Warren Waters, vp-deli div; Steve Michaelson, prod mgr-self serve retail; Jan Gullet, vp-self serve retail; Michael Briggs, prod mktg mgr-deli, Bil Mar Foods; Steen A. Metz, vp-mktg & procurement, Booth Fisheries; Gwyn Boughey, mktg dir-Booth Fisheries; John Lox, vp-mktg, Bryan Foods; Billy D. Brown, vp-sales & mktg, Buring food group; Robert Whiteside, dir-mktg, Buring food group; Ray Nadeau, vp-mktg, Canadelle; David Authier, dir-mktg, Canadelle; Robert Paluzzi, mktg mgr-Canadelle; George Cook, dir-creative svcs, Canadelle; Jonathan W. Landers, vp-mktg, Coach Leatherware Co.; Helen Chafkin, dir adv & catalogs, Coach Leatherware Co.; Steve Tamke, dir-direct mktg, Coach Leatherware Co.; Hans Damen, genl mktg mgr-Douwe Egberts, The Netherlands; Wim Velis, merch & promo mgr-Douwe Egberts, The Netherlands; Michael Romer, mktg plan & control-Douwe Egberts, The Netherlands; Marcel Rikanberg, mktg mgr-coffee, Douwe Egberts, The Netherlands; Menno Haas, mktg mgr-Douwe Egberts Duyvis sauces & mixes, The Netherlands; L.A. Duyn, mktg dir-hh prods, Douwe Egberts (Akzo/Intradal), The Netherlands; A. Van Charldorp, mktg dir-personal care, Douwe Egberts (Akzo/Intradal), The Netherlands; Derek J. Stryker, vp-mktg, household div, Fuller Brush Co.; Bob McGurkin, dir-mktg, household div, Fuller Brush Co.; Charlie Clark, dir-mktg, mail order & stores, Fuller Brush Co.; Gary Goss, dir-merch, mail order & stores, Fuller Brush Co.; Liz Tams, dir-store operations, mail order & stores, Fuller Brush Co.; Ralph Nutter, vp-sales & mktg, retail div; Kevin Birkholz, Storrie Johnson, prod mgrs-retail div, Gallo Salame; Bob McHenry, genl mgr, deli food service div, Gallo Salame; Frank Chow, mktg mgr-deli food service div, Gallo Salame; Paul F. Wold, vp-mktg, Hanes Hosiery; Cathy Volker, vp-merch, Hanes Hosiery; Carol Mabe, dir-Hanes brand; Steve Halbreich, prod mgr-support category, Hanes Hosiery; Randy Royer, prod mgr-Isotoner & Today's Girl brands, Hanes Hosiery; Cathy Loveless, prod mgr-intl & PX, Hanes Hosiery; Karen Kehler, prod mgr-Donna Karan, Fashion, Ultra Sheer, Hanes Hosiery; Lynette Hawkins, prod mgr-Sitting Pretty, Hanes Hosiery; David McBride, prod mgr-Silk Reflections, Hanes Too!, Summer Sheer, Hanes Hosiery; John Ceneviva, vp-mktg, Hanes men's & boy's underwear; Fran Braun, dir-mktg, Hanes HerWay; Don Foaght, Collett Thach, Steve Lineberger, Debbie Sills, prod mgrs-underwear; J.M. Ostrowski, vp-Hanes Printables; Jan Kissimon, Paul Snyder, Pat Vaughn, brand mgrs-Hanes Printables; Richard White, Melanie Albert, Scott Dalitzky, asst prod mgrs, Hanes Printables; Chuck Lehman, vp-mktg, Hi-Brand Foods; Teri D. Burgess, div prod mgr-Mexican line, Hi-Brand Foods; Julia Bruno, div prod mgr-school line, Hi-Brand Foods; Richard Dedden, vp-retail mktg, Hillshire Farm & Kahn's brands; William G. Klump, natl dir-mktg, Hillshire Farm Co.; Lori Kitzmiller, Huntz Wu, asst brand mgrs-Hillshire Farm; Sheldon Wilcox, dir-retail mktg, Hillshire Farm; Beth Miller, dir-retail sales, Hillshire Farm (Heartland states region); Jack Sletten, sr vp-mktg, Hollywood brands; Walter Balden, dir-mktg, Hollywood Brands; Maria Pavia, mktg admin, Hollywood brands; Ed Jenkins, vp-mktg, Jimmy Dean Meat Co.; Gina Domm, dir-mktg, Jimmy Dean Meat Co.; Elizabeth Young, brand mgr-new business devel, Jimmy Dean Meat Co.; Ed Baker, prod mgr-Jimmy Dean Meat Co.; Martin Beyer, prod mgr, Jonker Fris, The Netherlands; Fred Laarman, dir-sales & mktg, Jonker Fris, The Netherlands; Rini Buys, sales mgr, Jonker Fris, The Netherlands; Rick Mullen, vp-food service, Kahn's; David Rosenthal, Paul Stoffregen, brand mgrs-Kahn's brands; M.T. Sherlock, vp-mktg, Kiwi brands; I.T. Plane, J.H. Phillips, prod mgrs-shoe care, Kiwi brands; J.T. Rickenbach, household, Kiwi Brands; J.P. Greenleaf, new prods & HBA prods, Kiwi brands; Michael Flatow, vp-mktg, L'eggs; Ted Cooper, dir new prods & base brands, L'eggs; Suzanne Clark, dir, Just My Size; Bill Murray, dir-promo, L'eggs; Dave Hauber, dir-rsch & retail admin, L'eggs; Valerie Hunt, vp-mktg, Lyon's Restaurants; Robert Wunder, vp-mktg, Moccomatt USA (unit of Douwe Egberts); Bob Alstrin, vp-mktg, Peck Foods; John Shapiro, vp-sales, Peck Foods; John Gates, vp-mktg & corp programs, PYA/Monarch; Phil Caruth, president-Poultry Specialties; Bill Holliday, vp-food service sales & mktg; Bob Roberts, dir-food service mktg; Tom McDonald, mgr-food service mktg, Rudy's Farm Co.; Don Anderson, vp-sales & mktg; Pete Corteville, dir-retail mktg; Betsy Lott, brand mgr-sausage; Debbie Booth, asst brand mgr-R.B. Rice, Green Hill; Bonnie Tomlinson, asst brand mgr-salads; Chris Kuske, asst brand mgr-Rudy's Farm brand, retail div; Jerri Korshak, vp-retail mktg; Cynthia Kerr, dir-retail new prod mktg; Robert Tarkington, group mgr-consumer mktg; Laurie Winter, brand mgr-desserts; Peggy Pandaleon, group brand mgr-new prods; Adi Kalika, sr brand mgr-new prods; Rich Seban, group mgr-div mktg; Mark Glowacki, brand mgr-bread, Kitchens of Sara Lee; Tom Colle, vp-sales & mktg, Seitz Foods; Charles Stacey, exec vp-sales & mktg, Standard Meat Co.; Hal Carper, dir-mktg, Standard Meat Co.; Edward W. Breclaw, vp-mktg, Superior Coffee & Foods; John Hughes, dir-mktg, Superior Coffee & Foods; Ralph Russo, prod mgmt-Superior Coffee & Foods; Mary Kay Buettgen, sr mktg mgr, Superior Coffee & Foods; Michael E. North, mgr-mktg, food service div, Superior Coffee & Foods; Charles McBride, genl mgr-Superior Coffee & Foods; Geri Ferro, dir-mktg, gourmet retail div, Superior Coffee & Foods.

Brands/service by agency of record:

Canadelle Wonderbra line

Ad agency: Academy O&M, Montreal: Jean Deschenes, acct dir; Celine Darche, acct mgr.

■

Bryan/Smokey Hollow processed meats

Ad agency: Ally & Gargano, New York: Jim Feeney, sr vp-mgmt super; George Bauerschmidt, vp-acct dir; George Euringer, exec vp-creative super.

■

Jimmy Dean Meat Co.-tv creative

Ad agency: Berry-Brown, Dallas: Bob Berry, principle; Carol Irwin, acct super.

■

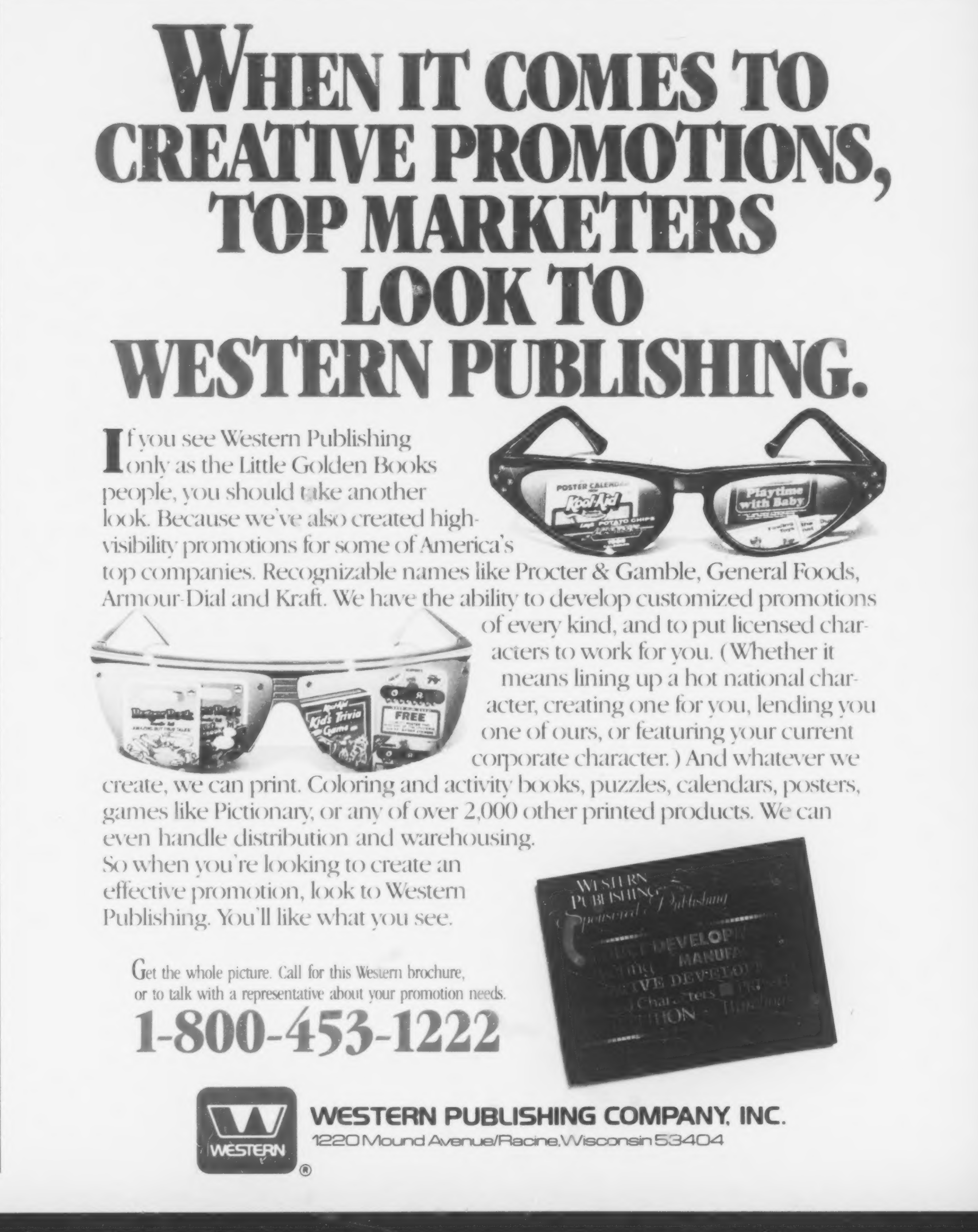
Bil Mar-retail self-serve

Ad agency: Lintas:Campbell-Ewald, Detroit: Bill Case, mgmt super; Anne Hill, acct exec.

■

Kitchens of Sara Lee-retail

Ad agency: Chiat/Day, New York: Ira Matathia,



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vp-mgmt super

■

Aris Isotoner
Hanes brands
Bali brands
L'eggs brands
Coach

Ad agency: Saatchi & Saatchi DFS Compton, New York: Michael Donahue, exec vp-mgmt dir (Hanes, Bali, L'eggs); Michael Leahy, exec vp-mgmt dir (Hanes, L'eggs); Wanla Cheng, mgmt super (Hanes, Bali); Barbara Pellechi, acct super (Hanes); Diane Currier, acct exec (Hanes, Coach); Susan Keating, acct exec (Bali); Rich O'Gorman, acct exec (Aris Isotoner).

■

Hillshire farm natl mktg

Ad agency: D'Arcy Masius Benton & Bowles, Chicago: Bob Meuser, sr vp-mgmt super; Tina Demetri, acct exec

■

PYA/Monarch
Booth Fisheries

Ad agency: H.J. Delaney, New York: Harry Delaney, president; Carl Libhart, acct exec (PYA/Monarch)

■

Direct mktg-Fuller brushes & Sara Lee brands

Ad agency: (In-house) Direct Advertising Services, Winston Salem, N.C.: Pam Artman, acct exec

■

Lyon's restaurants

Ad agency: Evans Advertising, San Francisco: Tod Norgaard, exec; Martin D. Rockey, part owner; Stacey Paynter, acct exec

■

Douwe Egberts coffee

Ad agency: FHV-BBDO, Amstelveen, The Netherlands: Bert Duynstee, Rob Troost, acct dirs; Inge Ligthart, acct exec

■

Hanes Printables

Ad agency: Henderson Advertising, Greenville, S.C.: Kalph Callahan, chmn; Gordon McDonald, dir-client svcs; Linda Albright, acct super

■

Sheer Energy L'eggs medical program

Ad agency: Kallir, Philips, Ross, New York: Virginia Foley, dir-creative svcs

■

Kiwi brands
Bloo
Miracle White
Jonny Blue Jonny Green
Ty-D-bol
Sting Kill
Wood Preen

Ad agency: Lewis, Gilman & Kynett, Philadelphia: Robert W. Schell, vp-group mgmt super; John H. Krick, acct super; Robert W. McIntyre, acct exec

■

Mass Foundation Group-Bali, L'eggs, Hanes

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: Loren Chamberlin, exec vp; Myra Faulkenberry, acct exec; Don van Erden, mgmt super (Fitting Pretty, Aris Isotoner); Brian Marshall, acct super (Fitting Pretty, Aris Isotoner); Lynne Patram, Pat Blair, acct execs (Fitting Pretty, Aris Isotoner); Bill Britt, vp-mgmt super (Hanes); Francis Thompson, acct super (Hanes); Connie Wall, Gary Ramey, acct execs (Hanes)

■

L'eggs, trade adv-print

Ad agency: Maged & Behar, New York: Jack Maged, president; Rich Behar, dir-creative svcs

■

Seitz foods

Ad agency: Dennis Spivak Inc., Kansas City, Mo.: Dennis Spivak, president, acct super; Melanie Thomas, acct exec

■

Rudy's Farm Co.

Ad agency: The Marlin Co., Springfield, Mo.: Tom Kugawa, acct exec

■

Buring food group

Ad agency: John Malmo Advertising, Memphis: Buddy Boswell, acct mgr

■

Sara Lee food service

Ad agency: Ketchum/Mandabach & Simms, Chicago: Andy Mallen, acct super

■

Jimmy Dean Meat Co.
Rudy's Farm Co.

Ad agency: Media That Works, Cincinnati: Mary Beth Price, president; Lynn Veil, acct exec

■

Superior coffee & foods
Moccomatt USA

Ad agency: Noble-Tennant, Chicago: Raymond Jorns, vp-acct super; Joy Mizzel, acct exec (Superior coffee & foods)

■

Coach leatherware-catalog

Ad agency: Pluzynski Associates, New York: Jan Kantler, acct super; Debi West, acct exec; John Schwarz, creative exec; Larry Ocamb, vp-production

■

Douwe Egberts instant & decaffeinated coffee
Kanis Gunnink brand

Ad agency: PPJH/J. Walter Thompson, Amsterdam: Panl Bar, acct dir

■

Kahn's meats
Rudy's Farm Co.

Ad agency: Puskar, Gibbon, Chapin, Dallas: John Huffman, acct super; Trudy Troell, acct exec; Lorrie Brooks, asst acct exec

■

Jimmy Dean Meat Co.-
print & collateral

Ad agency: Static Graphics, Dallas: Bob Young, principal; Sharon Besio, acct exec; Leslie Eads, dir-creative

■

Emmber brands
Peck Meat Packing

Ad agency: Scott Advertising, Milwaukee: Chuck Reynolds, Kathie Cavallo, acct execs

■

Hollywood brands

Ad agency: Simmons, Durham & Associates, St. Louis: Ted Simmons, president, creative dir; Tim Tulloch, vp-creative; Mike Eckerd, vp-creative

■

Kahn's Co.
Hillshire Farms natl mktg, media svcs

Ad agency: Sive Associates, Cincinnati: Phil Mandel, vp-mktg planning; Tom Allen, acct exec

■

Kiwi brands
Ambi

Ad agency: Uniworld Group, New York: Herb Kemp, president; Ron Campbell, acct super; Rita Young, acct exec

■

Douwe Egberts household &
Personal care prods

Ad agency: Varossieau Weilaard Van Asperen, Rotterdam: Lowk Varossieau, president; Leo Wielaard, finance mgr; Cees Van Asperen, creative mgr

■

Gallo Salame

Ad agency: Carol H. Williams Advertising, San Francisco: Carol Williams, owner; Nancy McReady, acct exec

RANK
35

Schering-Plough Corp.

Madison, N.J.
ADVERTISING **$ 250.2** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	2,699	2,399	12.5
Earnings	316	266	18.8
U.S.	**1987**	**1986**	**% chg**
Sales	1,595	1,416	12.6
Operating income	383	313	22.4
Division sales	**1987**	**1986**	**% chg**
Pharmaceutical	1,864	1,558	19.6
Consumer prods	835	841	(0.7)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	235	141	66.9
Business pub	1,435	1,236	16.1
Magazine	29,202	21,889	33.4
Newsp supp	83	135	(38.5)
Farm pub	534	436	22.7
Outdoor	263	679	(61.2)
Network TV	66,038	60,209	9.7
Spot TV	8,186	3,364	143.3
Network cable	2,870	3,151	(8.9)
Network radio	10,641	11,442	(7.0)
Spot radio	3,696	1,694	118.2
Measured	123,184	104,376	18.0
Unmeasured	127,000	108,000	17.6
Total	250,184	212,376	17.8

Schering-Plough propped up its major advertised unit, Maybelline, with its largest-ever advertising and promotion budget as the cosmetic's unit introduced 16 new products, revived sales and boosted market share by 1.5 share points.

Maybelline, which is expected to increase its sales by 15% this year, got $42 million in measured spending in 1987, up 20%. This helped Maybelline acquire a 19.5% share of the cosmetic's mass market, according to Value Line Investment Survey analyst Rudolph C. Carryl, who notes the share is second only to Noxell's Cover Girl line's 21.2%.

Other players include Revlon cosmetics, which has a 13.8% share, while Cosmair's L'Oreal holds 5.2% of that market.

Newly-assigned advertising agency, DDB Needham, Chicago, promoted the brand's product benefits with the theme, "Smart, Beautiful, Maybelline." The media emphasis has been on direct advertising via TV and print, because "Cosmetics are an advertising, not a promotion, business," a DDB Needham spokesman said.

Eye makeup continues to be Maybelline's strength. Successful new product launches in 1987 included Blooming Colors mascara in vivid colors and Color Wand powder eye shadows. Maybelline's mascara commands a 45% share in supermarkets, while Maybelline shadows account for 48% of that market, according to Salomon Bros. VP and cosmetics industry analyst, Diana K. Temple. The biggest single product support went to Maybelline mascara, which received $14 million in measured media, up 54% from 1986.

Coppertone Suntan Products, part of Schering-Plough's proprietary medicines and toiletries segment, its second largest consumer segment, maintained leadership in the $250 million suncare products category, with close to a 20% share of that market, according to Jim Saberton, senior consultant with Fairfield, N.J.-based Kline & Co., marketing consultants.

Coppertone's distant competitors include Charles of the Ritz's Bain de Soleil line, which has a 10% share, and Schering-Plough's own Tropical Blend, which is tied with Tanning Research Laboratories' Hawaiian Tropic brand for between a 5%-8% share. Coppertone's Water Babies children's suncare product line was extended to include formulas which offer higher levels of sun blockage. The entire Coppertone line received nearly $5 million in measured media support.

In April of this year, Schering-Plough pulled three brands, totaling about $20 million in measured spending, from Ogilvy & Mather Advertising, following a reported dispute over ad claims made by Schering-Plough. Those products were Fibre Trim diet plan, Ocu-Clear eye drops and Chlor-Trimeton allergy medicine. Ogilvy & Mather continues to promote Drixoral, while Fibre Trim and Ocu-Clear are as yet unassigned. Chlor-Trimeton was assigned to Ketchum/Hicks & Griest Advertising, New York.

Fibre Trim diet plan continues to perform well in the $400 million diet-aid category, though its share has declined since first taking the lead following its 1985 introduction. In 1986, Fibre Trim held a 30% share of the market, but that figure dropped to 15% in 1987, relegating Fibre Trim to the No. 2 position. Thompson Medical Co.'s Dexatrim leads the category with a 30% share, while Ciba-Geigy Corp.'s Accutrim is close behind Fibre Trim with a 12%-15% share. Fibre Trim received around $10 million in measured support last year. A line extension product, easy-to-use Fibre Trim Sparkling Fruit Tabs, is expected to bolster the brand, following its introduction in December 1987, backed by a reported $28 million budget.

Drixoral, the prescription cold medication that went OTC in 1982, received $6.6 million in measured spending, up from $1.5 million in 1986 as Schering-Plough introduced it to network TV. Drixoral maintain its 7% market share, and product sales grew along with the category, according to Mr. Saberton of Kline & Co. The product got a Drixoral-Plus line extension.

Leading the $700 million cold medications category are Procter & Gamble's Nyquil, with a 12.5% share, Miles' (Bayer) Alka-Seltzer, with a 9% share, and Burroughs-Wellcome's combined 8%-8.5% share for its Actifed and Sudafed products, Mr. Saberton said.

Led by the immense success of the new Dura Soft 3 Colors contact lens line, vision-care sales for Schering-Plough's Wesley-Jessen subsidiary more than doubled to about $100 million aided by measured spending of $8.6 million, according to BAR/LNA.

W-J estimates that Dura Soft Colors sales were responsible last year for one-half the growth of the entire contact lens market. Niched as offering the only opaque colored lens on the market, the line represents one-third of the market for tinted lenses.

During 1987, the color range of the opaque lenses for dark eyes was broadened, and lenses for light eyes were introduced at the end of 1987. The line now offers various shades of blue and green, hazel and aqua. A violet shade is expected to debut in the fall, pending FDA approval. A new lens for astigmatism was introduced in 1988, as well as a new solutions line for contact lens users.

Schering-Plough's plans to acquire the worldwide contact lens operations of the Cooper Co., Palo Alto, Calif., have been put on hold because of regulatory objections from the FTC. The acquisition would have nearly doubled Schering-Plough's vision-care business. Cooper reportedly had $80 million in revenues in 1987.

Schering-Plough completed its divestiture of the international side of Dr. Scholl's businesses in August 1987, while Scholl USA, Memphis, named a new agency, Della Femina McNamee WCRS, New York, to handle its $7 million footcare advertising, after Backer Spielvogel Bates resigned the account earlier this year.

SCHERING-PLOUGH CORP.
One Giralda Farms
Madison, N.J. 07940-1026
(201) 822-7000

Consumer Operations
Memphis, Tenn.

Corporate personnel: R. Lee Jenkins, exec vp

Corporate media buying: Lake-Spiro-Shurman, Memphis: Avron Spiro Jr., president; Gene Camerik, vp-media resources; Robert Maxwell, dir-mktg svcs; Ron Mednick, vp-media planning; Lewis Nolan, vp-comm; Lynn Sanders, vp-natl media.

Maybelline USA
Memphis, Tenn.

Corporate personnel: David C. Brittain, president.

Marketing personnel: Gary Mulloy, exec vp-adv & mktg rsch; David Blanton, vp-adv

Brands/services by agency of record:

Maybelline cosmetics

Ad agency: DDB Needham, Worldwide, Chicago: Dawn Hudson, sr vp-group acct super; Pam Mikulec, vp-mgmt rep; Ron Raskin, Catherine Schulte, acct supers; John Davidoff, Beth Kennedy, Tim Hawley, acct execs; Pam Hering, asst acct exec.

Personal Care Products
(Plough USA, Scholl USA)
Memphis, Tenn.

Corporate personnel: Michael A. Pietrangelo, president.

Marketing personnel: Gerry Nobrega, sr vp-mktg & adv; Russell Elliot, sr vp-mktg, adv rsch; Robert Cullen, vp-new prods; Steve Bobowski, vp-suncare prods; Ruth Carlson, vp-footcare prods; Randy Millian, business dir-otc medicines; Tim Ballage, dir-mktg, new prods; Miller Slaughter, dir-mktg, suncare prods.

Pharmaceutical Operation
Schering Laboratories
Kenilworth, N.J.

Marketing personnel: J.P. Garnier, sr vp-otc; Rogers Campbell, dir-new prods; Steve Schneider, sr vp-Rx; Robert Nissen, Kent Stephan, Edward Heimers, Joshua Weinstein, dirs-mktg.

Brands/services by agency of record:

Schering Veterinary ethical prods

Ad agency: Bergelt Advertising, New York: Edward Bergelt, chmn; Robert Trybus, president; John Fraoli, vp-art dir; Jay Levy, acct exec

■

Aftate
Di-Gel
Solarcain
Tropical Blend

Ad agency: Bloom Cos., Dallas: Charlie Calise, acct super.

■

American Scientific Laboratories
Continental Animal Health

Ad agency: Bryant, Lahey & Barnes, Overland Park, Kansas: Forrest Bryat, president; Lorraine Barnes, vp-acct super.

■

Calcigum
Coppertone
Dr. Scholl's
Feen-A-Mint
New prods
otc drugs
Stay-Trim

Ad agency: Della Femina, McNamee WCRS, New York: Matt Mansfield, group dir; Joanne Tilove, mgmt super; Barbara Alexander, acct super; Cordelia Wills, acct exec; Patti Ciambra, acct exec (Dr. Scholl's, Coppertone).

■

Chlor-Trimeton

Ad agency: Ketchum/Hicks & Griest Advertising, New York: Dale Bornstein, acct exec.

■

Drixoral

Ad agency: Ogilvy & Mather, New York: Jack Ditchman, sr vp, dir-U.S. buying.

■

Correctol
Duration
Shade

Ad agency: Warwick Advertising, New York: Andy Mockler, sr vp-mgmt super; Marshall Post, acct super; Katherine Stuart, asst acct exec.

■

Prescription prods

Ad agencies: Robert A. Becker, Inc., New York: Robert A. Becker, president; Raymond Perry, sr vp-mgmt super.

Lewis, Gilman & Kynett, Philadelphia: Charles Mathias, vp-acct super; Warren Dordine, acct exec.

William Douglas McAdams, New York: Irwin Gerson, president; Anthony D'Onofrio, sr vp; Joseph Carobene, vp-acct super; Irving Swab, acct super.

Rolf Werner Rosenthal Inc., New York: Rolf W. Rosenthal, president-ceo; Ronald J. Souza, sr vp, dir-client svcs; Phil Brady, vp-acct group super; Paul Schneider, acct super.

Wesley-Jessen
Chicago, Ill.

Marketing personnel: Grady A. Deal, president; Fred Fritz, vp-mktg, sales; Thomas Steiner, dir-mktg.

Brands/services by agency of record:

Wesley-Jessen

Ad agency: Young & Rubicam, Chicago: Dana Anderson, vp-mgmt super; Michael Powers, acct super; Marry Hasten, acct exec.

RANK
70

Seagram Co.

New York
ADVERTISING **$ 122.3** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	3,815	3,345	14.1
Earnings	521	423	23.2
U.S.	**1987**	**1986**	**% chg**
Sales	1,686	1,778	(5.2)
Operating income	(59)	(67)	(11.9)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	4,183	6,417	(34.8)
Business pub	626	603	3.9
Magazine	22,754	24,156	(5.8)
Newsp supp	2,106	3,545	(40.6)
Outdoor	13,789	10,175	35.5
Network TV	30,847	23,100	33.5
Spot TV	12,328	13,403	(8.0)
Network cable	556	567	(1.9)
Network radio	297	1,959	(84.8)
Spot radio	3,839	519	640.0
Measured	91,325	84,443	8.2
Unmeasured	31,000	28,000	10.7
Total	122,325	112,443	8.8

Jos. E. Seagram & Sons, the U.S. arm of Seagram Co. Ltd., has shifted marketing emphasis to its top brands, diversified through acquisition and continued to emphasize heavy ad spending to try to reverse the units overall decline in sales.

The company credits the reorganization of Seagram's U.S. subsidiaries in 1987 with producing higher sales for several of its liquor lines—Chivas Regal, V.O., 7 Crown and Seagram's Gin, despite an industry-wide slump in U.S. liquor consumption.

And marketing emphasis more than ever is being placed on the company's top-selling brands: Chivas Regal, Canadian Club, V.O., 7 Crown and The Glenlivet—Seagram's single malt scotch whisky and the market leader in the category.

Seagram has broadened existing market categories and entered a new one this year through two acquisitions, both in April 1988. The biggest purchase was that of Tropicana Products Inc., a leading U.S. producer of premium-branded fruit juices and juice beverages, from Beatrice Cos. for $1.2 billion. This places Seagram in the non-alcoholic beverage field.

Headquartered in the juice country of Bradenton, Fla., Tropicana leads the rapidly-growing and increasingly competitive ready-to-serve orange juice segment.

Tropicana, whose 1987 revenues totaled $760 million, commands a 32% share to Coca-Cola Foods' Minute Maid's 19% of the ready-to-serve market. Tropicana had enjoyed exclusivity in the

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ready-to-serve chilled orange-juice segment of the market, but Minute Maid's introduction of Premium Choice ready-to-serve takes direct aim at Tropicana on its home turf—the Northeast. Because 70% of Tropicana's sales are east of the Mississippi, company officials intend to expand the market westward and north to Canada this year. Minute Maid leads the frozen orange juice category with a 30.6% share of market to Tropicana's 9.7%, and Citrus Hill's (Procter & Gamble) 9%. Overall, Minute Maid had 22% of the o.j. market compared to Tropicana's 18% for 12 months ended May 31, according to A.C. Nielsen.

Armed with an ad budget of over $20 million in measured spending, Seagram's Tropicana line has the potential to expand in North America and also into international markets. Another possible diversification could be the development of new beverage products that combine juice and a Seagram's spirits product, said Marie L. Conway, analyst with Value Line Investment Survey.

The second big purchase was an $820 million expenditure for Martell SA, the second largest cognac producer in the world. Founded in 1715, Martell is one of only four internationally recognized cognacs in the world. Martell holds the No. 2 position in the market with an 18% share, and also produces the world's largest-selling Janneau Armagnac.

Hennessy, a subsidiary of Moet-Hennessy-Louis Vitton SA, leads the world market with a 20% share. The purchase of Martell allows Seagram to expand into international markets, especially in the Far East, where cognac is experiencing especially good growth. Cognac is one of the few sectors of the liquor business that's growing.

Chivas Regal Scotch continues to be Seagram's most successful international product. It is the largest-selling premium 12-year-old Scotch in the world. Last year, sales were up 22% over 1986. This past May, Chivas was imbued with a more youthful, active image in its first campaign in 25 years that replaced its longstanding "pinnacle of quality" theme. The new $12 million campaign from DDB Needham seeks to promote frequency of use with the new theme, "What are you saving the Chivas for?"

Among the top-selling U.S. brands, Seagram's 7 Crown is the largest-selling blended whiskey in North America, according to *Impact*, the New York-based alcoholic beverage industry newsletter. Seagram's 7 Crown received $4.6 million in measured media allotment last year, a boost of 35%.

The $1.6 billion wine-cooler market was flat in 1987 after several years of strong growth. However, of the four top brands in the category, only Seagram's coolers grew, gaining nearly 16 market share points, to take the No. 1 position with a 26% share. Dethroned Bartles & Jaymes from Gallo slipped to No. 2, with a 24% share, while Brown-Forman's California Cooler came up third with 12%, according to Frank Walter, director of research with *Impact*.

"Moonlighting" star Bruce Willis was replaced in the new Ogilvy & Mather campaign, despite the phenomenal growth of the brand while he was spokesman. The new $30 million Seagram's Wine Cooler campaign features a trio of stars: "Cheers" star Woody Harrelson, "Fatal Attraction" actress Anne Archer (she played the wife) and comedian Steve Guttenberg.

Imported champagne was another area where Seagram held its own in 1987. It held No. 2 and No. 3 positions in the $700 million champagne category with Mumm (3.6% share) and Perrier-Jouet (1.6%). Moet/Chandon from Schieffelin & Co. held the top spot with an 8.6% share, according to Mr. Walter of *Impact*.

Seagram also signed a sales and marketing agreement with Tequilas of Herradura for a premium tequila brand of the same name last year, which gives Seagram its first niche in this popular market segment.

The company will be entering the Chinese market soon, under a joint marketing agreement signed in April with China Distillery in Shanghai to produce wine coolers, whiskeys and sparkling wines for the Far East in addition to the Chinese market. The joint venture will be known as Shanghai Seagram Ltd.

Edgar Bronfman Jr., son of the company's chairman, moved to corporate headquarters in the No. 2 spot behind his father. The son was president of the House of Seagram, a U.S. division of Jos. E. Seagram & Sons, prior to recently being appointed exec vp of U.S. corporate parent, Jos. E. Seagram & Sons. The newly-named president of the House of Seagram is William G. Pietersen, who had been with Guinness America Inc. since 1986, and before that with Unilever for 18 years.

THE SEAGRAM CO. LTD.

1430 Peel Street
Montreal, Quebec
Canada H3A 1S9

Jos. E. Seagram & Sons

375 Park Ave.
New York, N.Y. 10152
(212) 572-7000

Corporate personnel: Edgar M. Bronfman, chmn; David G. Sacks, president; Edgar Bronfman Jr., exec vp-U.S. operations; Richard K. Goeltz, exec vp-finance; Stephen E. Herbits, exec vp-corp devel; Charles M. Andolsek, vp; Jeananne K. Hauswald, treas; Dr. Leslie Bluhm, vp-rsch & devel; Richard Swigart, vp-corp pr; Ronald P. Carzoli, vp-human resources; Wesley A. Corner, vp-packaging; Edward Falkenberg, vp-controller; William K. Friedman, vp-corp affairs; Arthur S. Margolin, vp-special asst to office of chmn & president; M. Jacqueline McCurdy, vp-state & industry relations; Edward F. McDonnell, president, Seagram Int'l. Daniel R. Paladino, vp-genl counsel & secty; Stephen Shechtman, vp-financial planning.

House of Seagram

New York

Marketing personnel: William G. Pietersen, president; Jerome S. Mann, exec vp-sales; Martin H. Bart, sr vp-sales; Joel Boyarski, exec vp-finance & admin; James L. Chadwick, dir-mktg; Henry B. Hawley, vp-new prods; Ellice Matsil, vp-mktg rsch & planning; C. Richard Coffey, president-The Seagram Beverage Co.; Andrew Harman, vp-sales svcs; Sheldon Katz, vp-sales; Thomas K. McInerney, vp, dir-prod mgr; Sandra J. Ruch, vp-pr & events mktg; Donald Nickless, vp-mfg; Arthur Shapiro, vp-mktg svcs; Michael R. Stagliano, vp-control states relations; Alan Goidin, vp-media; Richard P. Shaw, Angelo Vassallo, vps, dirs-mktg; Lawrence J. Weiss, vp-natl acct sales.

Seagram Beverage Co.

(part of House of Seagram)

Corporate personnel: C. Richard Coffey, president.

Marketing personnel: Mark Tazel, exec vp-mktg; Alysia Cohen, vp, dir-mktg strategy; Robert O'Dowd, vp-mktg svcs; Vincent Partridge, vp-promo & mktg.

Seagram Classic Wine Co.

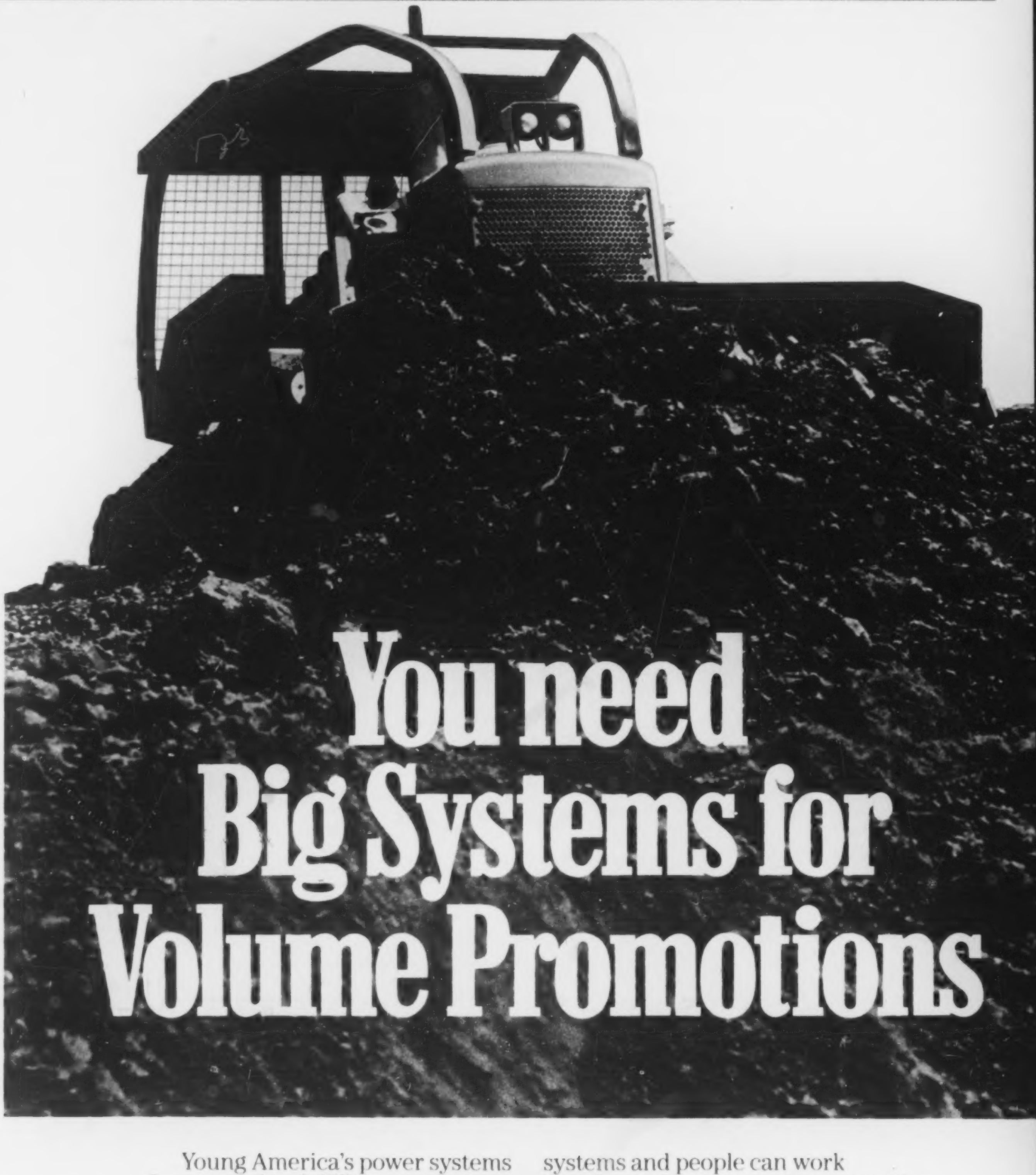
Marketing personnel: Sam Bronfman II, president; James L. Bareuther, exec vp-mktg & sales; Michael Harbison, exec vp-finance & admin; Louis Keyes, vp, dir-mktg; John Esposito, vp, natl sales mgr; Arnould Despointes, dir-Barton & Guestier Wines (B&G), N. America; Yoram Kafkafi, dir-Carmel, Brolio, Kayser wines, N. America; Barbara Edelman, dir-pr.

Seagram Chateau & Estate Wines Co.

Marketing personnel: Abdallah H. Simon, chmn, David S. Milligan, president; George Sandeman, vp-mktg; John W. Laird, vp-sales mgr; Maurice Lartigau, sr vp.

Brands/services by agency of record:

Captain Morgan Rum
Chivas Regal
Crown Royal
Leroux cordials
Lord Calvert Canadian



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Mumm V S.O.P. Cognac
Myers' Rum
Royal Salute

Ad agency: DDB Needham Worldwide, New York: Mark Abrams, sr vp-mgmt super; Thom Dean, Chris Abelt, acct supers; Nancy Bick Barbara Callahan, Hollis Barickman, acct execs

■

Natl acct sales for foodservice

Ad agency: The Food Group, New York: Donald Axleroad, president; Philip Pearlman, creative dir; Richard Vetter, media dir; Ted Sanko, acct super; Denise Mitchell, acct exec

■

Bandiera
Barton & Guestier (B&G) wines
Carmel
Castello d'Albola wines, corp ads
Charles Krug Wines
C K Mondavi
Kayser
Mirassou Vineyards
The Monterey Vineyard
Mumm Champagne
Mumm Cuvee Napa sparkling wine
Sterling Vineyards

Ad agency: Grey Advertising, San Francisco: Tom Banks, vp-mgmt super; Alan Abrams, vp-acct super; Michele Genis, acct exec

■

Armagnac DeMontal
Brolio
Calvert Extra
Crown Russe Vodka
Kessler
Kessler Whiskey
Nikolai Vodka
Passport Scotch
Ronrico Rum
Tuaca Liqueur
Wolfschmidt Vodka

Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Jane Pack, group dir; Steve Barkan, sr vp-acct super; Trish Sullivan, asst acct exec

■

Ethnic adv for various brands

Ad agency: The Mingo Group, New York: Bill McGugins, vp-mgmt super; Cliff Ruffins, acct super

■

Boodles Gin
Canadian Hunter
Golden Spirits
House of Seagram corp
Seagram's Gin
Seagram Wine Coolers
7 Crown
The Glenlivet, V O

Ad agency: Ogilvy & Mather, New York: Donald Blashford, vp-mgmt super; Steele Hays, Anthony Nieves, Jane Gundell, acct supers; Young Sun, Susan Tamoney, acct execs

■

Herradura Tequila
Jameson Premium Irish Whiskey
New prods

Ad agency: Wells, Rich, Greene, New York: Chris Hansen, exec vp-acct group head; Joan Overlock, sr vp-mgmt super; Louise Oelbaum, acct super

Tropicana Products
Bradenton, Fla.

Corporate personnel: Robert Soran, president

Marketing personnel: Robert Weisman, sr vp-mktg.

Brands/services by agency of record:

Tropicana

Ad agency: Leo Burnett USA, Chicago: Mike Hall, acct dir; Peter Picard, Bob Hall, acct supers

RANK
4

Sears, Roebuck & Co.

Chicago
ADVERTISING: **$ 886.5** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	48.440	44.281	9.4
Earnings	1.649	1.351	22.1
■ **Division sales**	**1987**	**1986**	**% chg**
Sears	28.085	27.074	3.7
Allstate	15.556	12.638	23.1
Dean Witter	3.995	3.415	17.0
Coldwell Banker	1.244	1.152	8.0
Other	176	489	(64.0)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Business pub	761	741	2.6
Magazine	21.608	42.934	(49.7)
Newsp supp	6.411	3.247	97.5
Outdoor	772	309	150.0
Network TV	89.973	127.804	(29.6)
Spot TV	25.765	29.226	(11.8)
Network cable	2.327	2.552	(8.8)
Network radio	52.701	47.658	10.6
Spot radio	21.211	21.928	(3.3)
Measured	221.529	276.398	(19.9)
Unmeasured	665.000	829.000	(19.8)
Total	886.529	1.105.398	(19.8)

Sears, Roebuck & Co., the nation's No. 1 retailer, is making major changes to fend off encroachment from mass merchandisers and specialty retailers. From the corporate offices in Sears Tower to its automotive service departments, the company is overhauling its management and marketing strategies, to become more focused and aggressive.

After reporting lackluster earnings in 1987 from the Sears Merchandise Group, the company took several pivotal steps in 1988. Sears first announced a restructuring of its headquarters operation in early 1988, followed by a record number of acquisitions and new ventures aimed at helping the company catch up with its specialty retailing competition.

The restructuring resulted in the reassignment and dismissal of several top executives, the creation of new key positions and the beginning of a gradual reduction of its 8,000-member headquarters workforce, mainly through attrition.

In the fall of 1988, Sears also said it would replace its three-year-old umbrella ad slogan: "There's more for your life at Sears," with: "Sears: your money's worth and a whole lot more." The new slogan actually has been used in Canada since 1980. Michael Bozic, chairman and CEO of the Merchandise Group, was formerly head of operations in Canada and influenced the company's decision to adopt the "your money's worth" slogan.

Shortly after announcing the new slogan, Sears also said it planned a new TV ad push to start in late 1988, running for at least 18 months. The focus will be on its strongest private brands, including Kenmore appliances, Craftsman tools and DieHard batteries.

Ogilvy & Mather, Chicago, remains Sears' agency-of-record for the entire Merchandise Group, following the consolidation of its account there in 1986.

Overall media spending for the merchandise group was down 36% in 1987, excluding local newspaper advertising, where Sears spends heavily.

Despite its vast experience in newspaper advertising, Sears clashed with the New York City Department of Consumer Affairs in 1988, which claimed that certain ads for services and merchandise were "deceptive and misleading." Among other charges, the agency said Sears used false deadlines in several ads for carpet cleaning services, to create the impression that customers had to hurry in to take advantage of sales.

Sears changed the ads in question, but challenged the agency in Federal District Court saying that New York City's regulations hindered its ability to advertise nationally, which is a growing concern among big retailers.

In 1988 the Merchandise Group made dramatic efforts to specialize, by acquiring new retailing operations and opening a variety of new in-store specialty departments and free standing stores.

Sears doubled the size of its Eye Care Centers of America optical store chain, and in August, renamed the 80-store division Eyemasters; Chiat/Day, Venice, Calif., handles the $7 million account.

After acquiring the 25-store chain of Pinstripe Petites, Sears was a bidder for several other apparel chains, including Talbots and Eddie Bauer Inc., but neither deal was consummated.

Meanwhile, the company debuted an in-store specialty department, carrying young women's apparel in all of its 800 stores, called Mainframe. Separate print advertising for Mainframe ran in *Seventeen* magazine, targeting teenagers.

Its biggest acquisition to date came in March, when Sears bought Western Auto Supply, Kansas City, Mo., for $250 million. The company gained 278 corporate stores and wholesale distribution to 1,500 independently-owned franchised outlets. Sears continues to run the division under the Western Auto name.

In August, Sears also debuted in-store home electronics and appliance "superstores," named Brand Central in 13 Indianapolis stores. The Brand Central departments carry over 60 national brands alongside its top-selling Kenmore lines. Sears plans to roll out Brand Central departments in its general stores through 1990, while it tests some free standing outlets in 1989.

To keep up with competitors, including Montgomery Ward & Co.'s Electric Avenue outlets, Sears promised to match the advertised prices of any competitors' identical merchandise.

Next, Sears launched its first free standing McKids store, in a test in a Chicago shopping mall, followed by six more in the area. The new concept was built on Sears' successful introduction of McKids departments inside its stores in 1987, through a licensing agreement with McDonald's Corp.

The new McKids stores will be tested in 20 to 40 mall locations through 1989, targeting dual-income, upscale families. The stores carry McKids-brand clothing, plus other brand-name apparel, toys and books.

Sears also opened its first free standing RoadHandler Car Care center in Chicago in August, which it will test.

In 1989 Sears also will try out its first "neighborhood store" concept in Chicago, in a test that was originally planned for the fall of 1988.

The medium-sized store may become a new format for Sears, in densely-populated urban or suburban areas where customers don't have access to a full-line department store. The smaller stores will feature selected apparel, home furnishings and a catalog pick-up area.

Sears opens its first free standing Home Furnishings Center in Manhattan in 1989, and it continues to test three Sleep Shops outlets in Miami.

The company continues its marketing relationship with Walt Disney, which resulted in its promotion of the re-release of the movie "Bambi" and a new movie called "Oliver & Co." in 1988, which were supported by TV advertising.

Sears also teamed with McDonald's and General Motors Corp. in 1988 for its second successful giveaway promotion tied to the game Monopoly, in which the three spent a total of around $70 million advertising the promotion.

The Dean Witter Financial Services Group, New York, reported that the Discover card showed a profit for the first time in the second quarter of 1988. Dean Witter predicts the card will be solidly profitable in 1989.

The $35 million Discover account moved to DDB Needham, Chicago from J. Walter Thompson USA. New TV spots from Needham in 1988 were aimed at driving up card use in restaurants and retail locations.

In July 1988, Dean Witter suddenly announced it would move its $10 million brokerage services account to Leo Burnett, Chicago, from Lord, Geller, Federico, Einstein, without conducting a review.

Burnett now has $40 million in billings from Sears, including its 30-year, $30-million relationship with Allstate, which continues its theme: "You're in good hands with Allstate." The insurance division, which in 1987 introduced the Allstate Advantage auto insurance product, reportedly will roll out more new products and may increase its budget in 1989.

In mid-1988, Allstate handed the management of its Mature Outlook travel club for senior citizens to Des Moines-based Meredith Corp., but it retains ownership of the operation.

The Coldwell Banker Real Estate Group, whose $2 million account remains at BBDO, Los Angeles, in 1987 introduced an aggressive multi-media ad campaign designed around its "Expect the best" residential real estate brokerage program. The Coldwell Banker division continues to expand its holdings in shopping centers across the country through its Homart Development Co.

SEARS, ROEBUCK & CO.
Sears Tower
Chicago, Ill., 60684
(312) 875-2500

Sears Merchandise Group
Chicago

Marketing personnel: Michael Bozic, chmn & ceo-merch group; Matthew A. Howard, sr exec vp-merch; G. Joseph Reddington, sr exec vp-field merch; Alfred G. Goldstein, president-Sears specialty merch; Eric D. Saunders, sr vp-admin & planning; Everett L. Buckardt, exec vp-catalog, direct mktg; Thomas E. Morris, vp-mktg; Ralph Hoch, natl retail genl merch mgr; A. Thomas Royal, natl catalog genl merch mgr; William Cora, natl retail adv mgr.

Brands/services by agency of record:

Black consumer adv

Ad agency: Vince Cullers Advertising, Chicago: Jeffrey Cullers, mgmt super.

■

Hispanic adv

Ad agency: Hispania Advertising (sub. of JWT USA), New York: Caroline Demy, sr vp-genl mgr; Marta Perez Gerdez, acct super, Chicago; Nancy Chalfin, acct rep.

■

Yellow Pages adv

Ad agency: Nelson-Woodward, Chicago: Garry Woodward, acct exec.

■

Sears Merchandise Group

Ad agency: Ogilvy & Mather, Chicago: William E. Whitney Jr., exec vp, president-O&M Chicago; Bruce Beach, sr vp-genl mgr; Allan Mager, sr vp-client svc dir; John Goyert, group dir; Dan Delaney, Bruce Jasurda, vps-mgmt supers; Jeff Totaro, vp-acct super; Brian Kelly, Chuck Otto, Ole Riise, Paula Serios, acct supers; Stephan Ban, Marcy Barson, Mike Diefenbach, Steven Fenoglio, Kim Gryka, Dina Kaplan, Colleen Kelly, acct execs.

■

Sears Business Systems Centers

Ad agency: Barkley & Evergreen, Shawnee Mission, Kan.: Mark Pfefferkorn, group super; Kim Steutermann, sr acct exec.

■

Sales promo

Ad agency: Ogilvy & Mather Promotions, Chicago: James Neidorf, vp-dir; Bill McBride, deputy dir; Janie Frank, Mark Schwartz, acct super.

Sears Financial Network
Chicago

Marketing personnel: Charles Hughes, mktg mgr.

Brands/services by agency of record:

Sears Financial Network

Ad agency: Marcoa Direct Advertising, Chicago: John Rosenberger, vp-acct super; Camille Thiele, asst acct super.

Allstate Insurance Group
Northbrook, Ill.

Coporate personnel: John K. O'Loughlin, sr exec vp.

Marketing personnel: Terre Tuzzolino, asst vp-adv; John Flieder, corp mktg support; John W. Houser, Ginny Clark, adv mgrs; Ellen Steele, sr mktg project mgr.

Brands/services by agency of record:

Allstate insurance

Ad agency: Leo Burnett USA, Chicago: Ron Sims, acct dir; Mike Miller, acct super; Karyn Myers, Collette Heaphy, Dana Saulsberry, acct execs.

Coldwell Bankers
Real Estate Group
Los Angeles

Marketing personnel: Jack Hull, vp-mktg, residential; Jesse Harrill, exec dir-corp comm-commercial.

Brands/services by agency of record:

Coldwell Bankers

Ad agency: BBDO/West, Los Angeles: Rich Jarc, sr vp-mgmt super; Tracey Reife, sr acct exec; Susan Sheridan, asst acct exec.

Dean Witter Financial Services Group
New York

Marketing personnel: Nancy S. Donovan, exec vp-mktg dir; William Walsh I, vp-dir adv; Ernest Campo, dir-adv, Discover Card Service; William Hodges, sr vp, chief mktg officer-Discover Card.

Brands/services by agency of record:

Dean Witter brokerage-dealer

Ad agency: Leo Burnett USA, Chicago: Bill Boris, exec vp-client svcs; Bill Whitman, acct dir.

■

Discover Card svc

Ad agency: DDB Needham, Chicago: Joe Hochberg, president; Tom Hanft, group acct dir; Elaine Roach, Anthony Priore, acct supers; Amrita Chugh, Kathy Kneip, acct execs.

RANK
96

Southland Corp.

Dallas
ADVERTISING: **$ 86.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	8.125	7.823	3.9
Earnings	(66)	190	(134.9)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	NA	34	NA
Business pub	218	217	0.6
Magazine	184	168	9.1
Newsp supp	0	66	NA
Outdoor	2.414	2.986	(19.2)
Network TV	68	866	(92.2)
Spot TV	30.693	11.655	163.3
Network cable	241	60	301.5
Spot radio	18.317	19.962	(8.2)
Measured	52.134	36.015	44.8
Unmeasured	34.000	24.000	41.7
Total	86.134	60.015	43.5

At the end of 1987, Dallas-based Southland Corp. returned to private status as members of the founding Thompson family completed a $4.9 billion leveraged buyout of the company best known for its 7-Eleven convenience stores.

To help finance the buyout, JT Acquisition Corp. formed by Thompson brothers John, Jere and Joe Jr. sold major secondary operations of Southland including Chief Auto Parts, its Dairies Group and nearly 1,000 of its 7-Eleven stores.

At the same time, the company narrowed its focus toward the convenience store business and toward streamlining operations.

Company spokeswoman Cecilia Norwood said Southland implemented a significant reorganization of its 7-Eleven operations in November and December of 1987 as final placement of financing for the buyout was being completed. As part of the reorganization, the company eliminated two levels of management and doubled the number of divisions to 32 to allow managers to focus more on specific markets, she said.

The market-specific approach applies to advertising as well, Norwood said, as divisions have been given more flexibility to respond to market conditions. She said Southland is putting more emphasis on

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point-of-purchase promotions. "We are trying to merchandise better, and found in-store displays to be very effective," she said. "We are trying to pinpoint vehicles for specific markets."

The more market-specific approach does not mean Southland plans to abandon national efforts, but in this arena, too, the company is looking for extra value for its ad investments. For example, in the past year Southland has linked with two high-profile companies for special promotions—first with the Coca-Cola Co. in an introduction of a Coca-Cola-flavored Slurpee and last July with Oscar Mayer hot dogs in its "Big Bite" promotion.

Currently Southland is reorganizing its national ad effort with a review of the estimated $12 million retail account previously held by Hill, Holliday, Connors, Cosmopulos, New York. Ties also were severed with two agencies that worked primarily with divisions no longer owned by the company—Davis, Johnson, Mogul & Colombatto of Los Angeles, which handled specialty retail advertising and The Richards Group of Dallas, which worked with the manufacturing and distributing divisions.

However, Southland has maintained its tie with W.B. Doner & Co., Southfield, Mich., which has been handling special projects for 7-Eleven stores.

Doner's most notable work for 7-Eleven was a series of TV commercials featuring Dabney Coleman promoting the regular low prices the convenience stores offer on everyday products.

The spots aired primarily in May, June and July in Southland's major markets of Florida, Arizona and Texas.

While the company declined to discuss ad spending, it appears the early summer promotion added significantly to Southland's spending for TV in 1987. BAR/LNA Multi-Media Service reported Southland spent nearly $30.7 million in spot and network TV in 1987 compared to about $12.4 million in 1986.

Overall, BAR/LNA reported Southland spent nearly $33.6 million in seven measured media in 1987 compared with $15.8 million in 1986. For 1988, the company's ad expenses are expected to decline since some of the operations it sold shared in the overall ad budget in 1987 and because of the company's emphasis on overall efficiency.

Operations that were sold include 270 Houston stores in National Convenience Stores Inc. of Houston ($80 million), 473 stores in 10 states to The Circle K Corp. ($47 million) and 21 Missouri stores to FFP Operating Partners.

Southland now operates 7,200 7-Elevens in the U.S. and Canada, down from 7,818 at the end of 1987. It also operates 432 other convenience stores, and its licensees and affiliates operate another 4,600-plus stores in 14 foreign countries, Puerto Rico, Guam and parts of the U.S.

It sold its MovieQuik videocassette rental division to Cevaxs U.S. Corp. of Vancouver, B.C., for about $52 million. Included in the agreement was a nine-year distribution contract for Cevaxs to operate rentals in 4,100 7-Elevens.

Southland sold its Chief Auto Parts division, including 469 stores, to Chief Auto Parts Inc., a corporation formed by Chief's management and Shearson Lehman Brothers. The purchase price was more than $130 million in cash and assumption of certain liabilities.

A second group of Southland managers and investors led a $243 million buyout of the company dairies' food company and formed MorningStar Foods in Dallas.

The company also sold its Reddy Ice and Tidel Systems divisions.

Southland retained its 50% ownership in Citgo Petroleum Corp. and owns five distribution centers and six food centers to support its stores.

In 1987, Southland continued to expand its fast-food program both by increasing its fresh-food offerings like deli-style sandwiches, nachos and pizza as well as testing more branded fresh products like Dunkin' and Winchell's doughnuts.

SOUTHLAND CORP.
2828 N. Haskell Ave.
Dallas, Texas 75204
(214) 828-7011

Corporate personnel: John Thompson, chmn; Jere W. Thompson, president-ceo.
Marketing personnel: S. Richard Dole, exec vp-retail stores; John Antioco, vp-mktg & retail; Fred Bradshaw, adv & comm mgr; Marva Cathey, adv devel mgr; Rod Brehm, natl mktg mgr.
Brands/services by agency of record:
7-Eleven stores project work
Ad agency: W.B. Doner & Co., Southfield, Mich.: Alan Kalter, exec vp; Jon Katov, acct super.

RANK
86

Stroh Brewery Co.

Detroit
ADVERTISING: **$ 102.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	1,430	1,499	(4.6)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	748	880	(15.0)
Business pub	168	128	31.2
Magazine	295	4,569	(93.6)
Newsp supp	0	69	NA
Outdoor	986	882	11.9
Network TV	35,567	42,207	(15.7)
Spot TV	15,764	14,120	11.6
Network cable	1,358	1,070	26.9
Network radio	518	1,378	(62.4)
Spot radio	2,475	6,991	(64.6)
Measured	57,878	72,294	(19.9)
Unmeasured	45,000	56,000	(19.6)
Total	102,878	128,294	(19.8)

Privately-held Stroh Brewery Co. maintained its No. 3 ranking among U.S. brewers in 1987, but its market share dropped for the third consecutive year, to 11.9% from 12.5% in the previous year.

In an effort to stop the slide, Stroh hired San Francisco-based Hal Riney & Partners in July 1988 as agency for the family-owned company's flagship Stroh and Stroh Light brands and premium Signature brand, replacing Lowe Marschalk, New York.

Considering Riney's creative reputation, industry observers were predicting the second demise of the Stroh brand spokesdog, Alex, who returned in November 1987 after a three-year hiatus to pitch Stroh and Stroh light. Alex fetched higher ad awareness for the brands than the preceding campaign, a good times-good friends-good beer approach to the theme, "Stroh's is spoken here." But some observers believed Alex overshadowed the brand and didn't generate new sales. Stroh also reduced ad spending for its premium brands in 1987 by 7.4% to $25.1 million.

Stroh's total beer shipments declined 5.3% last year to 21.6 million barrels, according to Emanuel Goldman, analyst for PaineWebber, San Francisco. Top ranking Anheuser-Busch maintained its No. 1 spot in 1987, securing approximately 41% of the domestic beer market, while No. 2 ranked Miller Brewing Co. holds a 21% share of the market.

Stroh's biggest selling brand, Old Milwaukee, dropped 2.7% in 1987 to 7.3 million bbls., but Old Milwaukee Light shipments increased 5.2% to 2 million bbls.

Stroh sharply increased ad spending on its leading popular-priced Old Milwaukee brands to $17.1 million, up 30.4%. Its second best-selling brand, Schaefer and Schaefer Light, shipped 4.2 million bbls., in 1987, down 2.3%. Schaefer drew only $285,500 in advertising, down 15%.

The brewer's premium Stroh and Stroh Light brands placed third in its lineup with 3.7 million bbls., shipped in 1987, down 7.5%.

In October 1987 Stroh sold its specialty beer, Erlanger, to the Dubuque Star Brewing Co., Milwaukee, claiming it was unable to give the high-end lager the marketing attention it deserved.

Stroh's Sundance Natural Juice Sparklers, a 70% fruit juice/30% sparkling water positioned between 10% juice-added soft drinks and bottled waters and seltzers, received measured media spending in 1987 of $4.6 million in a seven-market rollout beginning in June 1987. The product went national in June 1988.

This April, Stroh introduced in select markets its High Five 10% fruit-juice soft drink, first tested last October in Salt Lake City.

Stroh's White Mountain Cooler is struggling to maintain its presence in the cooler market. The beverage is rated No. 5 in the overall cooler market, though it is the top seller among malt-based coolers. Leaders in the wine cooler industry are Jos. E. Seagram & Sons and No. 2 Bartles & Jaymes, distributed by E&J Gallo Winery. Shipments of Stroh's White Mountain Cooler declined in 1987 to 4,615 cases, a 23.1% drop from the year before, estimates *Impact*, a liquor industry newsletter.

Stroh significantly decreased its measured spending for its brand of wine coolers in 1987, spending only $3.7 million, down from $14.2 million. In 1988, Stroh dropped out of TV advertising for the brand, concentrating instead on a radio campaign that featured up-and-coming comics delivering comedy routines.

Stroh is an active sponsor of hydroplane racing, fishing, golfing, equestrian events and motorsports. Stroh also sponsored a group of 14 racecar drivers, a group dubbed the "Stroh Bonus Pack." On the cultural side, it sponsors the Stroh Summer Jazz series, the Montreux Detroit Jazz Festival and the Atlanta Jazz Festival.

STROH BREWERY CO.
100 River Place
Detroit, Mich. 48207
(313) 446-2000

Marketing personnel: Roger Fridholm, president; John Hellweg, vp-mktg svcs; Pete Cline, vp-sales operations; William Henry, vp-mktg admin; Dave Martin, vp-corp media; John Bissell, vp-special prod div; Marsha Bass-Atwater, dir-new prods; Micheal Porter, dir-malt liquors; Charles Powell, dir-Old Milwaukee brand; Ed Kopecky, dir-Schaefer, Goebel, Piels, Primo brands; Jovan Jovanovski, dir-White Mountain

REUTER-DENIS PAQUIN

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Cooler, Alan Schuster, dir-adv svcs, Mark Steinberg, mgr-Stroh & Signature brands; Mike Keyes, mgr-Schlitz brands, Liz Schubiner, mgr-Old Milwaukee, Tom Kuthy, mgr-High Five, Scott Rozek, mgr-Sundance

Brands/services by agency of record:

Schaefer-P.R.
Shaefer Light-P.R.

Ad agency: Badillo/Saatchi & Saatchi Compton, San Juan P.R.: Jose Colon, acct super

■

Schlitz Malt Liquor
Red Bull Malt Liquor

Ad agency: Burrell Advertising, Chicago: Don Coleman, vp-mgmt super

■

Old Milwaukee
Old Milwaukee Light
White Mountain Cooler
Schaefer
Schaefer Light

Ad agency: Grey Advertising, New York: Don Lowy, vp-mgmt super (Old Milwaukee, Schaefer), Paul Jordan, vp-mgmt super (White Mountain)

■

Sundance Sparklers

Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Bruce Wagner, acct exec

■

Goebel
Piels

Ad agency: Wyse Advertising, Cleveland: John Jefferson, acct super

■

Stroh's
Stroh Light
Signature

Ad agency: Hal Riney & Partners, San Francisco: Hal Riney, chmn-ceo

RANK
76

Subaru of America

Cherry Hill, N.J.
ADVERTISING **$ 113.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	1,785	1,939	(8.0)
Earnings	(30)	94	(131.9)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	13,111	5,211	151.6
Business pub	176	10	1,693.9
Magazine	8,356	8,680	(3.7)
Newsp supp	119	0	NA
Outdoor	0	270	NA
Network TV	31,603	14,072	124.6
Spot TV	16,882	9,386	79.9
Network cable	836	652	28.3
Network radio	2,871	0	NA
Spot radio	5,279	3,253	93.0
Measured	80,233	41,534	93.2
Unmeasured	33,000	17,000	94.1
Total	113,233	58,534	93.4

Subaru of America, a leader in the four-wheel drive market, is hoping its plans to expand into other markets will help restore profits and growth which dipped for the first time in 11 years in 1987.

Attempts to remain competitive and reduce inventory led the Cherry Hill, N.J.-based company in 1987 to nearly double 1986 ad expenditures.

Subaru, U.S. distributor for Fuji Heavy Industries, Tokyo, reported a loss of $30 million in 1987, compared with net income of $94 million the previous year. Sales dropped 7.7%, from $1.94 to $1.79 billion in 1987.

Fuji, whose fiscal year results are reported in the accompanying box, saw net income and sales decline 21.3% and 6.9%, respectively. (Figures for both fiscal years were converted at the rate of Y145.85 = U.S.$1.)

Subaru said the major contributing factor to its slide was the strength of the Japanese yen, which forced it to raise retail prices in the U.S. by roughly 25%. To compete with other automakers, the company narrowed its profit margin, supported dealers with sales incentives and higher-than-planned national and regional ad programs and offered hefty customer rebates.

Despite the company's financial woes, total unit sales dropped only 3.3%, to 177,138 vehicles. Subaru's shares of the U.S. import market and total U.S. car market remained about the same, at 5.6% and 1.7%, respectively.

Subaru was especially pleased by the debut performance of the Justy, its entry into the crowded, low-end market. "About 80% of the people who bought the Justy had never purchased a Subaru before, which means we obviously took some car sales away from other manufacturers," says David L. Sippel, vp-marketing. Subaru backed the Justy with $14.5 million in measured spending, according to BAR/LNA.

Over the next few years, Subaru hopes to attract new customers by introducing a more varied model mix and establishing itself in regional markets outside the snow belt and rural areas where its popularity has been greatest.

One step towards this goal was the purchase in 1987 of four regional distributorships previously under independent ownership. As a result, Subaru-owned distributors now cover 34 states and account for 55% of retail sales.

Subaru also is looking to its new $500 million Lafayette, Ind., manufacturing plant—a joint venture with Isuzu Motors—to provide the company with a major presence in the Midwest. The plant is scheduled to begin operating in fall 1989 with annual capacity of 60,000 Subaru cars. It will produce Subaru sedans and wagons.

Subaru's 1988 model line featured a new top-of-the-line XT6 with a horizontally-opposed 2.7 liter six-cylinder engine and "on demand" four-wheel drive in the Justy GL. Other changes included various detail improvements on the Hatchback, Sedan, Wagon, 3-Door Coupe and four-cylinder XT.

The company already has begun touting a new transmission system that will be available in 1989 Justys. Electronic Continuously Variable Transmission, or ECVT, is an electronic transmission without gears that the company said could set a new standard for small car transmissions.

Subaru continued to spend heavily on network and spot TV and newspaper advertising in 1987, with these four media accounting for more than three-quarters of the company's measured media spending.

Early in 1988, Subaru unveiled a two-tier marketing strategy, advertising cars below $10,000 as inexpensive and those above as upscale. Both broadcast and print ads featured a so-called human approach and stressed the cars' reliability, durability and high customer satisfaction rating.

One print ad for the Subaru Wagon, for example, shows a family headed for vacation piling into its car with a headline that reads, "Before you go on a trip, put your valuables in a safe place."

Subaru joined the ranks of automakers trying to target women by sending a three-packet mailing to 500,000 professional women with annual household incomes of about $35,000. The company hoped the program would make it easier for women to make a purchasing decision by giving them information before visiting a dealership. Women make up about half of Subaru's buyers, according to Christopher Wackman, director-advertising services.

On the promotional end, Subaru, official car of the U.S. ski team since 1976, continued to sponsor major national championships and World Cup skiing events held in the U.S. in an effort to increase its visibility in non-skiing areas. Subaru also became the official car of the U.S. Cycling Federation and began to sponsor bicycle races across the country.

SUBARU OF AMERICA
Subaru Plaza, P.O. 6000
Cherry Hill, N.J. 08034-6000
(609) 488-8500

Corporate personnel: Marvin S. Riesenbach, exec vp

Marketing personnel: Doug Mahin, group vp-sales; Robert J. Whitehead, group vp-prod engineering; David L. Sippel, vp-mktg; Ken Stanton, vp-sales operations; Paul Utans, vp-governmental affairs; Christopher Wackman, dir-adv svcs

Brands/services by agency of record:

Subaru cars

Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Michael Elkisch, vp-mgmt super; Terry Bonaccolta, sr vp-group dir; Jerry Noonan, acct super; Elaine Romano, acct exec; Cheri Stern, asst acct exec

RANK
42

Tandy Corp.

Fort Worth, Texas
ADVERTISING **$ 225.1** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,794	3,452	9.9
Earnings	316	242	30.6

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	2,459	2,068	18.6
Magazine	10,979	9,304	18.0
Newsp supp	273	29	857.9
Outdoor	5	0	NA
Network TV	34,896	35,056	(0.4)
Spot TV	360	3,294	(89.1)
Network cable	868	897	(3.3)
Network radio	3,356	2,733	22.8
Spot radio	2,861	1,293	121.2
Measured	56,052	54,673	2.5
Unmeasured	169,000	165,000	[illegible]
Total	225,052	219,673	[illegible]

Innovative new products, key acquisitions in the high-tech industry and continued refurbishing of its retail operations are improving the stature of Tandy Corp. in the computer industry.

Tandy, which recorded strong sales and earnings for its fiscal year ended June 30, made good on computer industry speculation in April 1988 when it came out with the market's first non-IBM computer to include a IBM Micro Channel-type bus system that allows for powerful enhancements in a personal computer.

That same month it surprised the technology community when it reported it had developed Tandy Thor-CD, a technology that allows people to record and erase digital information on a CD-compatible optical disc using a laser beam.

While Thor-CD is not expected to be available until 1990, Tandy is ready to license the technology. The product will retail for about $500. Industry analysts speculate if Tandy can fulfull its promise for a low-cost, erasable recorder, it would boost Tandy's standing and steal some thunder from the Japanese.

But before discussion wa[illegible] on Tandy's high tech products, the company announced in July it would purchase the highly regarded laptop computer maker, GRID Systems. Later in July, Tandy reported it would begin marketing an IBM PC-compatible computer to include digital voice and sound recording.

The company continues to redesign Radio Shack stores, giving them more of a high-tech look. By midyear 1988, Tandy had refurbished about 1,400 of its 4,900 stores at the rate of three stores a day, said Ed Juge, Tandy spokesman.

Tandy's various moves are getting plenty of notice from the investment community. Dennis Telzrow, a retail analyst with Eppler, Guerin & Turner in Dallas, said the company has gained consumer favor because its products are listed as compatible with a growing number of software products.

Tandy has continued a steady advertising program among the changes and innovation, dedicating about 8% of total sales to various forms of advertising.

The company continues to use its in-house Central Advertising Agency to manage and execute its ad program. Direct mail continues to be a cornerstone of the effort. The company sends out between 18 million and 24 million fliers a month with spending above $50 million annually. This is backed by the company's newspaper insert program, which Mr. Juge said is close to $60 million annually.

The company backs its print effort with a series of TV spots under the theme, "Why Tandy Computers?" The commercials highlight the capabilities of Tandy computers as well as value.

TANDY CORP./RADIO SHACK
1800 One Tandy Center
Fort Worth, Tex. 76102
(817) 390-3700
RADIO SHACK

Corporate personnel: John Roach, chmn & president

Marketing personnel: David Beckerman, vp-mktg svcs; Mike Wood, vp-adv; Robert Myers, vp-business prods; Robert Miller, vp-consumer merch, Howard Elias, sr dir-computer merch

Brands/services by agency of record:

Tandy brands

Ad agency: (In-house): Central Advertising Agency, Fort Worth, Texas: Linda Yarborough, media dir

RANK
68

Texas Air Corp.

Houston
ADVERTISING **$ 124.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	8,475	4,407	92.3
Earnings	(466)	73	(741.2)
■ *Division sales*	*1987*	*1986*	*% chg*
Passenger	7,699	4,027	91.2
Cargo, mail, other	776	380	104.0

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	67,287	63,417	6.1
Business pub	1,280	1,142	12.1
Magazine	4,054	4,074	(0.5)
Newsp supp	375	97	285.6
Outdoor	1,575	2,557	(38.4)
Network TV	42	435	(90.2)
Spot TV	12,974	19,489	(33.4)
Network cable	152	218	(30.5)
Spot radio	15,604	18,146	(14.0)
Measured	103,343	109,576	(5.7)
Unmeasured	21,000	23,000	(8.7)
Total	124,343	132,576	(6.2)

There are dark clouds on the horizon for Texas Air Corp., which took off in the deregulated skies on the strength of aggressive price-cutting and acquisitions of Eastern and Continental airlines financed by $4.9 billion in consolidated debt, and is now encountering severe turbulance, particularly between Eastern and its unions.

Spending in advertising has felt this downward pressure, dipping to $124.8 million in 1987, down 6.2% from the prior year—most of that related to reduced support for beleaguered Eastern Airlines and a cooling off in the media ad battles that flaired up in 1986 over discounting.

Eastern's measured spending for passenger advertising plummeted 60% to $7.3 million in 1987, according to BAR/LNA, which in 1987 did not monitor national newspaper spending. Main cutback in the BAR/LNA data was in spot TV, which dropped 65%. Newspaper advertising, by far the lead medium in the Continental-Eastern mix, because of the marketing focus on discount and comparative fares, dipped to $67.3 million in 1987 for Texas Air, down 6% from 1986 when discounting was at its peak.

Meanwhile, BAR/LNA measured media for passenger advertising at Continental jumped 424% to $7.8 million in 1987, most in spot TV. Eastern and Continental also had $3.4 million in combined measured media for passenger advertising, divided between spot TV and consumer magazines.

In 1986, Texas Air more than tripled the size of its airline operations through acquisitions of Eastern, Newark-based People Express, substantially all of the assets of Frontier Airlines, New York Air and two commuter carriers and a substantial number of additional aircraft. At the close of 1986, Texas Air's fleet numbered 636 aircraft, compared with 160 aircraft at the end of 1985.

Consolidation of non-computerized carriers into Continental caused massive confusion and disruptions of service. As Continental brought the situation under control through 1987, the carrier nearly doubled its fourth quarter 1987 ad spending to counter the public's negative image of the complaint-ridden airline.

Texas Air incurred a consolidated net loss of $466.1 million in 1987 on total operating revenues of $8.5 billion. In 1986, the corporation recorded net income of $72.7 million on operating revenues of $4.4 billion, including the results from Eastern beginning on July 8, 1986. Results from People Express Airlines were consolidated beginning Dec. 31, 1986.

For the first six months of 1988, Texas Air recorded a consolidated loss of $380.1 million on operating revenues of $4.26 billion, compared with a loss of $127.7 million on operating revenues of $4.2 billion in the year-earlier period.

At the close of 1987, Eastern ranked No. 6 among U.S. air carriers with a 9.2% share, while Continental ranked No. 7 with 8.3%, based on revenue passenger miles, according to PaineWebber, New York. A revenue passenger mile is the standard measure of revenue gained by carrying one paying passenger one mile. United Airlines had 17.5% share, American 15.1%, Delta 13.4%, Northwest 10.9% and USAir 10.2%.

The biggest headache for Texas Air's Chairman Frank Lorenzo is labor problems at Miami-based Eastern Air Lines, following its February 1986 acquisition for $640 million. Eastern currently is in contract talks with pilots, from whom it seeks productivity concessions, and with its machinists and baggage handlers, from whom it seeks wage cuts averaging 20%.

Texas Air has used as a bargaining chip the threat of transferring Eastern assets to its low-cost, non-union Houston-based Continental Airlines unit if the unions fail to come to terms. Texas Air in 1987 took the System One reservations system off Eastern's hands for $100 million, making it a separate subsidiary, sold 20 aircraft and put 21 on the market, and drew $100 million in cash out of Eastern in a variety of transactions.

But Eastern's unions successfully have used the federal courts to stop Texas Air from selling certain Eastern assets. A federal judge ruled in April 1988 that Eastern could not sell the profitable Eastern Shuttle, which operates between New York, Boston and Washington, to another subsidiary of Texas Air for $225 million.

The courts also have enjoined Eastern from transferring employees to newly-created units and from training replacement workers in preparation for a possible strike. In August 1988, a federal court issued a temporary injunction preventing loss-plagued Eastern from implementing cutbacks that would have wiped out 4,000 jobs.

"The things Lorenzo has tried to do to restructure Eastern have been stymied by the unions and the courts," said Robert Decker, airline analyst at Duff & Phelps, Chicago. The situation becomes ever more serious as the labor-management stalemate continues, Mr. Decker said.

"Without major changes in the union position, Eastern faces a very real possibility of bankruptcy. And until Lorenzo solves the problems at Eastern, there is no solution to his [consolidated earnings] dilemma [at Texas Air]."

Paul Karos, airline analyst at First Boston Corp., New York, said Texas Air probably could hold out until mid-1989 before being forced to make a move. "The No. 1 hope of management is to get concessions. But if they can't, Texas Air won't allow Eastern to bleed them to death," he said. Most likely, Eastern would be downsized, its assets and routes broken up and sold off, or it would be taken into Chapter 11 bankruptcy and liquidated, he added.

TEXAS AIR CORP.
Capitol Bank Plaza No. 4040
333 Clay Street
Houston, Texas 77002
(713) 658-9588

Corporate personnel: Francisco Lorenzo, chmn & ceo; James Arpey, sr vp

Continental Airlines Corp.
Houston

Corporate personnel: Martin R. Shugrue Jr., president; Lewis H. Jordan, exec vp-coo

Marketing personnel: Douglas C. Birdsall, sr vp-mktg; James V. O'Donnell, vp-mktg svcs

Brands/services by agency of record:

Continental airlines

Ad agency: N W Ayer, New York: George Zuckerman, vp-acct super, creative dir; Carolyn White, acct super; Liz Fiedfeld, asst acct exec; Lisa Sands, acct coord; Michael Katz, group

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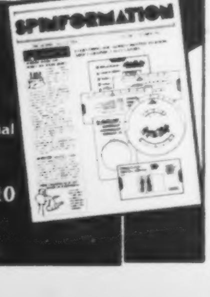

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Eastern Air Lines
Miami

Corporate personnel: Philip J. Bakes Jr., president-ceo; Joseph B. Leonard, exec vp-coo.
Marketing personnel: John W. Nelson, sr vp-mktg; Richard F. Blake, staff vp-mktg, planning & rsch; George W. Brennan, staff vp-mktg comm; Jerry Schorr, staff vp-cargo sales; Robert A. Wolf, mgr-vacation adv.
Brands/services by agency of record:
Eastern airlines
Ad agency: Lintas:New York: Joe Karle, exec vp-acct dir; Warren Ruden, Jamie Holt, sr vps-mng supers; Mark Solomon, Teri Steele, vps-acct supers; Audrey Shapiro, Jerry Olson, Julie Kruger, asst acct execs.

RANK
45

Time Inc.

New York
ADVERTISING **$ 196.6** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	4,193	3,762	11.5
Earnings	250	376	(33.5)
■ ***Division sales***	***1987***	***1986***	***% chg***
Magazines	1,621	1,576	2.9
Books, info	954	663	43.9
Programming	904	886	2.0
Cable TV	714	637	12.1

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	15,551	13,951	11.5
Business pub	4,875	5,564	(12.4)
Magazine	51,404	50,528	1.7
Newsp supp	1,310	2,043	(35.9)
Outdoor	101	24	327.5
Network TV	5,105	4,361	17.1
Spot TV	55,853	55,054	1.5
Network cable	16,412	16,064	2.2
Network radio	2,208	936	135.9
Spot radio	5,762	4,503	28.0
Measured	158,579	153,026	3.6
Unmeasured	38,000	37,000	2.7
Total	196,579	190,026	3.4

Time Inc.'s belt-tightening efforts in 1987 ranged from staff reductions to divestitures to a growth of only 3% in ad spending, the latter usually characterized by substantial annual budget hikes.

The cost-saving measures have begun to show up in improved earnings. In the first half of 1988, Time Inc. reported net income of $150 million, up 21% over the corresponding period in 1987, on sales of $2.17 billion, up 9.4%. Time's cable TV operation was largely responsible for the growth. Advertising revenues in its magazine division were up slightly, but higher paper costs and postal expenses weighed down operating income for the group. *Time* in September 1987 launched a major program called the Maximum Advertising Exposure Plan, or Max Plan, to rejuvenate its sluggish advertising. The rather convoluted program rewards advertisers with "credits" (additional ad pages earned) if their spending levels with Time match or exceed their totals with Time from July 1986 through June 1987. The complex plan also factors in a minimum spending level and the percentage of the advertiser's overall magazine spending devoted to Time Inc.'s wholly owned magazines: *Time, Life, Fortune, Money, Sports Illustrated, People, Southern Accents* and *Southern Living*.

Competitors, *Newsweek* and *U.S. News & World Report* were quick to follow suit with their own discount plans. Over 500 advertisers have signed up for Time Inc.'s program, which was initially scheduled to run for two years; it has been extended for a third.

At the end of 1987 the company's flagship magazine, *Time*, froze its advertising rates for the first time since 1963.

Time's 50/50 joint venture, Working Women McCall's Group, introduced a controversial open TV-style negotiable rate card for McCall's in 1987. Women's magazines share many packaged goods advertisers with network TV. McCall's publisher Dale Lang said the plan only formalized what Seven Sister magazines had been doing for years—scuttling the rate card. Then in mid-1988, the joint venture titles—McCall's, Working Woman and Working Mother—and People launched "The Women's Lifestyle Network," a sort of spot print package in which the four magazines are included in a five-page buy to reach 10 markets only.

In February of this year, Time launched a French edition of Fortune, published with the Hachette Filipacchi group. The edition combines Fortune articles translated from English with pieces written by a Paris staff.

In August of this year, Time Inc. acquired a 50% interest in *Hippocrates* magazine for $9 million. The bi-monthly consumer magazine, published in California, deals with health and medicine.

The company's ad dollars largely were spent on subscription promotions for *People, Time* and *Sports Illustrated*. According to BAR/LNA, *People* spent $19.4 million on subscriptions, up 4% from 1986. *Time's* spending in this area dropped slightly, at a level slightly above $15 million. *Sports Illustrated* received $11.5 million, down 17% from 1986. *Life* laid out $3.1 million for its subscription efforts, up 63% from 1986. *Fortune's* spending decreased negligibly, remaining at slightly above $1 million, while spending for *Money* dropped 31% to $854,000.

In the book and information division, the company attributed its strong growth in revenues and operating income to Scott Foresman & Co., which it acquired from SFN Cos. at the end of 1986. However, it is believed Time is looking for a buyer for the nation's No. 3 book publisher because analysts contend it is an odd fit in Time's current business lineup and publishing assets have been in high demand. Scott Foresman publishes textbooks, an entrenched business.

While the Book-of-the-Month Club had record revenues, with membership rising 13% to 2.7 million, ad spending fell 16% to $3.7 million. Spending also decreased 21% for the Book-of-the-Month Record & Tape Club and 10% for Time-Life Books, with a budget of $21 million. But Time-Life Records & Tapes received $9.9 million in advertising, a huge 94% increase.

At the end of the year Time sold its SAMI/Burke market research company to Control Data for $80 million plus future payments. Other divestitures included *Discovery* magazine, USA Network and a partial sale of ATC.

Measured spending for Time's HBO and Cinemax cable TV services grew 10% to $22.5 million in 1987. The HBO pay TV service alone accounted for $16.1 million of the total, the same as 1986. At the end of this year HBO will discontinue its Festival service, which was oriented to a family audience.

In June 1988, Time announced that its Denver-based ATC cable unit would be moving to New York to be closer to decision-making at the corporate level. Although claiming the decision a good one from a business standpoint, Trygve Myhren, ATC's chairman-CEO, announced his resignation. He was replaced by Joseph Collins, who left the post of president of HBO. E. Thayer Bigelow replaced Mr. Collins at HBO.

TIME INC.
Time & Life Bldg.
Rockefeller Center
New York, N.Y. 10020
(212) 522-1212

Time
Corporate personnel: Robert L. Miller, publisher.
Marketing personnel: Richard Heinemann, U.S. adv sales dir; Ellen W. Oppenheim, promo dir; Ellen J. Fairbanks, circulation dir.
Brands/services by agency of record:
Circulation promo
Ad agency: Wunderman Worldwide, New York: Debbie Stanley, acct exec.

■

Circulation & adv promo
Ad agency: Young & Rubicam, New York: Brise Ott, acct super; Julie Rothhouse, acct exec; Lisa Epstein, asst acct exec-adv promo; Jackie Blum, acct coord; Rob Tyrrell, sr media planner.

People
Corporate personnel: Donald M. Elliman Jr., publisher.
Marketing personnel: Eric G. Thorkilsen, assoc publisher; James J. Donoghue, mktg promo dir; Lindsay Valk, circulation dir.
Brands/services by agency of record:
Circulation promo
Ad agency: Holland & Callaway Advertising, New York: Jim Callaway, president; Ron Holland, chmn.

■

Adv promo
Ad agency: Young & Rubicam, New York: Brise Ott, acct super.

Fortune
Corporate personnel: James B. Hayes, publisher.
Marketing personnel: John E. Haire, U.S. adv sales dir; David L. Minz, promo dir; Kenneth Godshall, circulation dir.
Brands/services by agency of record:
Adv promo
Ad agency: Ogilvy & Mather, New York: David Warden, sr vp-group dir; Denise Johnson, acct super.

Money
Corporate personnel: William S. Meyers, publisher.
Marketing personnel: Betsy Martin, adv sales dir; Michael Rich, promo dir; Michele M. Jaworski, circulation dir.
Brands/services by agency of record:
Circulation promo
Ad agency: Corinthian Communications, New York: Larry Schneiderman, vp, dir-mktg; Michael Kubin, sr vp; Jeff Bender, acct exec.

■

Adv promo
Ad agency: John Emmerling Inc., New York: John Emmerling, chmn; James R. Guthrie, president; Russell G. Finley, sr vp.

Sports Illustrated
Corporate personnel: Donald J. Barr, publisher.
Marketing personnel: Thomas J. Hickey Jr., adv sales dir; Michael W. Davey, adv sales mgr; George P. Berger, creative dir; Michael Loeb, circulation dir.
Brands/services by agency of record:
Adv promo
Ad agency: Ogilvy & Mather, New York: David Warden, sr vp-group dir; John Gruen, sr vp-assoc creative dir.

■

Circulation promo
Ad agency: Wunderman Worldwide, New York: Bob O'Keefe, acct super; Debra Kalish, acct exec.

Life
Corporate personnel: Elizabeth P. Valk, publisher.
Marketing personnel: David L. Long, adv sales dir; Ripley Odell, promo dir; Rachel A. Greenfield, circulation dir.
Brands/services by agency of record:
Adv promo
Ad agency: Messner, Vetere, Berger, Carey, New York: Tom Messner, partner & creative dir; Kent Roman, acct exec.

Southern Progress Corp.
Birmingham, Ala.

Progressive Farmer
Corporate personnel: H.B. Flora, publisher.
Marketing personnel: David U. Hemphill, N.Y. natl sales mgr; Ivey Brown, adv svcs mgr; Neal Campbell, production mgr.
Brands/services by agency of record:
Progressive Farmer
Ad agency: Reynolds & Assoc., Atlanta: Neal Reynolds, president; Don Halleck, acct exec.

Southern Living
Corporate personnel: James E. DeVira, publisher.
Marketing personnel: Scott Sheppard, adv dir; Eleanor Griffin, promo/merch mgr; William P. Capps, circulation dir.
Brands/services by agency of record:
Southern Living
Ad agency: DDB Needham Worldwide, McLean, Va.: Joe Landy, president; Betsy McGurick, acct super.

Southern Accents
Corporate personnel: James E. DeVira, publisher.
Marketing personnel: Sims Bray Jr., adv dir; Eleanor Griffin, promo/merch mgr; William P. Capps, circulation dir.
Brands/services by agency of record:
Southern Accents
Ad agency: (In-House): Sims Bray Jr., adv dir.

Cooking Light
Corporate personnel: Jeffrey C. Ward, publisher.
Marketing personnel: Martin Spector, N.Y. adv dir; Lawrence D. Rinehart, production dir; William P. Capps, circulation dir.
Brands/services by agency of record:
Cooking Light
Ad agency: Norwest Communications, Chappaqua, N.Y.: William Silinski, president.

Oxmoor House
Marketing personnel: Tom Angelillo, vp-genl mgr; Bruce Akin, dir-mktg; Dianne Mooney, dir-promo; Steve Logan, corp devel dir.
Brands/services by agency of record:
Oxmoor House
Ad agency: (In-House): Dianne Mooney, dir-promo.

Working Woman/McCall's Group
New York

McCall's
Corporate personnel: Dale W. Lang, publisher.
Marketing personnel: William McDermitt, natl adv dir; Robert M. Sacks, production dir; John Hang, circulation dir.

Working Woman
Corporate personnel: Carol Anderson Taber, publisher.
Marketing personnel: Barbara Bella, adv dir; Robert M. Sacks, production dir; John Hang, circulation dir.

Parenting
San Francisco

Corporate personnel: Robin Wolaner, publisher.
Marketing personnel: Bunny Fensterheim, natl adv mgr; Bruce Spiegel, production dir; Frances Skennion Reilly, circulation dir.
Brands/services by agency of record:
McCall's
Parenting
Working Mother
Working Woman
Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Harold Levine, chmn.

Time-Life Books
Alexandria, Va.

Corporate personnel: Christopher T. Linen, president-ceo.
Brands/services by agency of record:
Time-Life Books
Ad agencies: A. Eicoff & Co., Chicago: Francie Barson, vp-media; Rick Singerman, vp-client svcs.

Wunderman Worldwide, New York: Worth Linen, exec vp; Andy Jones, mgmt super; Carol Austin, acct super.

Time-Life Music
Alexandria, Va.

Corporate personnel: Paul Stewart, sr vp-entertainment div; Terry Furlong, vp-music.
Brands/services by agency of record:
Time-Life Music
Ad agencies: A. Eicoff & Co., Chicago: Francie Barson, vp-media; Rick Singerman, vp-client svcs.

LaBuick Inc., New York: Ed LaBuick, chmn; Sy Sanders, president.

Fred Kier & Associates, Chicago: Fred Kier, president.

Book-of-the-Month-Club
New York

Corporate personnel: Al Silverman, chmn; Larry Crutcher, president.
Marketing personnel: John Hall, sr vp, dir-mktg; Betsy Poris, media dir; Ruth Stevens, mktg mgr-specialty clubs; Karen Krupnik, sr vp, dir-specialty clubs.
Brands/services by agency of record:
Book-of-the-Month-Club
Ad agencies: Ogilvy & Mather, New York: Patty Lyons, acct super; Carol Pittard, acct exec.

Wunderman Worldwide, New York: Pierre Passavant, group dir; Debbie Elkins, acct exec.

Little, Brown & Co.
Boston

Corporate personnel: Kevin Dolan, president-ceo.
Marketing personnel: Arlyne Greenbaum, mktg mgr-trade div, N.Y.; Munro Magruder, trade sales mgr.
Brands/services by agency of record:
Little, Brown & Co.
Ad agency: Franklin Spiers, New York: Rhonda Har, acct exec; Ken Atkatz, creative dir.

Scott Foresman & Co.
Corporate personnel: Kelso Sutton, chmn.
Marketing personnel: Barbara Coovert, vp-adv.
Brands/services by agency of record:
Scott Foresman & Co.
Ad agency: (In-House): Barbara Coovert, vp-adv; Karen Abrams, creative mgr.

History Book Club
Stamford, Conn.

Corporate Personnel: John Gibb, chmn; Nancy Whitin, William Duhigg, vps.
Brands/services by agency of record:
History Book Club
Ad agency: (In-house): John Hall, sr vp-mktg.

Home Box Office
New York

Corporate personnel: Michael Fuchs, chmn & ceo; E. Thayer Bigelow, president; David Pritchard, vp.
Marketing personnel: Dan Levinson, vp-adv & promo; John K. Billock, sr vp-mktg; Steve Janas, vp-dir mktg.
Brands/services by agency of record:
HBO
Ad agency: BBDO Worldwide, New York: Ken Angel, vp-acct super; John Marchese, mgmt super; Linda Epifano, acct exec.

■

Cinemax
HBO
Ad agency: Kobs & Draft, New York: Howard Draft, president; Lynn Fanton, genl mgr; Mary Pat Ryan, sr vp-mgmt super.

HBO Video
Corporate personnel: Curt Viebranz, president.
Marketing personnel: Eric Kessler, sr vp-mktg; Bob Kasbar, creative svcs dir.
Brands/services by agency of record:
HBO Video
Ad agency: Caldwell-Davis Partners, New York: Abbott Wool, vp-media dir; Barbara Krakower, acct exec.

American Television & Communication
Stamford, Conn.

Corporate personnel: Joseph Collins, chmn & ceo; James Doolittle, president-coo.
Marketing personnel: Tim Evard, vp-mktg; Allan Eisenberg, exec dir-adv.
Brands/services by agency of record:
American Television & Communication
Ad agency: (In-House): James Duffy, dir-pr.

RANK
33

Toyota Motor Corp.

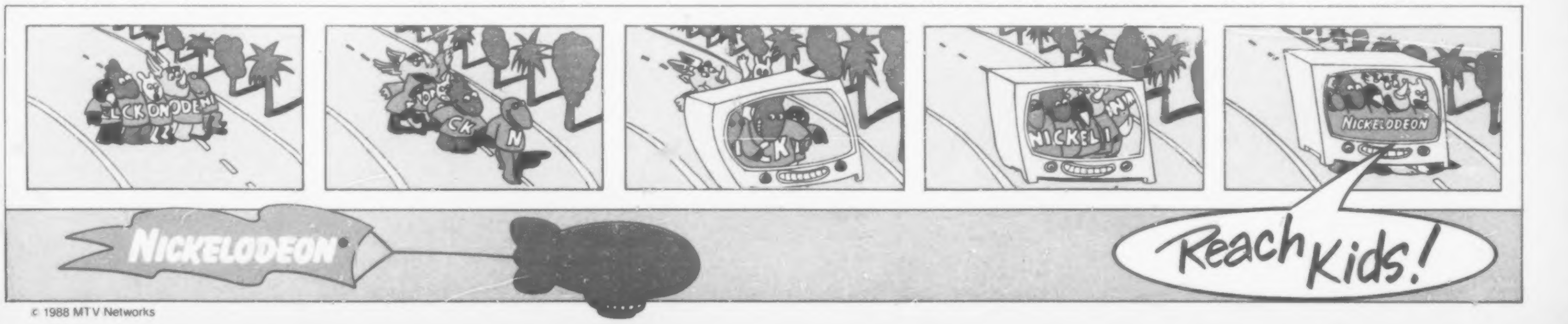
Torrance, Calif.
ADVERTISING: **$ 257.7** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	50,000	45,000	11.1
Earnings	1,779	1,494	19.1

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	28,409	22,878	24.2
Business pub	1,399	932	50.1
Magazine	27,105	21,533	25.9
Newsp supp	427	444	(3.8)
Farm pub	216	189	14.5
Outdoor	1,229	2,014	(39.0)
Network TV	46,298	33,104	39.9
Spot TV	66,294	90,292	(26.6)
Network cable	2,229	3,887	(42.7)
Network radio	2,301	0	NA
Spot radio	4,831	6,489	(25.5)
Measured	180,738	181,761	(0.6)
Unmeasured	77,000	78,000	(1.3)
Total	257,738	259,761	(0.8)



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Toyota Motor Sales USA, Torrance, Calif., subsidiary of Toyota Motor Corp., Japan, failed to repeat in 1987 its one million-unit U.S. sales volume of 1986 for cars and trucks, fulfilling forecasts of a down year influenced heavily by higher prices associated with the rise of the yen against the dollar.

Shipments from Japan to the U.S. actually declined during the fiscal year by 12% primarily because of poor U.S. truck sales, said the company. Even with the adverse exchange-rate ratios and severe competition, Toyota in the U.S. strengthened its position as the leading car and truck importer. That effort was backed by a $257.7 million ad budget, only slightly less than the previous year.

Despite the turndown in U.S. vehicle sales, the parent performed better in fiscal 1988 than in the two previous years as worldwide earnings rose 19% on an 11% growth in sales. Pretax profits, which increased 51% to $3.9 billion, represented the first such gain in three years. Financial totals for both fiscal years ended June 30 were converted at the rate of Y133.85=U.S.$1.

Offsetting the fall in U.S. sales was a slower-than-expected rise in the yen, cost reduction efforts and strong domestic sales, particularly of luxury autos. Its unit sales in Japan were up 14% to a record 2.02 million for the fiscal period. In the past three years, Toyota has turned to its domestic market to minimize the rise in the yen, which has made its products more expensive abroad. In fiscal 1988, its overseas shipments amounted to 1.79 million units, or 46% of its domestic production. That compares with a 56% rate three years ago.

Toyota's plans to capture 10% of the world's auto market by the 1990s, a marketing concept the company has dubbed "Global 10," calls for improving its modest market share in Western Europe as well as in Japan. The U.S., however, is key to the success of Global 10. Toyota marketers report that for the company to seize 10% of the world market, it must have a 10% share of the U.S., its most lucrative market.

Calendar 1987 totals for worldwide car production place Toyota third behind General Motors Corp. and Ford Motor Co. Toyota production in the calendar period was 3,638,279 domestic units virtually unchanged from 1986—2,708,069 cars and 930,210 trucks.

In the U.S., Toyota sales in calendar 1987 were 932,445 units—583,809 imported cars, 303,783 imported and domestically produced compact trucks, and 44,853 U.S.-built FX and FX 16 cars. Combined sales were down 8.9% from calendar 1986. The total represented a 9.1% share of the U.S. market, up from 8.9% in 1986, and a 28.2% share of the import market.

Toyota ranked first among Japanese importers, followed by Nissan at 22%, Honda at 12.4% and Mazda 11.6%.

The company led importers in total truck sales with a 6.1% share of total U.S. light-truck markets, followed by Nissan at 4.3%, Mazda 2.4%, Isuzu 1.7%, Suzuki 1.6% and Mitsubishi 1%.

Pressed by self-imposed quotas assumed by Japanese car marketers under the Voluntary Restraint Agreement, Toyota has followed fellow Japanese marketers, Honda, Nissan and Mazda in constructing production facilities in the U.S. to assure itself of an adequate supply of cars in the U.S. market.

In line with Toyota's effort to "Americanize" its operations, the parent company is considering establishing a single U.S. headquarters to consolidate sales, manufacturing, design and research and development in one location. No timetable has been set, but the move was regarded as a natural outgrowth of Toyota's startup of other U.S. operations.

Toyota and General Motors operate a joint-venture plant called New United Motor Mfg. Inc. (NUMMI) in Fremont, Calif., which builds Toyota's Corolla FX and FX-16 models and Chevrolet's compact Nova.

Toyota has built a plant in Georgetown, Ky., which is making the upscale Toyota Camry ($15,998 for a top-of-the-line LE 5-door wagon). The plant's annual production rate is 200,000 units.

A decision has yet to be made on a site for construction of Toyota's truck plant in the U.S. A new plant producing up to 300,000 units annually would help Toyota reach U.S. sales volume of 1.3 million vehicles a year by the early 1990s.

Two of Toyota's rivals are marketing upscale luxury cars in the U.S. or have announced plans to do so with separate dealer networks—American Honda through its Acura division and Nissan with its upcoming Infiniti. Toyota also has entered the fray with its Lexus division. The first car from the division is scheduled for the fall of 1989. Toyota will open the 1990 model year with three luxury-performance car lines and eventually set up 250 to 300 new dealerships. The Lexus ad budget is expected to be about $60 million.

Of the company's $180.7 million in measured advertising in 1987, 55% went for cars and 45% for trucks, about the same as the previous year. Spot and network TV claimed 62.2% of the total, newspapers 15.7% and magazines 14.9%.

New introductions for the 1988 model year included a new Corolla line, which received major emphasis and accounted for about $20 million in measured media in 1987.

Other new models included a turbocharged, all-wheel-drive Celica, an MR2 sports car with supercharged engine, an all-wheel-drive version of the Camry and mid-year introduction of an option V-6 engine for the Camry.

Toyota introduced innovative advertising for its Corolla by tipping in detachable cardboard binoculars for 3-D imaging. The three-dimensional four- page print ad and viewer cost $1.5 million to produce. It ran in *Cosmopolitan*, *People* and *Time* magazines. A humorous TV spot showed the Corolla driving off a theater screen, up the aisle through an audience wearing the 3-D glasses associated with the 1950s horror films.

The Camry accounted for $17.5 million in measured media spending in 1987, some 76% of that split between network and spot TV, according to BAR/LNA. With U.S. unit sales of 186,633, up 18.6% from 1986, the Camry was the company's best-selling line. It took over No. 1 position from Toyota's second best-seller, the Corolla model, which slipped to 119,447 units, down 21.4%. The Corolla was followed by the Tercel at 100,590 units and the Celica at 79,333.

The low-end Tercel models, priced at $5,998 for the EZ 3-door liftback model, accounted for $15.5 million in measured media spending in 1987, most of it in spot and network TV. A total of $11.3 million in measured media was spent on Supra for the year. Unit sales of the $20,000 Supra hit 29,907 in 1987, down 11.5%.

With the price of the 2-wheel drive standard pickup now at $6,598, Toyota no longer featured low price as a selling point in its truck advertising. The compact trucks category accounted for about $32.6 million in measured media expenditures during the year, according to BAR/LNA. Some $5.9 million of that backed the SR-5 Turbo model, priced at $18,568, Toyota's entry in the sport/utility truck market.

Toyota named Conill Advertising/L.A. as its first Hispanic agency of record. Conill's first ad campaign for Toyota will debut this October. Ad budget for the Hispanic market segment was estimated at over $2.5 million.

Toyota launched two promotions in 1987 directed at blacks. They included the Toyota Leadership Award for black college football athletes. Another was the Sportin' Waves Toyota MR2 Sweepstakes, a promotion with Soft Sheen Products, Chicago, in which Toyota gave away five cars. Basketball star Isiah Thomas of the Detroit Pistons was corporate and dealer spokesman in promos aimed at blacks. Blacks represent about 12% of the total U.S. population, but account for 5% of Toyota's U.S. sales.

Pro golfers Chi Chi Rodriguez and Lee Trevino promoted Toyota cars and trucks on TV while actor Martin Sheen continued to be used for voiceovers in selected car and truck ads. The tough, gravelly voice of actor Eli Wallach continued to be heard pushing Toyota's truck lines.

Toyota's return to worldwide profitability in fiscal 1988 helped restore one claim the car manufacturer has held in Japan for years. It has been the No. 1 company in Japan in pretax earnings volume. It regained its position from Nippon Telegraph & Telephone Corp.

TOYOTA MOTOR SALES U.S.A.
19001 S. Western Ave.
Torrance, Calif. 90509
(213) 618-4000

Corporate personnel: Yukiyasu Togo, president; Robert McCurry, exec vp-sales & operations, Jim Perkins, sr vp-Lexus div.
Marketing personnel: Albert W. Wagner, vp-sales; George Borst, corp mktg mgr; David Danzer, natl adv mgr; David Pelliccioni, natl car adv mgr; Don Cecconi, natl truck adv mgr; James Olson, corp pr mgr; Kevin Flynn, dealer assn adv mgr; J. Davis Illingworth, corp mgr-Lexus div; Richard L. Chitty, corp mgr-parts/service/customer relations, Lexus div.
Brands/services by agency of record:

Toyotas

Ad agency: Saatchi & Saatchi DFS, Torrance, Calif.: Stuart Upson, chmn & ceo, New York; Jim Lindsey, chmn, Southern Calif.; Joe Cronin, mgmt dir.

■

Lexus vehicles

Ad agency: Saatchi & Saatchi Team One, Torrance, Calif.; David Wager, president; Tom Cordner, exec vp-creative dir; Scott Gilbert, sr vp-mgmt super.

■

Hispanic adv

Ad agency: Conill Advertising, Los Angeles: Carlos Rossi, ceo; Leila Winick, mgmt super.

RANK
64

UAL Corp.

Elk Grove Village, Ill.
ADVERTISING: **$137.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	8,293	7,105	16.7
Earnings*	335	12	NA
■ ***Division sales***	***1987***	***1986***	***% chg***
Passenger	6,856	5,958	15.1
Cargo	489	414	18.2
Contract svcs, other	948	734	29.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	29,368	26,900	9.2
Business pub	1,336	1,661	(19.6)
Magazine	7,927	6,010	31.9
Newsp supp	68	169	(60.0)
Outdoor	60	636	(90.6)
Network TV	31,342	27,628	13.4
Spot TV	12,535	14,542	(13.8)
Network cable	1,575	1,666	(5.4)
Network radio	1,830	2,175	(15.9)
Spot radio	7,750	11,660	(33.5)
Measured	93,790	93,047	0.8
Unmeasured	44,000	44,000	0.0
Total	137,790	137,047	0.5

NOTE: *Without extraordinary gains in 1987 and 1986, UAL would have reported losses of $4.2 million and $112.8 million, respectively.

Few American corporations suffered through as much turmoil in the last year as UAL Corp. Both the company's name and its chief officers changed twice, its major businesses changed, and the ownership of its major subsidiary, United Airlines, still could change. Even its annual report started out with somewhat of an understatement: "The friendly skies were turbulent last year."

UAL Corp. began 1987 as UAL, Inc. In February 1987, then chairman-CEO Richard Ferris announced his plan for a unified travel services company and a desire to change the company name to Allegis Corp.

Within six weeks UAL had agreed to acquire Hilton International Co. for $977.5 million, which gave Mr. Ferris' company United Air Lines, Hertz Corporation, Westin Hotels, Hilton International and Covia, its reservations system, as major subsidiaries. The name of United's in-flight magazine was changed to *Vis a Vis* and the parent company broke a $7 million image advertising campaign from Leo Burnett USA to support the name Allegis.

But Mr. Ferris' idea for a travel services combination and his personal style found little support among Allegis' airline employees and some investors.

In April, United Airlines pilots, afraid the airline wasn't getting the attention they felt it deserved, offered to buy the airline. The offer, since revised and solidified into a $110 a share bid, is still outstanding. In May, Coniston Partners said it had acquired 13% of what by then had become Allegis Corp. and wanted to replace the board and sell off non-airline assets.

By mid-June Mr. Ferris no longer worked for the company and the Allegis board had announced a restructuring that called for selling off hotel and rental car assets.

With Hertz president Frank Olson acting as temporary chairman, Allegis in fairly quick order sold off Hertz for $1.3 billion to Ford Motor Co. and Hertz executives including himself. It dispatched Hilton for $1.07 billion, and announced plans to sell off Westin Hotels, sending off the proceeds to shareholders. In December Stephen M. Wolf, a former Republic Airlines and Tiger International airlines executive, was named Allegis' new chairman and chief executive.

But the restructuring wasn't quite finished. This year, the company sold off half its reservations system to several European airlines and US Air and it took the old name, UAL Corp.

Against that considerable turbulence, UAL's principal remaining subsidiary, United Airlines seemed an island of relative placidity, though not without its own woes.

For the third year in a row, UAL reported a loss, this time $4.2 million on operating revenues of $8.2 billion. While UAL's sales of the other assets made clear the loss was due to the airline's performance, the loss still was a far cry from the 1986 $112.8 million loss (from continuing operations). And the hiring of Mr. Wolf gave the company someone with previous experience with an airline.

Mr. Wolf quickly blamed competitive cost pressures and competitors lower salaries as a major reason United lost money. But he also said improved scheduling and the purchase of newer and more fuel-efficient planes will help to increase United's efficiency and UAL's profits. United's opening of the new Chicago terminal also allowed it to schedule more flights through the city.

UAL reported a $27.9 million profit in the first quarter this year, against a $54.5 million loss in the same 1987 period. In the second quarter, it reported a record $124.2 million profit against $73.4 million last year when airlines were in the midst of fare wars. UAL also reported its break-even point on trips had dropped from 63% to 61% of capacity.

With company officials attention diverted elsewhere for much of 1987, the airline's advertising proceeded on its preset course. Leo Burnett USA's advertising, stressing the airline's business-class image and using George Gershwin's "Rhapsody in Blue" as theme music, continued at about the same level as 1986. And in Chicago, United opened its Terminal of the Future at O'Hare Airport, a futuristic structure that was quickly featured on some of the ads.

United's advertising also continued to point to its major service between Chicago, Washington, Denver, Washington and Los Angeles with hourly flights on most of the routes.

United also picked up some additional marketing muscle through agreements with British Airways and Alitalia that called for coordinating schedules, terminals and programs. One program with British Airways offered United travelers, who connected to British Airways flights, free trips from London to any place else in Europe. BA's U.S. agency Backer Spielvogel Bates, New York, handled the advertising for the $1.6 million promotion, with United paying half the cost. The decision by BA, KLM Royal Dutch Airways, Swissair and US Air to buy part of Covia and join in developing a new computer system also is expected to help for the future.

At midyear, however, United Airlines still confronted some longer term problems.

Despite load capacities that reached 70%, United's share of the U.S. airline market had slipped to 17% against as much as 20% in 1987. Of the five top U.S. carriers, only United showed a share decline. And past delays in ordering planes made it difficult for United to add much additional service especially in the South, where the carrier has no major hub south of Washington.

The lack of planes also hurt on United's Pacific runs, among the carriers most profitable. Separately, United faced the possibility of losing its prized and profitable Seattle to Tokyo route because of a Department of Transportation ruling.

Finally United's Mileage Plus program, one of the largest of any carrier, was becoming more expensive to operate because of the necessity of matching competitors offers of triple mileage credit to people who flew early in the year. In June, United announced a new program that encouraged frequent flyers to take shorter trips.

Mr. Wolf, in a candid assessment to stockholders at UAL's annual meeting, said United will have to make some major moves in the next few years to restore profitability. But he suggested some of United's problems are temporary while it awaits arrival of new planes it ordered. Meanwhile United is revamping schedules in a bid to get more efficiency.

In August, United indicated it was considering the possibility of entering the Mexican market. Mr. Wolf also has said the airline wants another hub in the Southeast and is looking at the possibility of European service or further South American service.

Insiders say Mr. Wolf is making major changes in UAL's management team with new people in charge of scheduling, maintenance, Pacific service and public relations, among the major changes.

UAL CORPORATION
1200 Algonquin Rd.
Elk Grove Village, Ill. 60007
(312) 952-4000

United Airlines
Elk Grove Village, Ill.
Marketing personnel: John R. Zeeman, exec vp-mktg & planning; John E. Ruhaak, vp-adv & promo; William Speicher, vp-genl sales mgr, Pacific div; Christopher D. Bowers, vp-genl sales mgr; Patricia Engels, vp-mkt devel; Tom Lagow, sr vp-planning; William F. Alenson, mgr-adv, domestic; Richard Veatch, mgr-promos; Barbara Mowry, president-MPI Inc.; Carl Norris, dir-cargo.
Brands/services by agency of record:

United Airlines

Ad agency: Leo Burnett USA, Chicago: James Thompson, sr vp-acct dir; Steve Crawford, vp-acct dir; John Goad, vp-acct super; Wendy Peters, Karen Berman, acct supers; John Kania,

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152 Forest Avenue   Long Island, NY 11560
(516) 674-4941

Lorraine McGill, Dick Treat, Sheila McAnanly, acct execs

RANK

12

Unilever PLC/NV

London/Rotterdam
ADVERTISING **$580.7** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	30,948	25,368	22.0
Earnings	946	1,413	(33.1)
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	5,757	4,457	29.2
Operating income	448	169	165.1
■ ***Division sales***	***1987***	***1986***	***% chg***
Food prods	15,277	12,617	21.1
Personal prods	9,542	7,132	33.8
Specialty chemicals	2,454	1,921	27.7
Other	3,675	3,698	(0.6)

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	1,567	2,427	(35.4)
Business pub	1,770	315	462.8
Magazine	58,259	47,297	23.2
Newsp supp	245	466	(47.5)
Outdoor	64	56	14.7
Network TV	211,923	202,361	4.7
Spot TV	58,017	57,322	1.2
Network cable	4,865	5,080	(4.2)
Network radio	8,627	6,607	30.6
Spot radio	3,319	4,312	(23.0)
Measured	348,656	326,242	6.9
Unmeasured	232,000	217,000	6.9
Total	580,656	543,242	6.9

The merging of Chesebrough-Pond's personal-care products into its worldwide marketing operations provided the biggest test for Unilever in 1987.

Concentrating on building its core business of branded consumer goods, Unilever also divested subsidiaries that did not fit this strategy, including several operations acquired in the $3.1 billion buyout of Chesebrough-Pond's in December 1986.

From the Chesebrough buyout, it sold Prince Manufacturing Co., producer of tennis rackets and sportswear; Stauffer Chemical Co. and G.H. Bass Shoe division, all in mid-1987. That left Unilever with a more concentrated Chesebrough division that included divisions for packaged foods, health and beauty products and Prince Matchabelli.

To these divisions were added Lever Bros. personal products group including its oral hygiene unit. The Chesebrough acquisition also was to be only the first of many for Unilever which went on in 1987 to acquire 16 more companies for a total of $247 million.

Management of the company with joint headquarters in London and Rotterdam underwent reshuffling, notably, Morris Tabakblat rose to chairman of Lever Bros. from chairman-CEO of Chesebrough. He succeeded Gordon Stevens who retired. Robert M. Phillips continues as president of Chesebrough and adds the title of CEO, replacing Mr. Tabakblat.

In 1987, Unilever unleashed a slew of new products and line extensions, including a much bally-hooed Elizabeth Taylor's Passion from the Prince Matchabelli unit, and new tea lines from Lipton. In support of the new launches and existing brand lineup, Unilever hiked its U.S. ad spending by 6.9% to an estimated $580.7 million in 1987.

Lever Bros., despite its ailing personal-care units that were turned over to the stewardship of Chesebrough at mid-year, had a turn-around year in reporting $36.4 million in operating profits after reporting a loss of $37.5 million in 1986.

Lever Bros. household products and Lever foods/Shedd's divisions performed well in 1987, achieving all-time market share highs. Industry sources attribute this strong performance to successful national launches of products such as Surf detergents and Snuggle fabric softener sheets.

Lever's Snuggle fabric softener sheets grabbed a 10% share by spring 1987, up from a 7.5% share from 1986 when it rolled national, according to Jay Freedman, household products analyst at Kidder, Peabody & Co. But market share for Snuggle liquid softener declined from 14.3% to 12.0% by spring 1988.

Lever's Snuggle (liquid and sheets) and Final Touch fabric softeners combined attained a 29.5% share of the $630 million category in 1987. P&G remained the market leader with 51.5% share with its Bounce and Downy brands.

Spending for Snuggle softened to $18.8 million, down 22.2% from 1986. Final Touch was backed by $5.8 million, up 4.8%.

Even though Lever's Wisk (liquid) detergent jumped from 7.6% to an 8.5% market share in 1987, Lever could not retain its market share crown in the $3 billion laundry detergent category. P&G's Tide became the No. 1 selling brand in both liquid and powdered forms. Combined ad spending for Wisk (in both liquid and powdered form) in 1987 was down slightly to $21.1 million.

Lever Bros. rolled national its Surf detergent in both liquid and powdered forms in 1987. By spring 1988, Surf liquid had gained a 2.8% market share and Surf 5.0%. Combined ad spending in measured media for Surf liquid and powdered detergent jumped 41.7% to $18.2 million.

Lever also launched nationally its Sunlight automatic dishwasher liquid after a test run in Milwaukee and Phoenix in 1986. Sunlight automatic dishwasher brand (in liquid and powder forms) was backed by $6.1 million in measured spending in 1987.

In the $1.2 billion bar soap category, Lever's Dove beauty bar remained the No. 1 selling brand with a 14.0% share in 1987. Dove drew $13.6 million in measured media, up 11.8% from 1986. Caress bar, with a 6% share of the bar soap market, was supported with $10.2 million, up 1.2%.

Lever Bros. holds the lead in the $1.5 billion margarine category, with a 26.8% combined share for its Promise (4.5%); Shedd's (9.5%); "I Can't Believe It's Not Butter" (1.5%); Imperial (8.3%); Krona (0.5%) and Mrs. Filberts (2.5%) brands.

In the $1 billion dentifrice category, the Chesebrough division's Aim holds the No. 4 spot with a 7.0% market share, behind P&G's Crest lines (41.0%); Colgate-Palmolive's Colgate brands (22.0%); and Beecham Products' Aqua-Fresh (10.0%) share. Chesebrough put its ad dollars behind its newly formulated Aim Extra-Strength and anti-tartar toothpastes. Spending for regular Aim toothpaste was down 73.8% to $2.5 million, according to BAR/LNA.

The Chesebrough unit had net income of $76.2 million in 1987 and net sales of $1.1 billion, up 8% over 1986—the latter breaking down into revenues of $517.7 million for Chesebrough's packaged foods, up 14.3% from 1986; $393.2 million for its health and beauty products, up 1.9% and $176.3 for Prince Matchabelli, up 5.2%.

In 1987, Chesebrough's Prince Matchabelli division saw sales increase 11.1% over 1986, which it attributes largely to the success of Passion, Elizabeth Taylor's prestige fragrance. The fragrance, launched in July 1987, had the highest sales volume of any fragrance launched during the year. Passion, which is expected to gain a line of bath products, was supported with $2.9 million in measured media, according to BAR/LNA.

Prince Matchabelli's staple scents include Cachet, Verve, Wind Song and Aviance Night Musk.

In 1987 the Cutex line of nail-care products was moved to the Prince Matchabelli division from the health and-beauty unit of Chesebrough to "broaden the consumer base and unify the cosmetics and marketing approach of the Aziza and Cutex brands," the company said. Impulse body spray for women also was moved to the Prince Matchabelli division.

In the summer of 1988, Prince introduced a new Cutex product line called Strong Nail by Cutex. The line, containing nail enamels and nail treatment products, is billed as the "body builder for nails." The introduction was backed with $3 million in spending, via O&M, New York. Cutex has a 9% share of the estimated $750 million nail-care category.

Aziza cosmetics got a make-over early in 1988. The company decided to relaunch the line focusing on the brand's eye makeup heritage. In June 1988, ads appeared building around the idea of "eye art" to encourage experimental techniques with eye makeup.

Prince Matchabelli is readying a women's body spray, Tres L.A. and will introduce this fall, Hero, a men's fragrance. Also, the division is expected to launch a new women's fragrance in 1989.

Chesebrough continues testing of its Trust antiperspirant in the Southeast in an attempt to enter the highly-competitive $1.6 billion deodorant market. Measured spending for Trust was $3.7 million in 1987, according to BAR/LNA.

Chesebrough's packaged goods division experienced sales growth of 13% and a record 23% increase in net income in 1987. The company attributes virtually all the growth to the success of its flagship Ragu brand. Ragu maintains its No. 1 market spot with a 53% share in the spaghetti sauce market despite heavy competition from Campbell Soup Co.'s No. 2 Prego brand. Lever credits the brand's staying power to the introduction in early 1987 of Ragu Thick & Hearty spaghetti sauce which it claims captured a 10% market share after only three months of introduction.

Ragu Thick & Hearty represents Lever's long-term strategy to carve out new segments in the spaghetti sauce market. The Ragu line received $14.1 million in measured spending, up 23.6%, according to BAR/LNA.BBDO, New York, picked up the Ragu new products assignment. Chesebrough said it added a second agency to the Ragu business already handled by Waring LaRosa because of "rapid growth in the division and an aggressive new product development plan."

Unilever's Thomas J. Lipton unit reported net sales of $1.4 billion in 1987, up 8.4% from the year earlier. Similarly, Lipton's net income increased a healthy 18.7% to $108.6 million in 1987. Lipton credits its sales gains partly to new line extensions and heavy new product intros which totaled 165 in 1987.

In the overall $550 million tea category, Lipton is the undisputed leader with a combined market share of 50.5%. That will expand considerably if the acquisition of Celestial Seasonings from Kraft Inc. is approved. Lipton strengthened its lead in the herbal tea segment with sales gains of 8% for those brands.

Lipton took on Celestial Seasonings with the introduction in September of Oriental Treasures, an exotic line of herbal teas. Attention-getting magazine and TV spots asking "How do you make a Kabuki warrior smile?" supported the line. In 1987 Lipton spent $1.7 million in measured media for Oriental Treasures, according to BAR/LNA.

The Lipton/Celestial Seasonings combo would have an 84% share of the $77 million herbal tea market, but the proposed merger prompted competitor R.C. Bigelow to file suit in U.S. District Court. Bigelow claims the combined companies would create a monopoly causing it to incur inordinately high additional costs in advertising, promotion and slotting allowances. The case was scheduled to be decided this September.

Lipton made headway in the $200 million hot tea market in 1987. Its regular tea sales of 100-count tea bags rose 8% while those of the decaffeinated line, which last year rolled national, jumped 17%. Lipton will advertise the line as "naturally decaffeinated," a new process for the company, with in-store displays appearing in late spring.

Advertising spending for Lipton's decaffeinated teas softened somewhat in 1987. The company spent $3 million on its decaffeinated teas, down 8.3%, according to BAR/LNA. The company put its ad dollars behind regular teas, for which spending jumped 153% to $9.8 million.

In the powdered drink mix category, Lipton extended its Wyler's brand to include two new flavors—Strawberry Split Punch and Bunch 'o Berries Punch. Also under the Wyler's brand name, Lipton introduced this past April FruitSlush, a frozen treat.

Lipton is giving special attention to its dip/recipe soup mix varieties in 1988. This includes heavy couponing, promotions and a national sweepstakes. Last year the company spent $2 million in measured media, according to BAR/LNA.

In the estimated $475 million dry soup category, Lipton holds a 90% share. Its Cup-a-Soup brand achieved an 8% sales increase in 1987. Partly responsible for this boost, the company said, was the nationwide introduction in October of Lite Cup-A-Soups. The new brand has one-third less calories and less salt than the regular Cup-A-Soup line. Lipton spent $1.4 million on the product.

Lipton, which took over the No. 1 spot in the $900 million side-dish market from General Mill's Golden Grain division's Noodle Roni early in 1987, continued to add new varieties to its side dish lines. Spending for Lipton's Rice & Sauce side dish was down 51% to $3.2 million; $971,000 for Noodles & Sauce, down 54% and $622,000 for Pasta & Sauce, up 56% from 1986, according to BAR/LNA.

In the $313 million fruit snacks market, Lipton is the undisputed leader in the bite-size segment with its Sunkist Fun Fruits brand. Sales grew 19% for Fun Fruits last year. Lipton introduced Fun Fruits Dinosaurs to its letter, animals and numbers varieties last October.

Lipton said Fun Fruits Dinosaurs, which was designed to broaden the age appeal through their popularity with older children, is one of the most successful new product introductions in the company's history.

Lipton expanded distribution of its Sunkist Fun Fruit Surprises, first tested in Boston, to the eastern region. Also the company is testing Sunkist Two-T-Fruits, a tube-shaped snack targeted at young teens, in western and central regions.

In 1987 Lipton also branched out into a new category. The company is testing Country Fair Light Butter in Denver and Portland, Ore. The brand is touted as a reduced-calorie butter with 50% less cholesterol and fat than other brands.

UNILEVER PLC
Unilever House
London EC4P 4BQ England

Unilever U.S.
390 Park Avenue
New York, N.Y. 10022
(212)888-1260
Lever Bros.

Household Products Division

Corporate personnel: David F. Webb, president.

Marketing personnel: John R. Speirs, sr vp-mktg; William D. Ecker, mktg mgr-hard surface cleaners; William J. Gentner, mktg mgr-laundry additives; Charles M. Kummel, mktg mgr-bar soaps; George T. Mayer Jr., mktg mgr-laundry detergents; Richard C. Butler, dir-media; George J. Franzen Jr., sr vp-sales; Gloria B. Deragon, dir-mkt rsch; Elizabeth C. Crehan, dir-promo svcs; Frank E. Gonda Jr., dir-creative svcs.

Foods Division

Corporate personnel: A. Clive Butler, president.

Marketing personnel: John Nugent, vp-mktg; Michael E. Bauer, dir-mktg; Celene Varasano, sr mktg mgr; Thomas A. Murano, Rajan W. Nagarkar, mktg mgrs; Terry P. Byron, vp-sales; Lynn Johnson, dir-mkt rsch; Myrna Schreibman, sr promo devel mgr.

Special Markets Division

Corporate personnel: Gerard V. Batti, vp.

Marketing personnel: Frederick Thimme, mktg dir; Jerry A. Westman, genl sales mgr (armed forces-domestic); Thurlow C. Morgan, genl sales mgr (civilian mkts); S. Ray Marks, dir-sales planning.

Industrial Markets

Corporate personnel: Harold W. Jackson, genl mgr.

Marketing personnel: Riley N. Stone Jr., mgr-mktg & gov't sales; Robert D. Kneissl, mgr-detergent prods; Carl R. Canter, tech mgr-detergents & toiletries.

Brands/services by agency of record:

Automatic powder
Automatic liquid detergent
Caress bar
Sunlight dishwashing liquid
Wisk detergents
Mrs. Butterworth

Ad agency: BBDO Worldwide, New York: Gary diPaolo, exec vp; Don Maurer, mgmt rep (except Wisk); Anthony Brescia, mgmt rep (Wisk); Bill Heath, exec vp (Mrs. Butterworth); Anthony Brescia, mgmt rep (Mrs. Butterworth).

■

Dove bar
Final Touch fabric softener
Imperial margarines
Krona spreads
Surf powder and liquid detergents

Ad agency: Ogilvy & Mather, New York: Cliff Angers, group dir; Becky Saeger, mgmt super; Cecily West, acct super (Surf and Final Touch); Ellen Dubin, acct exec; Jane Davis, acct exec; Stephanie Becker, mgmt super; Gina Henry, acct exec (Imperial and Krona).

■

Dishwasher All
All concentrated/liquid detergents
Snuggle liquid & sheet fabric softener
Lifebuoy soap
Shield soap

Ad agency: Lintas:New York: Cynthia Wilford, acct super (All); Lisa Bell, acct exec (All); Sharon Moss, acct exec (Snuggle); Bill Zitriol, acct super (Shield, Lifebuoy); Joy Lewis, acct exec (Shield, Lifebuoy).

■

Dove liquid
Lever 2000
Lux soap
Rinso detergent

Ad agency: J. Walter Thomspon Co., New York: Steve Dworin, sr vp-mgmt dir; Bill Gross, acct dir; John Mittnacht, sr acct super.

■

Promise spreads
I Can't Believe It's Not Butter

Ad agency: McCann-Erickson, New York: Nancy Kingsberg, acct super; Francesca Morselli, acct exec.

■

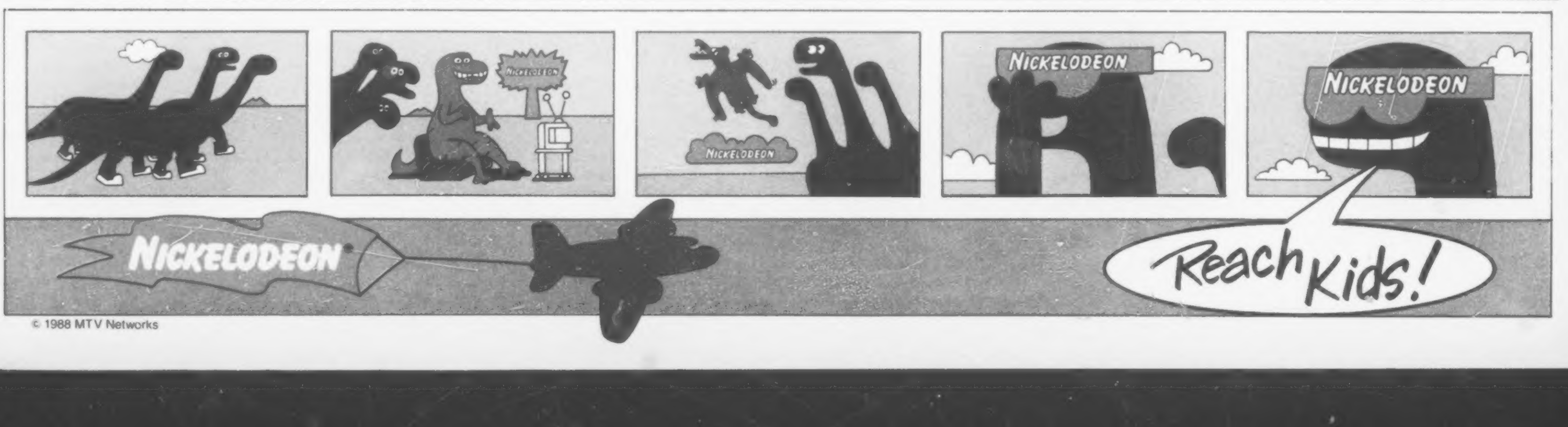
Country Crock cheese
Mrs. Filbert's margarine and salad prods
Shedd's Country Crock spreads

Ad agency: Stone & Simons, Southfield, Mich.: Howard Dembs, acct super; Doug Stone, sr acct exec; Lori Young, acct exec (Mrs. Filbert's).

■

Professional programs

Ad agency: Sudler & Hennessey, New York: Wayne Traub, sr vp-acct sup; Carolyn Saunders, acct exec.



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■

Military mkt for spec mkt div
for Hawaii, Alaska & Guam

Ad agency: Moss & Co., New York: Mark Lane, acct super.

■

Industrial & institutional prods

Ad agency: Richard Lewis Corp., Scarsdale, N.Y.: Richard Lewis, president.

Thomas J. Lipton
Englewood Cliffs, N.J.

Corporate personnel: Blaine R. Hess, president-ceo; Thomas M. Fuelling, president-ceo, Lawry's Foods.

Marketing personnel: James W. Benson, sr vp-mktg; Christopher B. Fuller, sr vp-finance & genl mgmt div; Anthony L. Franke, vp-beverage div; Arthur Gonis, vp-foods div; John M. Heil, vp-grocery mktg, Lawry's Foods; Edmund Ladendorff Jr., vp-mktg support; Angelo S. LaMantia, vp-new prod & coord div; Robert S. Livingston, vp-sales div; Max J. Ballard, genl mgr-Good Humor; Richard P. Kundrat-genl mgr-food service & bottler-dairy div; Vivian Bruno, dir-mkt rsch; Bruce Hoenig, dir-media svcs; Theodore Labiner, dir-creative svcs; Anthony G. Montuori, dir-sales promo & coord; Linda Webb, dir-nutrition and consumer svcs; David P. Bell, dir-prod mgmt, regular & specialty teas; Bruce S. Belowich, dir-prod mgmt, soup & recipe prods; Gregory G. Knoll, dir-meals and side dishes; Stewart Krentzman, dir-prod mgmt, Wyler's; Daniel Morrison, dir-prod mgmt, condiments & snacks; Russell Sherwood, dir-prod mgmt, convenience teas; Allen L. Carlsen, Robert D'Amico, Thomas R. Keen, project dirs-new prods.

Brands/services by agency of record:

Convenience teas
Specialty teas
Tea bags

Ad agency: Lintas:New York: Stephen W. Norcia, exec vp-bus devel dir; Edward Parker, sr vp-mgmt super(teas, food service); Michael Rogers, sr vp-mgmt super (Cup-A-Soup).

■

Lipton soup mixes

Ad agency: Young & Rubicam, New York: Richard Kahn, vp-mgmt super; Cathy McCarthy, vp-acct super.

■

Sunkist Fruit Snacks
Wylers Fruit Slush

Ad agency: FCB/Leber Katz Partners, New York: David M. Roethgen, sr vp-group mgmt super.

■

Lipton Cool Salads
Lipton side dishes

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Michael Peroff, sr vp-mgmt super.

■

Lawry's Foods

Ad agency: Dailey & Associates, Los Angeles: Stephen Chabre, exec vp-ceo; Brian Morris, sr vp-mgmt super.

Chesebrough-Pond's
Westport, Conn.
Ragu Foods Division

Corporate personnel: Charles B. Strauss, president.

Marketing personnel: John W. Rice, vp-mktg; David M. Cooper, group prod mgr-spaghetti sauce; Frances Bainor-Ebner, group prod mgr-all other brands; Natalie Danysh, group prod mgr-new prods; Robert Spessard, vp-sales.

Brands/services by agency of record:

Adolph's meat tenderizers and marinades
Pasta Meals
Pizza Quick
Ragu spaghetti sauces
Ragu Pasta Meals

Ad agency: Waring & LaRosa, New York: Irwin Levy, sr vp-acct svcs; Clark Olver, mgmt super; Don Amira, vp-acct super (Ragu Pasta Meals); Ellie Schwartz, acct exec.

■

New prods

Ad agency: BBDO, New York: Bill Heath, exec vp; Janet Presley, mgmt rep.

Health & Beauty Products Division

Corporate personnel: Gary Malloch, president.

Marketing personnel: Patrick Choel, vp-mktg; Robert Sheasby, mktg mgr-skin care; Linda Nash, mktg mgr-facial skin care, hair care; Laura Klauberg, mktg mgr-oral hygiene, personal care, cotton swabs, dentrifrice, deodorant; Vic Gaudet, vp-sales.

Brands/services by agency of record:

Signal mouthwash

Ad agency: BBDO, New York: Bill Heath, exec vp; Anthony Brescia, mgmt rep.

■

Ponds
Q-Tips
Rave

Ad agency: Ogilvy & Mather, New York: Cliff Angers, group dir; Kathy Foley, mgmt super; Christine Flouton, acct super (Rave and Pond's); Carolyn Brynn, acct super (Q-tips).

■

Aim and Pepsodent toothpastes & toothbrushes
Trust deodorant

Ad agency: Lintas:New York: Lisa Gingrich, acct super (Trust); Laura Devine, Kerri Chessen, acct execs (Aim and toothbrushes).

■

Close-up toothpaste

Ad agency: J. Walter Thompson, New York: Steve Dworin, sr vp-mgmt dir; Michael Dabrowski, acct dir; Ann Pague-Campbell, acct super; Eve Shostak, acct exec.

■

Baby prods
Bath prods
Vaseline Hand & Nail
Vaseline Intensive Care lotions
Vaseline Lip Therapy
Vaseline Petroleum jelly

Ad agency: McCann-Erickson, New York: Susan Lansing, acct super; Barbara Guiffre, acct exec.

■

New prods

Ad agency: Mingo & Associates, New York: Larry Glover, vp-mgmt super.

Prince Matchabelli Division

Corporate personnel: Raymond Baliatico, president.

Marketing personnel: Sherry Baker, genl mgr-Erno Laszlo; Dave Waldron, vp-mktg, cosmetics & fragrances; Gregory Van Gasse, dir-mktg, fragrance; Mike Connor, mktg mgr-Aziza; Barbara Jasinski, mktg mgr-Cutex; Kent Doss, vp-sales.

Brands/services by agency of record:

Impulse Body Spray

Ad agency: Lintas:New York: Neill Myers, mgmt super; Debra Burke, acct super.

■

Aziza
Aviance Night Musk
Cachet
Cutex
Elizabeth Taylor's Passion
Erno Laszlo
Hero's men's fragrance
Masquerade
Verve
Wind Song

Ad agency: Ogilvy & Mather, New York: Cliff Angers, group dir; Kathy Foley, mgmt super; Leslie Rich, acct super; Carolyn Brynn, acct super (Aziza and Cutex).

RANK
97

United Biscuits (Holdings) PLC

London
ADVERTISING: **$ 84.8** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,081	2,837	8.6
Earnings	231.7	183.8	26.0
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1,244	1,177	5.7
Operating income	71	65	8.7
■ *Division sales*	*1987*	*1986*	*% chg*
Keebler (U.S.)	1,072	1,000	7.1
Specialty Brands	138	142	(2.5)

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	262	4	5,849.9
Business pub	692	397	74.2
Magazine	1,266	2,925	(56.7)
Network TV	28,058	22,204	26.4
Spot TV	5,438	1,681	223.5
Network cable	44	1	3,007.1
Measured	35,758	27,213	31.4
Unmeasured	49,000	37,000	32.4
Total	84,758	64,213	32.0

Keebler Co., major U.S. operation of British cracker king United Biscuits Holdings PLC, launched a number of sweet- and salty-snack products in 1987 as the elves watched chief rival Nabisco log a total of 18 new products or line extensions of its own.

United Biscuits, the second largest cookie and cracker producer outside the U.S., operates UB Foods US division in the U.S.—comprised of Keebler & Specialty Brands—and separately, Shaffer, Clarke & Co., an importer of specialty foods. Sales at UB Foods US were up 5.9% to $1.21 billion, while sales at Shaffer, Clarke leaped 14.2% to $39.5 million.

Sales and earnings data in the accompanying box were converted at the rate of 1£ = $1.5764 for 1987 and 1£ = $1.4678 for 1986, which gave the company an 8.6% increase in worldwide dollar sales. Without the pound-to-dollar appreciation, UB growth would have been only 1.2% in pounds.

Keebler business accounts for over 85% of UB's total U.S. sales and the subsidiary's 18% increase in dollar trading profit came as Keebler gained 1 point in its share of the overall cookie/biscuit market to 17%. Over 90% of the company's total U.S. ad spending is spent on Keebler products.

Elfin Loaves single-serve snack breads, launched mid-year, was Keebler's first frozen snack introduction. Substantial marketing support accompanied this foray into the frozen baked goods business. Keebler spent over $5 million bringing out the first four flavors, and another $3 million in the first quarter of 1988 when it added another flavor.

Elf-ingenuity spurred other product launches including E L Fudge Cookies to which Keebler devoted $7.4 million in measured ad support. Another $4 million was spent on Keebler Chips Deluxe, which boast 50% more chips per cookie.

Overall ad spending in the cookie segment totaled $11.5 million, up 27.1% from 1986, according to BAR/LNA.

According to *Snack Food*, a trade magazine for the industry, Keebler's growth in the cookies and crackers segment secures its No. 2 position behind Nabisco. Keebler "is pretty much second down the line, in those product categories" said *Snack Food* editor Jerry Hess.

With the introduction of O'Boisies potato snack chips, Town House Cheddar Jrs., Whole Wheat Jrs. and Classic Jrs., Suncheros tortilla chips and Club Cracker & Cheddar, Keebler expanded and strengthened its multiple presence in the salty-snack category.

Salty-snacks account for about one-third of the Keebler ad budget, not surprising given the giant-size chore facing the elves as they challenge entrenched Frito-Lay and Borden nationally.

Specialty Brands in U.S. dollars suffered a 3% decline in sales on a 5.5% increase in trading profit. United Biscuits has reached tentative agreement to sell the spice, salad dressing and olive subsidiary. The sale, which involves a number of buyers, is awaiting final FTC approval.

Despite currency fluctuations, Shaffer, Clarke boasted a 14.2% rise in sales but only 1.8% growth in trading profit for its Carr's Crackers imports and other UB Biscuits products—Ryvita crisp bread and Rose's Marmalade from England; Bonne Maman jams and jellies from France; Finn crisp bread from Finland; Apollinaris mineral water from Germany; KA-ME (kamay) oriental foods and confections from Holland, Britain and Switzerland. In the second quarter of 1988 Shaffer, Clarke lost two products which had previously received significant ad support, Wasa crisp bread and Ideal fiber crisp.

UNITED BISCUITS (UK) LTD.
P.O. Box 40 Syon Lane
Isleworth, Middlesex TW7 5NN
London

KEEBLER CO.
Elmhurst, Ill. 60126
(312) 833-2900

Marketing personnel: William T. Hanna, sr vp-mktg, biscuits; Charles L. Shemely, sr vp-dir, food service, intl; Richard L. Marcantonio, sr vp-brokered consumer prods & new prod devel; Darrell R. Splithoff, sr vp-retail sales; Robert Dillon, vp-new prods & mkt rsch; Roger W. Kalinowski, vp-biscuit mktg; Roy E. Koeckritz, dir-merch.

Brands/services by agency of record:

Cookies
Crackers
Salty snacks
Brokered prods
Elfin loaves

Ad agency: Leo Burnett USA, Chicago: Joe McGowan, vp-acct dir; Jim McNitt, Bob Key, supers.

SHAFFER, CLARKE & CO.
Old Greenwich, Conn.

Marketing personnel: George Korper, president; Peter Martorano, natl sales mgr; Roy Peterson, mktg mgr; Lisa Perrini, mktg asst.

Brands/services by agency of record:

Adv on project basis

Ad agency: Romann & Tannenholz Advertising, New York: John Hayes, acct exec.

RANK
53

U.S. Dairy Associations

Rosemont, Ill.
ADVERTISING: **$ 161.4** MILLION

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	35	527	(93.4)
Business pub	4,573	1,997	129.0
Magazine	9,748	12,740	(23.5)
Newsp supp	313	688	(54.5)
Outdoor	1,207	1,576	(23.4)
Network TV	76,699	79,932	(4.0)
Spot TV	14,062	18,218	(22.8)
Network cable	2,080	1,238	68.0
Network radio	1	739	(99.9)
Spot radio	3,654	6,243	(41.5)
Measured	112,372	123,897	(9.3)
Unmeasured	49,000	54,000	(9.3)
Total	161,372	177,897	(9.3)

Advertising by the country's diverse dairy groups is changing as fewer dollars come through production assessment channels, as public perception of calcium, calories and cholesterol evolves and as a national power struggle between private and government dairy promotion agencies continue to alter their composition and responsibilities.

The major switch in advertising direction came in July 1987 when the National Dairy Promotion and Research Board took over all national cheese, butter and ice cream advertising from the American Dairy Association (ADA), a near half-century-old private group compared to the five-year-old, federally-mandated NDPRB.

First off the block, the NDPRB moved the big national cheese account worth nearly $22 million to DDB Needham, Chicago, from D'Arcy Masius Benton & Bowles, Chicago. Then, in January 1988, it shipped the $5 million-plus ice cream account to Grey Advertising, New York, from DMB&B.

The ADA got a further shock at the end of 1987 when the biggest of all state dairy promotion agencies, the Wisconsin State Milk Marketing Board, broke from the ADA fold to operate as an independent dairy marketing body. The breakaway pulled sizable Wisconsin funding from the ADA's budget. The Wisconsin board spends $7 million alone on its national cheese promotion program.

This apparent fracturing of dairy promotion groups and programs can be seen as the aftershocks following Congress' passage of the Dairy and Tobacco Adjustment Act of 1983. The law brought about an assessment of 15¢ per hundred weight of all fluid milk produced from dairy farmers and the creation of the National Dairy Promotion and Research Board (NDPRB), comprised of 36 members named by the U.S. Secretary of Agriculture from nominees proposed by dairy organizations across the nation.

According to the allocation, 5¢ goes to the NDPRB for national promotion, 5¢ is voted on by local dairy associations for state/regional or national promotion, and 5¢ must go to state and regional marketing promotion. These latter two nickels go to groups like the United Dairy Industry Association, Rosemont, Ill., parent of ADA.

The pot for dairy promotion funding is getting smaller, however. Total dairy promotion revenues received from U.S. dairy farmers in 1987 were $207.8 million, according to the NDPRB, down slightly from $208.3 million in 1986. The outlook for 1988 is flat to another slight decrease, partially because of the effect of the long summer drought on dairy production, say agricultural observers.

Revenue from dairy farmers for 1987 was down from 1986 for the two big dairy marketing promotion bodies—NDPRB and ADA. The National Board received $77.4 million for calendar 1987, off 3.3% from 1986. Its ad spending of $64.1 million was down 10% from a year earlier. ADA income from its members (including dairy processor manufacturers) dropped 15% in 1987, to $53.2 million. Its ad spending was about equal to NAPRB.

Specific 1987 expenditures for other dairy promotion units were: California Milk Advisory Board, $18.7 million; Oregon Dairy Products Commission, $850,000; Washington Dairy Products Commission, $3.5 million and Wisconsin Milk Marketing Board, $13.3 million. Altogether, these smaller regional units and the two big national promotion agencies totaled $161.4 million in spending, down 9.3% from 1986.

Operating on a mid-year fiscal year (May 1 to April 30), NDPRB reports its product ad backing for fluid milk at $15.8 million for 1987-88, up 17% from the prior-year period.

Backing for butter from the National Board was up 42% to $11.1 million as that body took over the national continuity program. Ice cream rose 6% in 1987-88 to $5.3 million. At the same time, NDPRB backing for dairy calcium dropped 53% in 1987-88 to $6.8 million.

The ADA's total fluid milk spending for seven measured media, as monitored by BAR/LNA, was $32.1 million, down 13.3%. Cheese advertising by ADA totaled $26.3 million, up 12%. Butter spending grew 5% to $15.5 million. Ice cream jumped sharply to $5.54 million from just $272,300 in 1986.

Television continues to be the top media choice for dairy advertising. Network, spot and cable TV accounted for $94.9 million, or about 75.5% of the 11-media total. Network alone claimed $76.7 million of the TV total.

While it has lost continuity advertising for cheese, butter and ice cream, the ADA still is a major factor in these areas because it continues ad campaigns that include local store tie-ins with point-of-purchase content and other promotional elements.

For ice cream, its June Dairy Month promotion included some continuity for that product. And it is responsible nationally for young adult—18 to 34 years—fluid milk continuity advertising.

Working with the Beef Industry Council and Beef Board, the ADA in February 1988 launched a program to prime sales of cheese and ground beef. In this $7 million campaign, NBC "Today Show" weatherman Willard Scott "forecast Gourmet Cheeseburgers" for the nation's backyard grills.

In other tie-ins, the ADA this summer ran its June Dairy Month "Get MOOOvin' with Milk" promotion via TV, radio, pop and consumer mail-in incentives. Related to this were other tie-ins urging "Have Your Veggies Willard's Way" showing Willard Scott enjoying buttered vegetables.

In another program, consumers received a coupon for a free half gallon of milk in return for three UPC codes from Sara Lee pastries.

Despite fractionalization, the industry has sought better promotional coordination, at least on paper. The United Dairy Industry Association in its "1987 Report to Investors," reported it had written to the Secretary of Agriculture stating its support of a single national dairy promotion organization. It also said it would pursue discussions with the NDPRB to achieve that goal, and at the same time coordinate grass-roots promotions with NDPRB activities in order to maximize UDIA program effectiveness.

Still, despite any differences, the goal of the 1983 Act was bigger ad dollars to boost dairy sales, and that clearly has happened. And those ad dollars have helped stimulate sales of dairy products. The ADA reports that dairy products sales since the passage of the Act in 1983 are up 10%; that total per capita U.S. milk product consumption had risen by 32 pounds in the first three years after passage.

U.S. DAIRY ASSOCIATION
American Dairy Association
6300 N. River Rd.
Rosemont, Ill. 60018
(312) 696-1880

Marketing personnel: Joseph B. Kelsch, president, ADA-sr vp-adv & mktg svcs, United Dairy Ind. Assn.; Stephen Dohmann, vp-mktg planning; Grover Simpson, vp-mktg svcs; donna Arcus, dir-adv svcs.

MARKETING—EXECUTIVES

Packaged Goods and Financial Services

MARTHA WARD ASSOCIATES
EXECUTIVE SEARCH SPECIALISTS
71 Park Ave., N.Y., N.Y. 10016-(212) 689-6227

Brands/services by agency of record:

Butter
Cheese
Fluid milk
Other dairy food
REAL Seal

Ad agency: D'Arcy Masius Benton & Bowles, Chicago: Ben Bishop, sr vp-group acct dir; Bob Meuser, sr vp-mgmt super; Andrea Dichter, acct super.

■

Food service

Ad agency: Noble-Tennant, Chicago: Gary Waldron, coo; Tim Dorgan, exec vp-dir-acct svcs, Susan Saltwell, acct super.

National Dairy Promotion
and Research Board
2111 Wilson Blvd., Suite 600
Arlington, Va. 22201
(703) 528-4000

Marketing personnel: George De Jager, sr vp-adv; Kathryn M. McHugh, mgr-adv programs; Bill Diggins, vp-mktg & econ rsch; Charles M. Timpko, mgr-mktg & econ rsch; Edith H. Hogan, sr vp-nutrition education & rsch.

Brands/services by agency of record:

Adv to med profession

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt Medical Advertising, New York: Anne Petz, acct exec.

■

Cheese

Ad agency: DDB Needham Worldwide, Chicago: Tom Hanft, sr vp-group acct dir.

■

Nonfat dry milk
Trade adv

Ad agency: Gorman Publications, Chicago: Harry Stagnito, vp.

■

Butter
Ice cream

Ad agency: Grey Advertising, New York: Jordan Rosuck, exec vp.

■

Calcium
Youth milk

Ad agency: McCann-Erickson, San Francisco: Tom Drese, sr vp.

California Milk
Advisory Board
1213 13th St.
Modesto, Calif. 95354
(209) 521-1060

Marketing personnel: Ralph Watts, ceo.

Brands/services by agency of record:

Manufactured dairy prods

Ad agency: Foote, Cone & Belding, Los Angeles: Harry Lamdseidel, acct super; Rob Hudnut, acct exec.

■

Fluid milk

Ad agency: McCann-Erickson, San Francisco: Barbara McCann, acct super; Tracy Rice, acct exec.

Oregon Dairy Products
Commission
10505 S.W. Barbur Blvd.
Portland, Ore. 97219
(503) 229-5033

Marketing personnel: Sheldon Pratt, ceo; Peggy Kern, mktg dir.

Brands/services by agency of record:

Dairy prods

Ad agency: (In house) Peggy Kern, mktg dir.

Washington Dairy
Products Commission
1107 N.E. 45th St.
Seattle, Wash. 98105
(206) 545-6763

Marketing personnel: Doug Simpson, mgr.

Brands/services by agency of record:

Dairy prods

Ad agency: Ehrig & Associates, Seattle: Steve Matzen, acct exec.

Wisconsin Milk
Marketing Board
4337 W. Beltway Hwy.
Madison, Wisc. 53711
(608) 271-1021

Marketing personnel: Ric Johnson, dir-mktg; Pete DeMars, mgr-consumer mktg; Patricia Hevenor, mgr-food svc mktg.

Corporate media buying: D'Arcy Masius Benton & Bowles, Chicago: Wisconsin cheese: Mike Leonhart, mgmt super.

Brands/services by agency of record:

Food processing

Ad agency: Koss Wessen, Milwaukee: Warren Eulgin, mgmt super.

Fluid milk

Ad agency: McCann-Erickson, San Francisco: Barbara McCann, mgmt super.

■

Food service

Ad agency; Stephan & Brady, Madison: George Whitley, mgmt super; Katherine Johnson Becklind, mgmt super-cultured milk.

RANK
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U.S. Government

Washington
ADVERTISING **$311.3** MILLION

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	3.996	7.798	(48.8)
Magazine	44.164	48.179	(8.3)
Outdoor	1.000	338	195.9
Network TV	55.659	78.631	(29.2)
Spot TV	35.342	34.095	3.7
Network cable	2.714	965	181.2
Network radio	10.124	8.196	23.5
Spot radio	8.844	9.725	(9.1)
Measured	161.843	187.927	(13.9)
Unmeasured	149.456	119.132	25.5
Total	311.299	307.059	1.4

Despite new paid and public service advertising campaigns, U.S. Government ad spending rose only 1.4% in fiscal 1987, to $311.3 million. Government spending is likely to dip this year, because of cutbacks in military ad spending and the fact that no new special ad programs have been launched this year.

Military recruitment advertising continues to account for two-thirds of federal ad dollars. In 1987, military recruiters spent $191.5 million, down 7% from 1986. The 1988 spending level is expected to be down another 1%, to $188.9 million. The cuts come as the Defense Department has been forced to slice spending in all areas.

Other major government advertisers saw their budgets stay stable or increase in 1987. The U.S. Postal Service hiked its spending in 1987 by 21% to $40 million. It hopes to stem its eroding share of the overnight delivery market; its Express Mail service had been the No. 2 player in the category but has slipped to fourth place, with a 10% share, down from 15% in 1986.

Young & Rubicam, New York, retained its grip on the USPS account, which will bill about $41 million next year. Y&R, which first won the account in 1974, competed against BBDO, DDB Needham Worldwide, Grey Advertising and Ogilvy & Mather.

Amtrak saw no change in its spending, remaining constant at $29 million. It is sticking with its three-year-old ''All Aboard Amtrak'' campaign via DDB Needham Worldwide. Ridership on Amtrak is up 16% and income is up 18% for 1988.

The U.S. Mint continues to be a major advertiser; it spent $22 million last year advertising a commemorative coin for the U.S. Constitution Bicentennial. That campaign, however, was 31% smaller than the ad budget for the Statue of Liberty commemorative.

The Constitution coin, using the theme ''Hold onto the Promise,'' raised $50 million. Backer Spielvogel Bates, New York handled. This year, the Mint hopes to raise another $50 million from sales of an Olympic commemorative. It is spending less, however, on advertising, with a $16 million campaign using the theme, ''Help America Shine,'' via Grey Advertising, New York.

For 1989, the Mint has no new commemorative but several coin proposals are currently under debate in Congress.

A new program in 1987, by the Immigration and Naturalization Service, was only a lukewarm success, but it served to teach government advertisers lessons they are now using in other advertising programs.

The INS $11 million service campaign sought to inform illegal aliens of changes in immigration laws and encouraged eligible aliens to apply for amnesty. However, the INS discovered its initial advertising by the Justice Group, Los Angeles, failed to reach many aliens, who were distrustful of government messages delivered via traditional and even ethnic broadcast and print media. The campaign became more promotional, using techniques such as fliers stuffed in tortilla packages and posters tacked up at local community centers.

The U.S. Bureau of the Census will copy some of the INS tactics in its advertising for the 1990 census. It found in 1980 that it missed at least 5% of the black and ethnic U.S. population. For the first time, it has hired black and Hispanic agencies to create advertising aimed at those groups. The Advertising Council continues to handle its public service campaign. This summer, the Census Bureau tested new advertising in St. Louis. The black campaign, with creative supplied by the Mingo Group, New York, uses the theme, ''Stand right up for who you are,'' while the regular advertising, by Ogilvy & Mather, New York, will use the theme, ''Put yourself in the picture.'' Hispanic advertising from Castor International, New York, is under development, and the Census Bureau also is looking for an Asian ad agency to reach Orientals.

AIDS awareness advertising in 1987 also was a sizable addition to the government spending total. The Centers for Disease Control awarded a $7.8 million assignment to Ogilvy & Mather, Atlanta and Washington, to handle public service advertising, as well as a major mailing to every household about the deadly disease.

''America Responds to AIDS'' is the theme of the ad campaign which broke in November 1987. New spots to be distributed to TV stations this fall will focus on women at risk and young adults. The campaign also will advocate use of condoms as the best method to prevent spread of the deadly disease.

Congress is considering legislation for AIDS education and research which may include a significant paid advertising component. The bill has passed the Senate, but a similar version introduced in the House would not authorize paid advertising.

Congress will be more powerful in deciding future federal ad programs than a new President, say government marketers who have been through many administration changes. The Army, for example, planned its ''Be all you can be'' campaign during the last year (1980) of the Carter Administration, and broke the advertising during the first year of the Reagan Administration.

New political appointees in the Department of Defense could alter slightly the distribution of advertising funds to the various services. The Defense Department has decided putting more media dollars behind an umbrella campaign for all the services will be more cost-effective than individual service advertising.

The philosophy sparked much controversy, particularly among Army recruiters, who have the largest quotas and the most difficulty attracting high quality candidates.

Joint advertising's budget increased by 25% to $21.5 million in 1987 and is slated to rise another 25% to $27 million in 1988. For 1989, the joint ad program has requested $35 million. In January, it intends to break its first new TV advertising in several years. Grey Advertising, New York, handles.

The Army's budget is dropping slightly. It spent $101.6 million in 1987, down 3%, and expects advertising to drop another 9% in 1988, to $93.4 million. For 1989, it has requested $98.9 million.

New this year was an Army ROTC test of its first paid TV advertising, which uses the theme, ''Army ROTC. The smartest college course you can take.'' ROTC recruiters haven't decided whether to expand the test. Other Army advertising increasingly will emphasize ways in which Army experience can be used when soldiers return to civilian life. Y&R, New York, handles both Army and Army ROTC.

The Navy, whose ad budget plummeted 56% in 1987 to $14.9 million, switched agencies to BBDO Worldwide, New York, and in 1988 is spending $17.7 million, up 18%, with a new campaign theme, ''You are tomorrow. You are the Navy.'' The TV and print campaign replaced its 12-year-old ''Live the adventure'' campaign by Backer Spielvogel Bates. The Navy seeks a $15.5 million budget for 1989.

The Marines' ad budget rose 29% to $20 million in 1987. It will spend only $17.7 million this year and has requested the same level for 1989. New creative, via J. Walter Thompson USA, Atlanta, will likely break later this year.

The Air Force continues to ''Aim High,'' but with budget cuts. Air Force in 1987 spent $16.8 million, up 3%, but its budget fell 11% to $14.8 million in 1988. Next year it requests a $14.3 million budget.

The Army National Guard spent $13.4 million in 1987, up 22%; the Air National Guard, $2.8 million, no change. For 1988, both Air and Army Guards expect to increase spending, with the Army Guard receiving a 7% increase to $14.4 million, and the Air Guard rising 18% to $3.3 million. They have requested slightly more for 1989.

The Coast Guard, which will for the first time become part of the joint advertising campaign, spent about $500,000 in 1987, and anticipates spending slightly more this year, about $600,000.

Military recruiters met their goals in 1987, with 93% of the new recruits high school graduates, up 1% from 1986. For the first half of fiscal 1988, the military has met its mission, with 92% high school graduates, but its goals were much lower than in previous years. Military recruiters worry they may not be able to continue signing up high quality recruits as the potential pool of eligible 18 year olds will shrink to a low in the next four years.

Public service advertising by government agencies more than doubled to $15.3 million, a 128% increase from 1986. Half of the total, however, went to the AIDS campaign. The Advertising Council also saw its billings rise 12% to $3 million. It expects its 1988 total to be even greater, about $5.5 million.

U.S. GOVERNMENT
Washington, D.C.

Department of Defense

Staff personnel: Dr. David Armor, principal deputy asst sec-force mgmt & personnel; Grant S. Green Jr., asst sec-force mgmt & personnel.

Marketing personnel: Lynn Lucchetti, dir; Lt. Col. Darrell Supak, USA, asst dir-adv, contracting officer's rep; Maj. Martha Cavaiani, USA, deputy dir; Lt. Porsche Gaston, USN, program adv mgr; Capt. Michael Hull, USMC, program adv mgr; Capt. Donna Edwards, USAF, program adv mgr; Lt. Peter Ganser, USCG, program adv mgr.

Brands/services by agency of record:

Joint recruiting

Ad agency: Grey Advertising, New York: Robert Ravitz, sr vp-mgmt rep; Ed Murphy, vp-group mgmt super; Gary Niebauer, Bill Sandberg, vps-mgmt supers; Jim Battin, vp-mgmt rep, direct response; David Stanley, acct super; Sherman Landwehr, business mgr.

U.S. Army/Army Reserves

Staff personnel: Delbert R. Spurlock, asst sec-manpower & reserve affairs; Lt. Gen. Allen K. Ono, deputy chief of staff-personnel; Maj. Gen. Thomas P. Carney, commanding general, U.S. Army Recruiting Command; Maj. Gen. William F. Ward, chief, Army reserve; Gen. Maxwell R. Thurman, commanding general, U.S. Army training & doctrine command.

Marketing personnel: Lt. Col. Edward A.M. Sullivan, chief-mktg & adv office; Col. David R. Fabian, dir-adv & sales promo.

Brands/services by agency of record:

Army
Army Reserve

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp-group dir; Bill Green, sr vp-mgmt super; Vic Capellupo, vp-rsch dir; Bruce Wager,sr vp-media dir.

U.S. Army ROTC

Staff personnel: Maj. Gen. Robert E. Wagner, commanding general, ROTC.

Marketing personnel: Col. Alexander Woods, chief-mktg div, ROTC.

Brands/services by agency of record:

Army ROTC

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp-group dir; Clark Brooks, vp-mgmt super; Vic Capellupo, vp-rsch dir; Bruce Wagner, sr vp-media dir.

U.S. Navy

Marketing personnel: Capt. R.F. Kelly, dir-recruiting adv; Steve Abbott, dir-adv operations div.

Brands/services by agency of record:

U.S. Navy

Ad agency: BBDO Worldwide, New York: Frank Perkins, exec vp-mng dir; Janet Presley, vp-mgmt rep; Lenny Sussman, vp-acct super.

U.S. Marine Corp.

Marketing personnel: Maj. Gen. G. Cooper, dir-personnel procurement div; Lt. Col. D. Caudill, head-mktg branch.

Brands/services by agency of record:

U.S. Marine Corp

Ad agency: J. Walter Thompson USA, Atlanta: Chris Hall, vp-group acct dir; Brent Katzmann, acct super.

U.S. Air Force

Marketing personnel: Brig. Gen. E. Daniel Cherry, commander, recruitng svc; Col. Melvyn Cummings, dir-Air Force recruiting adv & promo.

Brands/services by agency of record:

U.S. Air Force

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Gerret Schwieger, vp-acct group dir; Doug Laughlin, vp-mgmt rep, Robert Verdugo, acct super; Lucy Aguinaldo, business mgr.

National Guard

Marketing personnel: Maj. John Runner, chief, Army National Guard recruiting & retention mgmt center; Lt. Col. Carol Boone, Air National Guard recruiting & retention branch.

Brands/services by agency of record:

National Guard

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Gerret Schwieger, vp-acct group dir; Doug Laughlin, vp-mgmt rep, Ron Owners, acct super; Tom Previ, acct exec (Army National Guard); Bill Russell, acct exec (Air National Guard).

Transportation Department
Coast Guard

Marketing personnel: Commander Peter Poerschke, chief, recruiting & job entry div; Lt. Commander Philip Matyas, dir-natl adv.

Brands/services by agency of record:

Coast Guard

Ad Agency: CSI Productions, Hyattsville, Md.: Noel Izon, president-acct super.

U.S. Postal Service

Marketing personnel: Gordon Morrison, accounting sr asst postmaster-mktg & comm; John Wargo, asst postmaster-mktg; Rod DeVar, mgr-creative svcs branch.

Brands/services by agency of record:

U.S. Postal Service

Ad agency: Young & Rubicam, New York: Richard Kahn, sr vp-mgmt super; Richard Kebbon, Bill McGorry, vps-acct supers.

Amtrak

Marketing personnel: William S. Norman, exec vp-mktg & business devel; Timothy P.

ARF!
NICKELODEON
ARF!
NICKELODEON
NICKELODEON
Reach Kids!

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Leading advertisers ranked 101 to 200

Profiles of the following leading national advertisers will be published on Nov. 21, 1988

Advertiser, headquarters

Alberto-Culver Co., Melrose Park, Ill.
Allied-Lyons PLC, Windsor, Ontario
American Stores Co., Salt Lake City
Apple Computer, Cupertino, Calif.
Avis Inc., Garden City, N.Y.
BellSouth Corp., Atlanta
Bertelsmann AG, Guertersloh, W. Germany
Black & Decker Manufacturing Co., Towson, Md.
Block Drug Co., Jersey City, N.J.
Blue Cross & Blue Shield Association, Chicago
Bond Corp. Holdings, ZPerth, Australia
Brown-Forman Corp., Louisville, Ky.
Cadbury Schweppes PLC, London
Campeau Corp., Toronto
Canandaigua Wine Co., Canandaigua, N.Y.
Canon Inc., Tokyo
Capital Cities/ABC, New York
Carter-Wallace, New York
CBS Inc., New York
Chevron Corp., San Francisco
Ciba-Geigy, Ardsley, N.Y.
Circuit City Stores, Richmond, Va.
Citicorp, New York
Collins Foods International, Los Angeles
Cotter & Co., Chicago
Helene Curtis Industries, Chicago
Dayton Hudson Corp., Minneapolis
De Beers Consolidated Mines Ltd., London
Domino's Pizza, Ann Arbor, Mich.
Dow Jones & Co., New York
Exxon Corp., New York
First Brands Corp., Danbury, Conn.
Florists Transworld Delivery Assn., Southfield, Mich.

Advertiser, headquarters

Foodmaker Inc., San Diego
Greyhound Corp., Phoenix
GTE Corp., Stamford, Conn.
Guinness PLC, London
Gulf & Western, New York
Hanson PLC, London
Hattori Corp., New York
Hearst Corp., New York
Hewlett-Packard Co., Palo Alto, Calif.
Holiday Corp., Memphis, Tenn.
Geo. A. Hormel & Co., Austin, Minn.
Imasco Ltd., Montreal
Imperial Chemical Industries PLC, London
Isuzu Ltd., Tokyo
Jaguar Cars Ltd., Leonia, N.J.
Jerrico Inc., Lexington, Ky.
Kimberly-Clark Corp., Irving, Texas
Estee Lauder Inc., New York
MasterCard International, New York
Mattel Inc., Hawthorne, Calif.
May Department Stores Co., St. Louis
MCI Communications Corp., Washington
Melville Corp., Harrison, N.Y.
Mennen Co., Morristown, N.J.
Merrill Lynch & Co., New York
Metropolitan Life Insurance Co., New York
Mitsubishi Motors Corp., Tokyo
National Live Stock & Meat Board, Chicago
NEC Corp., Tokyo
News Corp. Ltd., Sydney
NWA Inc., St. Paul, Minn.
Orion Pictures Corp., New York
Pacific Telesis Group, San Francisco

Advertiser, headquarters

Pan American World Airways, New York
Park Ridge Corp., New York
Playtex Inc., Stamford, Conn.
Polaroid Corp., Cambridge, Mass.
Primerica Corp., Greenwich, Conn.
Reckitt & Colman PLC, London
A.H. Robins Co., Richmond, Va.
Sandoz Ltd., Basel, Switzerland
SmithKline/Beckman Corp., Philadelphia
Sony Corp., Tokyo
State Farm Mutual Auto. Ins. Co., Bloomington, Ill.
Levi Strauss Associates, San Francisco
Suzuki Motor Co. Ltd., Hamamatsu, Japan
Tambrands Inc., Lake Success, N.Y.
Thompson Medical Co., New York
3M, St. Paul, Minn.
Tonka Corp., Minnetonka, Minn.
Trans World Airlines, New York
Turner Broadcasting System, Atlanta
United Parcel Service of America, Greenwich, Conn.
USAir Group, Arlington, Va.
U.S. Shoe Corp., Cincinnati
U.S. Sprint Communications Co., Kansas City
U.S. West, Englewood, Colo.
VF Corp., Wyomissing, Pa.
Visa International, San Francisco
Volvo AB, Goteborg, Sweden
Wal-Mart Stores, Bentonville, Ark.
Wellcome Foundation PLC, London
Whirlpool Corp., Benton Harbor, Mich.
Wickes Cos., Santa Monica, Calif.
F.W. Woolworth Co., New York
Xerox Corp., Stamford, Conn.
Zayre Corp., Framingham, Mass.

Gardner, vp-mkt planning & devel; William Castleberry, dir-adv & sales promo

Brands/services by agency of record:

Amtrak

Ad agency: DDB Needham Worldwide, New York: Roy Lancaster, group sr vp-business unit dir; Richard Murray, sr vp-mgmt rep; Lauren Berger, vp-mgmt rep

U.S. Mint

Marketing personnel: Dan Cahill, assoc dir-mktg; Brian O'Donnell, dir-adv; Michael Brown, dir-pr

Brands/services by agency of record:

U.S. Mint

Ad agency: Grey Advertising, New York: Robert Ravitz, sr vp-mgmt rep

RANK
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Volkswagen AG

Troy, Mich
ADVERTISING: **$ 167.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	23,867	22,726	5.0
Earnings	273	268	1.9
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	3,213	4,943	(35.0)
Operating income	(316)	91	(447.3)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	25,141	15,914	58.0
Business pub	234	208	12.9
Magazine	23,270	35,844	(35.1)
Newsp supp	106	255	(58.4)
Outdoor	1	67	(98.7)
Network TV	49,628	49,418	0.4
Spot TV	13,073	19,238	(32.0)
Network cable	1,332	833	59.9
Spot radio	4,472	1,576	183.8
Measured	117,257	123,353	(4.9)
Unmeasured	50,000	53,000	(5.7)
Total	167,257	176,353	(5.2)

Volkswagen of America is hoping its new advertising strategy that emphasizes brand character will rebuild sales and set it apart from major competitors as it prepares to launch two new models in 1989.

A subsidiary of Germany's Volkswagen AG, the Troy, Mich.-based company reported a 35% drop in sales and an operating loss of $316 million. Volkswagen AG, whose results are reported in the accompanying box, saw sales and net income rise 5% and 2%, respectively. (Figures for both fiscal years were converted at the rate of DM1.81 = U.S.$1.)

VW sold 191,705 vehicles in 1987, well below its projected sales of between 225,000 and 230,000 units. The company's share of the U.S. import market dropped from 6.7% to 6.1%. Its share of the total U.S. market remained at just under 2%.

VW attributes these declines both to a drop in demand and higher prices due to the weak dollar. Some of the shortfall also can be traced to a poorer-than-expected performance by the Fox, VW's answer to the Hyundai Excel from South Korea, as well as low-end entries from both Japanese and Detroit automakers.

The company was hoping that sales of the $6,000 subcompact would total between 50,000 and 60,000 units in 1987, Fox's first year on the market. Actual vehicle sales, however, totaled 40,176 units. VW said this was due not to a lack of demand, but to delivery problems from Brazil, where the car is manufactured. Although the company is projecting sales again of about 40,000 units for calendar year 1988, it expects a stronger showing in 1989.

Both the broadcast and print ad campaigns for the 1988 model year centered around the "German Engineering. The Volkswagen Way" theme. "We believe our cars have a distinctive driving experience and we wanted to focus on that," said William A. Gelgota Jr., mgr-Volkswagen advertising.

Hoping to create enough of a performance image to differentiate itself from other low-to-mid-priced importers, namely Toyota, Honda and Mazda, the ads stressed German engineering as one factor in producing performance-oriented cars. Network spots included test-track shots of VWs speeding, swerving, spinning and breaking just in time before wiping out a group of stoically-standing, white-jacketed engineer-types.

National print ads also included the campaign's theme line, but were more model-oriented, featuring uncluttered shots of the cars with a catchy headline and copy underneath. An ad for the $9,000-and-up Jetta, for example, had a headline that read "Roads Scholar" and asked, "Who after all, but Volkswagen could build such a meticulously crafted German-engineered sedan for a price that's so refreshingly reasonable?"

Mr. Gelgota said VW is proceeding in the same direction for the 1989 model year, as it sets the stage for two new models: the Corrado, a supercharged performance car which will debut in the spring of 1989, and the mid-sized Passat, the Quantum replacement that will be launched the following fall.

VW also continued what Mr. Gelgota described as the company's "event strategy" during the 1988 model year, staking out auto exclusivity on the pregame and postgame 1988 Super Bowl shows. Mr. Gelgota said VW ads also will be seen during the 1988 World Series and that the company already has secured auto exclusivity for the first-quarter of the 1989 Super Bowl.

VW's line-up of cars was altered only slightly for the 1988 model year. A luxury Jetta and base Golf model were introduced; Golfs and Jettas featured increased horsepower; the Cabriolet convertible received its first facelift since its introduction in 1980 and the Quantum models now come fully equipped.

In July, VW closed its sole U.S. plant in Westmoreland, Pa. Production at Westmoreland began in 1978 against a background for growing demand for compact cars. Less than two years ago, the Jetta joined the Golf and derivative GTI as the only cars assembled there. Increased competition and slumping sales were behind the company's decision to cease production.

Audi of America, a division of Volkswagen of America, continued to be haunted by the controversy surrounding the Audi 5000 in 1987 as media attention and lawsuits over alleged incidents of unintended acceleration kept the company's problems in the spotlight.

Despite a massive marketing program designed to rebuild Audi's image and restore the public's faith in its cars, sales continued to spiral downward and the slide appears to be carrying over into 1988.

Unit sales for 1987 totaled 41,322 vehicles, a drop of roughly 30% from the previous year. Meanwhile, the introduction of the new $18,000-and-up 80/90 sports sedan series in November and an ad campaign designed to evoke buyers' nostalgia failed to stop the slide. Vehicle sales for the first half of 1988 totaled 11,733 units, down more than 50% compared to the same period in 1987.

Audi is pinning its hopes for a slight rebound during the remainder of 1988 on its new $24,000-and-up 100/200 series

Where do the top 1000 companies spend their money?

Turn to LNA for answers
See page 151

which debuted August 1. Buoyed by the launch of the new cars, facelifted versions of the 5000, Audi is projecting a stronger second-half and total 1988 sales of about 27,000 vehicles.

The ad campaign that broke in conjunction with the 100/200 launch, but also touts the 80/90 series, focuses on "The Audi Advantage," a new ownership program that features no-charge maintenance for the first three years or 50,000 miles and a Guaranteed Resale Index that certifies trade-in value.

The print campaign included four-page spreads in *The Wall Street Journal* and *USA Today*, while a national radio campaign broke in 34 major markets. George Pizzo, Audi creative advertising manager, said no national TV campaign is planned at this time.

Audi also saw a shakeup at the corporate level. This past January, Richard L. Mugg, formerly VP-corporate marketing, Volkswagen of America, took over as VP of Audi of America. Mr. Mugg is the fourth person to hold that title in less than eighteen months.

VOLKSWAGEN AG
Postfach
D-3180 Wolfsburg 1
West Germany

Volkswagen of America
888 W. Big Beaver
P.O. Box 3951
Troy, Mich. 48007-3951
(313) 362-6000

Corporate personnel: James R. Fuller, vp-Volkswagen U.S.; Richard L. Muggs, vp-Audi of America.

Marketing personnel: Lou Marengo, dir-Volkswagen mktg; Anthony Kirton, dir-Audi mktg; William A. Gelgota Jr., mgr-Volkswagen adv; Bruce Butzier, mgr-Audi adv; Ron Dusenberry, Volkswagen natl adv mgr; Gary Grabowski, Volkswagen dealer adv mgr; George Pizzo, Audi creative adv mgr.

Brands/services by agency of record:

Volkswagens
Audis

Ad Agency: DDB Needham Worldwide, Troy, Mich.: Brian Bowler, president; Christian Von Glasow, sr vp-mgmt super, Audi; Bonnie Folster, sr vp-creative dir; Ken Campbell, vp-planning mgr, VW; Don Ward, vp-mgmt super, VW; Charlie Zollo, vp-acct super, VW (NY); Steve Swanson, Frank Couzens III, vps-acct supers, VW; Cathy Lynch, acct super, VW (NY); David Hudson, acct super, Audi; John Callahan, sr acct exec, VW; Scott Schofding, sr acct exec, Audi; Robert Finch, sr acct exec, Audi (Chicago); Robin Reihm, Russell Chick, Kevin Givens, Ron Silagy, acct execs, VW.

RANK
79

Warner Communications

New York
ADVERTISING **$ 110.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,404	2,848	19.5
Earnings	328	186	76.6
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	2,696	2,353	14.6
Operating income	370	312	18.5
■ ***Division sales***	***1987***	***1986***	***% chg***
Filmed entertainment	1,356	1,251	8.3
Recorded music	1,531	1,139	34.4
Cable, broadcast	387	326	18.8
Publishing	130	133	(1.7)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	3,932	3,150	24.8
Business pub	26	NA	NA
Magazine	1,295	973	33.1
Newsp supp	66	7	797.3
Outdoor	155	454	(65.8)
Network TV	13,287	11,599	14.6
Spot TV	23,488	12,319	90.7
Network cable	3,002	2,896	3.6
Network radio	195	368	(47.1)
Spot radio	982	1,812	(45.8)
Measured	46,428	33,579	38.3
Unmeasured	64,000	46,000	39.1
Total	110,428	79,579	38.8

Warner Communications firmed up its marketing power in the entertainment industry through its acquisition of a half interest in Gulf & Western's theater interests and the buyout of Lorimar Telepictures, the latter of which should add about $13 million in measured spending to Warner totals in the coming year.

Warner's total U.S. advertising grew 38% overall in 1987, largely the result of boosting advertising for 18 films to $35 million in measured spending, up 40% from the prior year when it promoted 15 films. Total advertising returned to 1985 levels when Warner still owned and heavily advertised MTV Networks.

Warner Bros., which took 13% of the U.S. gross box-office receipts in 1987 that ranked it No. 3 behind Paramount with 20% and Disney with 14%, strengthened the television side of its business with the buyout of Lorimar for $1.2 billion.

Overnight it became the largest producer of television programs. Lorimar, producer of "Dallas" and "Falcon Crest," and Universal Television (MCA) at midyear led all producers with eight hours each of programming on the air. Warner Bros. Television had six and a half hours on the networks.

In first-run syndication, Lorimar Telepictures is clearly the biggest producer, with nine programs on the air—an enticement for Warner because it is an area of the business it has been slow to develop. Warner's syndication business is largely off-network with such current offerings as "Night Court," "Growing Pains" and "Head of the Class." Lorimar is just bringing into first-run "ALF" and "Valerie's People."

On the distribution side, where each company has separate units for theatrical film domestic and international sales, those units will be folded together. Lorimar's strong TV production arm should enhance Warner presence in the foreign markets which are becoming more lucrative as privatization of government-owned TV operations continues.

Under a May 1987 agreement with Walt Disney, Warner has been the overseas distributor for all Disney films, including those under its Touchstone banner. Warner previously had a distribution partnership overseas with Columbia Pictures, which it ended at the time of the agreement with Disney—a far more successful film studio than Columbia.

Domestically, it shored up its theater presence with the acquisition of 50% interest in Gulf & Western's domestic motion picture theater operation which controls more than 472 screens across the country. Early in 1987, Warner rescued from bankruptcy the Cannon Group, which operates the 425-screen Commonwealth Theaters. Part of the deal included North American distribution rights to 21 films.

During 1987, Warner's filmed entertainment division's revenues grew by 8% as operating income increased only 2% to $176 million, although the division is performing better in 1988 thanks in part to the highly-successful movie, "Beetlejuice," which through August had grossed $72.9 million in box office receipts. In the second quarter, for example, the division's earnings grew to $51.5 million, a 17.8% increase over second quarter 1987. The division accounted for 57% of Warner total earnings of $127.6 million for the quarter.

Spot and network TV drew most of the $35 million Warner Bros. spent in measured media on its films. Its biggest hit during 1987 was "Lethal Weapon" with domestic box office receipts of $65 million in 1987, according to *Variety*. Warner's "The Witches of Eastwick," was right behind at $63 million gross. "Lethal Weapon" drew $3 million in measured spending and "Witches" pulled $3.6 million, according to BAR/LNA.

Warner spent $3.7 million advertising its home video cassettes, up from only $656,000 in 1986. Entry into the Japanese market greatly contributed to revenue growth, said the company. Lorimar's troubled home video unit is being folded into Warner's much larger operation.

Warner's recorded music group, whose revenues advanced 35% for the year, did even better on a percentage basis in operating income, which climbed 42% to $214 million. While Madonna's "Who's That Girl?" movie did poorly at the box office, the singer's two album releases for Warner Bros. Records sold eight million units worldwide. Other million-selling titles included the soundtrack from "La Bamba" and George Harrison's "Cloud Nine."

Warner's cable and broadcasting division had operating income of $46.1 million, a 185% over 1986. Revenues grew 19%. Growth came from BQ Cable, a system under construction in Brooklyn and Queens, N.Y. That system's subscriber base increased when Warner Cable and Inner Unity Cable agreed to a 50/50 venture to own and operate a cable franchise in southern Queens.

It was a flat year at Warner's publishing division, consisting of Warner Books, DC Comics, "Mad" magazine and Warner Publishing Services. Revenues grew 2.3% as operating income increased 2.7%. The company spent $604,000 promoting Warner Books, up from only $84,000 in 1986. The big hit was author Sidney Sheldon's "Windmills of the Gods," which had more than four million copies in print.

During 1987, Lorimar Telepictures increased its total measured media by 14.5% to $12.6 million, largely backing movies from Lorimar Productions. None of its movies grossed enough during 1987 to rank among the top 50 in box office receipts. The company also spent $4.6 million on home video, up from $2.6 million in 1986.

WARNER COMMUNICATIONS
75 Rockefeller Plaza
New York, N.Y. 10010
(212) 484-8000

Warner Bros.
Burbank, Calif.

Marketing personnel: Sandy Reisenbach, president-worldwide adv, publicity & promo; Rob Freidman, sr vp-worldwide adv & publicity; Joel Wayne, sr vp-worldwide creative adv; Joe Hyams, sr vp-adv & special projects; John Jacobs, vp-media; Richard Kallet, vp-co op adv.

Brands/services by agency of record:

Warner Bros. films

Ad agency: Grey Advertising, New York: Alec Gerster, exec vp-media & programming svcs; James Bell, sr vp-group media dir; Joanne Wayne, vp-assoc media dir; Alfa Tate, assoc media dir, L.A.

■

Lorimar films

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles: James Spero, sr vp-media dir; Sam Randazzo, assoc media dir.

Warner Bros. Domestic
Pay-TV & Network
Feature Film Sales
Burbank, Calif.

Marketing Personnel: Eric Frankel, vp-mktg.

Brands/services by agency of record:

Print trade adv

Ad agency: Katherine Landman Inc., New York: Katherine Landman, president; Marsha Greenberg, acct exec.

Warner Bros. Television Distribution
Burbank, Calif.

Marketing personnel: Ken Fournier, vp-adv, publicity & promo.

Brands/services by agency of record:

Television distribution

(In-house): Burbank Advertising: Ken Fournier, vp-adv, publicity & promo.

Warner Home Video
Burbank, Calif.

Corporate personnel: Warren Lieberfarb, president; Edward J. Byrnes, vp-genl mgr.

Marketing personnel: Barbara O'Sullivan,

Spanish Eyes. Fabulous Figures. Affluent Readers.

In Miami, Diario Las Américas delivers it all. Diario is the one completely Spanish-language daily newspaper that's as much a part of everyday life in the Miami Hispanic Market as Cuban coffee, arroz con pollo and The Miami Sound Machine.

Diario's Spanish eyes generate figures that will open your eyes to a great media buy. The average annual family income of Diario readers is $30,318. 65% own their own homes. 94.7% of Diario reader households own one or more cars. 63.5% own two or more cars. 74.5% have major credit cards.

For additional information call Enrique J. Pérez, Advertising Director, at (305) 633-3341.

Diario Las Américas

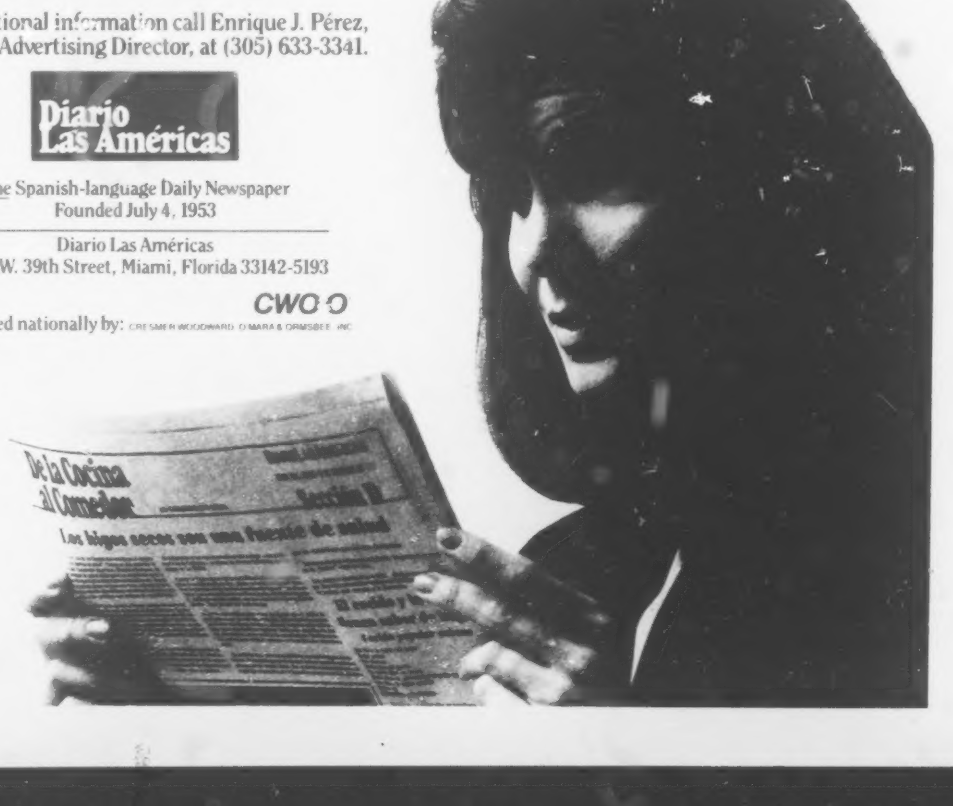
The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street, Miami, Florida 33142-5193

CWO O
Represented nationally by: CRESMER WOODWARD, O'MARA & ORMSBEE, INC

The average annual food expenditure of Diario reader households is $4,609. With plenty of discretionary income for liquor, cars, travel and other products and services.

The wealthiest part of an 8-billion-dollar market. Of all the Spanish-language media in the Miami Hispanic Market, Diario Las Américas is the one that reaches the heart and soul, the movers, the shakers and opinion makers of its 8-billion-dollar market.


De la Cocina al Comedor
Sección B

Top three food marketers by category ad total

Cereal: $654,618

Kellogg Co.: 43.8% $286,576
General Mills: 24.8% $162,149
Philip Morris Cos.: 14.2%, $93,110
All other: 17.2% $112,783

Cheese: $83,838

Kraft Inc.: 47.4% $39,702
American Dairy and Nat'l Dairy: 39.1% $32,746
Sargento Cheese Co.: 3.4% $2,875
All other: 10.2% $8,514

Coffee, tea, cocoa & derivatives: $215,829

Philip Morris Cos.: 34.9% $75,237
Nestle SA: 21.5% $46,424
Procter & Gamble Co.: 20.7% $44,767
All other: 22.9% $49,402

Juices & fruit drinks: $211,658

Philip Morris Cos.: 19.7% $41,670
Coca-Cola Corp.: 12.9%, $27,286
BCI Holdings: 9.8%, $20,713
All other: 57.6% $121,990

Meat, poultry & fish: $204,379

Philip Morris Co.: 20.5% $41,952
Nat'l Live Stock & Meat Bd: 14.2%, $29,074
Sara Lee.: 9.5%, $19,393
All other: 55.8% $113,960

Prepared dinners & entrees: $202,131

Campbell Soup Co.: 16.4% $33,201
Nestle SA: 15.1% $30,481
Kraft Inc.: 11.4% $23,100
All other: 57.1% $115,349

Soup: $93,531

Campbell Soup Co.: 63.6% $59,482
Unilever NV: 16.5% $15,462
IC Industries: 14.2% $13,270
All other: 5.7% $5,317

Candy & gum: $405,927

Wm. Wrigley Jr. Co.: 25.2% $102,377
Mars Inc.: 23.5% $95,266
Warner-Lambert Co.: 14.4%, $58,600
All other: 36.9% $149,684

Soft drinks, carbonated: $276,129

PepsiCo Inc.: 34.9% $96,325
Coca-Cola Co.: 34.4% $95,000
Dr Pepper/Seven Up: 13.9%, $38,448
All other: 16.8% $46,356

Diet soft drinks, carbonated: $113,053

Coca-Cola Co.: 40.4% $45,728
PepsiCo Inc.: 35.0% $39,514
Dr Pepper/Seven Up: 17.8% $20,143
All other: 6.8%, $7,667

Pet foods: $219,522

Ralston Purina: 27.0% $59,350
Mars Inc.: 21.6% $47,316
Quaker Oats: 15.4% $33,908
All other: 36.0% $78,949

Source: All figures are measured media only, from BAR/LNA Multi Media Reports. See "Where Ad Age got its data," Page 2.
Note: Dollars are in thousands. Percentages represent the companies' share of total measured advertising in a given category according to BAR/LNA. BAR/LNA media in this chart includes magazine, newspaper supplement, outdoor, network TV, spot TV, cable TV network and network radio advertising.

vp-mktg; David Mount, vp-natl sales.
Corporate media buying: Grey Advertising, New York: Frank Pelligrino, acct super.

Focus Media, Los Angeles: Gary Toby, president; Chuck Mycoff, exec vp-client svcs.
Brands/services by agency of record:
Jim Henson, Jane Fonda videos
Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles: Sheryl McPhee, acct exec.

Licensing Co. of America
New York
Corporate personnel: Joseph P. Grant, president; Robert F. Bell, exec vp-new businesses.
Marketing Personnel
Marketing personnel: Kathy Ordan, dir-adv.
Brands/services by agency of record:
Licensing
Ad agency: (In-house): Kathy Ordan, dir-adv.

Is media spending shifting?

Turn to LNA for answers.
See page 151

Warner Bros. Records
Burbank, Calif.
Marketing personnel: Lou Dennis, vp-sales; Russ Thyret, sr vp-mktg; Jim Wagner, adv dir; Adam Somers, vp-creative svcs; George Gerrity, vp-promo; John Beug, vp-creative mktg; Vic Faraci, sr vp-mktg, Nashville; Michael Kapp, president-Warner Special Products; Tony Pipitone, exec vp-Warner Special Products.
Brands/services by agency of record:
Warner records
Ad agency: (In-house): Bob Moering, dir.

Atlantic Records
New York
Corporate personnel: David Glew, exec vp-genl mgr.
Marketing personnel: Mark Schulman, vp-natl creative mktg svcs; Larry Yasgar, vp-singles sales; Sylvia Rhone, dir, genl mgr-merch.

Elektra/Asylum/Nonesuch Records
New York
Marketing personnel: Hale Milgrim, sr vp-mktg; David Urso, sr vp-promo; Primus Robinson, vp-black music; Kenny Hamlin, vp-sales; Robin Sloane, vp-video production.
Brands/services by agency of record:
Atlantic records
Electra/Asylum/Nonesuch records
Ad agency: (In-house): Marsha Green, dir-adv.

WEA Corp.
Burbank, Calif.
Marketing personnel: George Rossi, exec vp-mktg; Russ Bach, exec vp-mktg devel; Fran Allberte, vp-natl sales, audio; Skid Weiss, dir-adv; Ornetta Barber, dir-mktg, black music; Cory Connery, natl WEA video prods mgr; Robert Moering, natl dir-mktg; Jody Raithel, dir-prod devel; Clare Conlin, asst dir-adv.
Brands/services by agency of record:
WEA Corp.
Ad agency: (In-house): Skid Weiss, dir-adv; Clare Conlin, asst dir-adv.

Warner Books
New York
Corporate personnel: Larry Kirschbaum, president; Nansey Neiman, vp-publisher; Jerry Butler, vp-genl mgr.
Marketing personnel: Ling Lukas, vp-mktg; Marcy Goot, natl trade sales dir; Ernie Petrillo, distribution sales mgr.
Brands/services by agency of record:
Warner books
Ad agency: (In-house): Publishers Advertising Associates: Leslie Schnurr, dir-adv & promo.

DC Comics
New York
Corporate Personnel
Corporate personnel: Jeanette Kahn, president-publisher; Paul Levitz, exec vp.
Marketing personnel: Bruce Bristow, mktg dir; Bernie Slotnik, print adv rep.
Brands/services by agency of record:
DC comics
Ad agency: (In-house): Paul Levitz, exec vp.

RANK
15

Warner-Lambert Co.

Morris Plains, N.J.
ADVERTISING: **$558.1** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,485	3,103	12.3
Earnings	296	310	(4.4)
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1,864	1,747	6.7
Operating income	526	531	(0.9)
■ *Division sales*	*1987*	*1986*	*% chg*
Health care	2,288	2,041	12.1
Gum & mints	777	678	14.6
Other products	420	384	9.4

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,497	850	76.2
Business pub	2,049	3,405	(39.8)
Magazine	14,227	14,805	(3.9)
Newsp supp	1,049	977	7.4
Outdoor	1,005	1	NA
■ *Media*	*1987*	*1986*	*% chg*
Network TV	102,472	103,455	(1.0)
Spot TV	41,682	39,259	6.2
Network cable	2,123	4,029	(47.3)
Network radio	24,614	22,707	8.4
Spot radio	2,397	1,826	31.3
Measured	193,115	191,314	0.9
Unmeasured	365,000	362,000	0.8
Total	558,115	553,314	0.9

In late 1987, Warner-Lambert Co.'s stock jumped five points when a major study revealed its anti-cholesterol ethical drug, Lopid, significantly reduces the risk of heart attacks by increasing high-density lipids that aid in unclogging arteries.

Lopid, facing competition only from Merck & Co.'s Mevacor which was found in the same study to be effective in reducing low-density cholesterol, is expected to jump from $85 million this year to $350 million by 1991, said analysts.

While product development characterized the pharmaceutical side, W-L pushed growth on the consumer side through acquisition. Its American Chicle unit in February 1988 acquired some of RJR Nabisco Inc.'s confectionery brands, including Junior Mints, Charleston Chew and Sugar Daddy, which had total sales of $57 million in 1987. Then in July, Chicle bought Societe Nouvelle's Pastilles de Vichy, a subsidiary of France's Perrier Group, and producer of a mint called Pastilles Vichy.

In the process, W-L's U.S. ad spending remained virtually unchanged from 1986 levels as the company poured money into new product research and development, which was up 22% to $230 million. These expenses helped influence a drop in net profits of 4.2% on a 12% increase in gross sales, although the prior-year period included a gain from the sale of W-L's Health Technologies business.

Net income has improved in the first six months of 1988 by 14% to $175 million on record sales of $1.9 billion, up 13%. Good growth has been recorded by each of its business segments.

In particular, product performances this year have been strong at worldwide gum and mint lines, which saw sales of $446 million in the first six months of 1988. In the same period, sales of prescription pharmaceuticals were $584 million; nonprescription pharmaceuticals were $611 million.

The market for anti-cholesterol drugs is booming. At only $500 million today with few products, the market is expected to mature in the 1990s into a $5 billion annual market, analysts predict.

W-L has far more in the works than Lopid, which still must receive FDA approval for anti-cholesterol treatment.

Squibb Corp.'s Pravastatin, an anti-cholesterol drug, also is seeking FDA approval. Another W-L product, Cholybar, a candy-flavored medicine designed to reduce blood cholesterol levels, also is before the regulatory body. Cholybar's development was a collaboration of the consumer product and prescription drug divisions, the company said.

In a related move, W-L launched Promega in 1987, a fish-oil vitamin supplement which also reduces cholesterol levels. It received $6 million in measured ad support during the year, half on network TV. W-L's market share in this new category is estimated at 38%, with Squibb Corp.'s Proto-Chol second with 22%. Other competitors in this emerging market include Carter-Wallace and Thompson Medical Co. Industry sales were expected to triple to $100 million in 1987.

The American Chicle Group, W-L's gum and mint operation, in 1987 began testing Sugar-free Dentyne in the western U.S. It has been marketed in Canada for the past year. The new gum, containing both sorbitol and saccharin, comes in several flavors, including cinnamon and cool mint.

Chicle also began marketing Assorted Fruit Flavor Rolaids in July 1988. In 1987, it introduced Certs Mini-Mints, which will compete with leader Ferrero USA's Tic Tacs in the $700 million mini-mint market. Also introduced were chewy candies called Candilicious and Rascals, and Sticklets gum.

Trident, the leader in the $486 million sugarless gum market with a 16.5% market share in 1987, next to Listerine was the second-most advertised W-L product with $18.6 million in measured advertising, down 2.6%. W-L ads focus on cavity prevention and run mostly on network and spot TV. W-L also raised its outdoor budget from $1,000 to $1 million in the year, all of which supported Trident. Competitors are RJR Nabisco's Care-Free, with 12.6% of the sugarless gum market, and Wrigley's Extra, with 11.1%.

Sticklets Gum received $8.5 million in measured support, down 11.5%. Sales were only $13 million for the new product, which faces a long, uphill battle with industry giants, such as Wrigley's Gum and RJR Nabisco's Bubble Yum.

Dentyne Gum got $10.2 million in measured spending, up 29%. Dentyne's sales stood at $84 million, up 11%, said analyst Jonathan Gelles at Wertheim Schroder, New York.

W-L spent the largest portion of its ad dollars on Listermint and Listerine Antiseptic mouthwashes—$25.6 million in measured media, up 4% from 1986. Listerine received a major boost from the American Dental Association's for claims that it fights gingivitis. Listerine has a leading 27% share in the $600 million market for mouthwash, followed by Procter & Gamble's Scope at 25% and Listermint with 7%, according to industry sources.

Sales were up 12% for Benadryl allergy products, which got a 38% boost in measured media to $16.5 million, mostly in network and spot TV. Benadryl's leading market share climbed four points to 40%, where it competes with Schering-Plough's Chlor-Trimeton Decongestant tablets which holds a 30% share in the $125 million (manufacturers dollars) allergy-relief market, according to industry analysts. An additional $9.5 million was spent promoting Benylin cough syrup, up 9.2%. W-L also recently developed Benadryl-Plus, a multi-symptom reliever, for the $1.3 billion cough/cold remedy market.

The Sinutab sinus remedy line got $9.25 million in measured media, mostly network TV, up 18%. Sinutab posted $53 million in 1987 sales, up 10%, said Mr. Gelles.

For the Certs line, W-L spent $13.5 million, up 38%, just about all on network and spot TV. Certs brought $115 million in 1987 sales, up 7% over 1986.

Among products in W-L's "other" category, Schick shaving products received $8.8 million in ad support, up 28%, three-fours of it on network TV. Schick is a distant second in the market dominated by Gillette with a 65% share.

Warner-Chilcott, W-L's new generic pharmaceutical division, had its first full year of operation in 1987. The division, which by year-end marketed 115 products, will add about 45 more to the total in 1988.

W-L made no agency changes in 1987, but added one for its Parke-Davis Group—Rolf Werner Rosenthal Inc., New York, the health-care division of the Ogilvy Group. There were three changes in marketing personnel. J.T. Roberts, VP-sales for Parke-Davis, and Harry F. Oberkfell, VP-marketing for Parke-Davis, traded jobs. Also, L.R. Moran was made VP-product management for the Consumer Health Products Group, replacing S. Morgan Morton.

WARNER-LAMBERT CO.
201 Tabor Rd.
Morris Plains, N.J. 07950
(201) 540-2000

Corporate personnel: Joseph D. Williams, chmn-ceo; Melvin R. Goodes, president-coo; Robert J. Dircks, sr vp-cfo; Donald E. O'Neill, exec vp, president-intl operations

American Chicle Group
Morris Plains, N.J.

Corporate personnel: John Walsh, president.

Marketing personnel: Robert A. Clouston, vp-prod mgmt; Theodore G. Schable, vp-sales.

Brands/services by agency of record:

Trident gum

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.—Matt Seymour, acct group super.

Consumer Health Products Group
Morris Plains, N.J.

Corporate personnel: Raymond P. LeFebvre, president.

Marketing personnel: L.R. Moran, vp-prod mgmt; J.W. Masse, vp-sales.

Brands/srvices by agency of record:

Listerine
Listermint w/fluoride
Efferdent
Lubriderm
Sinutab
Rolaids
e.p.t. Plus

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.: Matt Seymour, acct group super.

■

Benylin
Benadryl-capsules & elixir
Benadryl-cream & spray
Tucks
Caladryl
Myadec

Ad agency: Sudler & Hennessey Consumer Group, New York: Arthur M. Rosen, exec vp-mng dir; Lisa Blumenstein, John Draper, vps-acct supers.

■

Anusol
Chewels
Clorets
Halls cough tablets
Schick shaving prods
Personal Touch women's razors
Bubblicious gum
Sticklets

Ad agency: J. Walter Thompson USA, New York: Jack Morrissey, sr vp-mgmt dir; Jeremy Birkbeck, sr vp-acct dir; Adele Finaly, vp-acct dir; Matthew Asinari, vp-acct super; Peter Leinroth, sr acct super.

■

Certs
Certs Mini-Mints
Dentyne
Rascals
Candilicious
Mediquell
Remegel

Ad agency: Young & Rubicam, New York: William Thompson, exec vp-group dir; Arlene Bricknew, sr vp-mgmt super.

Parke-Davis Group
Morris Plains, N.J.

Corporate personnel: Sam J. Maugeri, president.

Marketing personnel: Harry F. Oberkfell, vp-mktg; J.T. Roberts, vp-sales; Wayne L. Dickerson, M.A. Hoffman, Anthony Bonelli, group prod dirs.

Brands/services by agency of record:

Ethical pharmaceuticals

Ad agencies: Sudler & Hennessey (medical group), New York: Donald Masterson, exec vp-mgmt super; John Rinaldi, Joseph Laborsky, sr vps-acct supers; Richard Hulbert, Pam Goodman, acct supers.

Rolf Werner Rosenthal Inc., New York: Jay Vigatov, acct super.

Warner Chilcott Laboratories
Morris Plains, N.J.

Corporate personnel: Kenneth N. Larsen, president.

Marketing personnel: A. Dominick Musacchio, dir-mktg; G.B. Cavic, dir-sales.

Brands/services by agency of record:

Perscription pharmaceuticals

Ad agency: Sudler & Hennessey (medical group), New York: Donald Masterson, exec vp-mgmt super; Richard Hulbert, acct exec; Carol Gorden, media super.

RANK
81

Wendy's International

Dublin, Ohio
ADVERTISING: **$ 107.6** MILLION

Now, while everyone else is sending mail that looks mass-produced, you can send mass-produced mail that looks personal, gets opened ... and gets read.

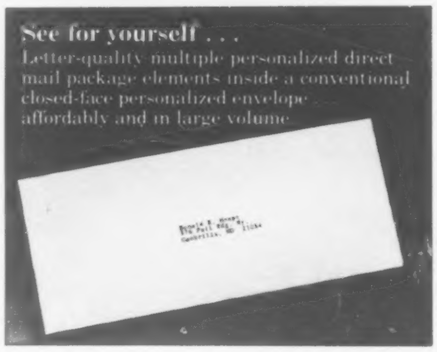
Introducing Opti-Scan: A breakthrough production technology that lets you personalize multiple direct mail package elements and insert them into a conventional closed-face personalized outer envelope.

It gives you the look and feel of an individually typewritten letter.
Opti-Scan uses advanced imaging technology to personalize multiple package elements, and then goes one step farther: It uses state-of-the-art lasers to optically read and match your personalized mailing components and insert them into a conventional closed-face personalized outer envelope. The result: a package that looks and feels as though it has been typed by your secretary.

It lets you meet your volume requirements—from as little as 10,000 to over 1,000,000 pieces per day.
Throw away the limitations of the past. You'll no longer have to settle for either a lower-quality product or a smaller-quantity mailing, because Opti-Scan provides both: the absolute highest quality, at production volumes that can meet virtually every direct marketer's need.

It's fast and it's accurate.
Opti-Scan personalizes, matches and inserts your package elements at a rate that is up to 10 times faster than any other technology in its category. And its advanced optical reader is far more accurate than the hand-match and semi-automated matching technologies previously available.

It's the single most affordable way to personalize multiple direct mail package components and insert them into a conventional closed-face outer envelope.
Here at last is an affordable way to create truly personal-looking direct mail that can break through today's mailbox clutter. And it is efficient to use no matter how small or large your mailing may be. That means flexibility to creatively do what you need to do to get your mailings opened and read in today's competitive environment.



See for yourself . . .
Letter-quality multiple personalized direct mail package elements inside a conventional closed-face personalized envelope affordably and in large volume

It's available only from LaSalle.
LaSalle has been serving the production and lettershop needs of the country's leading direct marketers for more than 40 years, providing responsive, personal service at an affordable price.

Interested in finding out more about Opti-Scan?
Mail the coupon below to receive further information and a FREE sample package. Or call Daniel Solomon at 1-800-877-0700. (In New York call 212-597-7300)

LaSalle Industries Inc.
815 Hutchinson River Parkway
New York, NY 10465
(212) 597-7300

☐ **YES!** I want to know more about Opti-Scan, the practical, cost-efficient way to create personal-looking direct mail packages that break through the clutter. Please send me a sample package and information.

☐ I'd like to see Opti-Scan in action. Call me to arrange a tour of your facility.

Name
Title
Company
Address
City State Zip
( )
Phone

Mail to:
LaSalle Industries Inc.
Attention: Daniel Solomon
President, Direct Marketing
815 Hutchinson River Parkway
New York, NY 10465

AE-39

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	1,059	1,140	(7.1)
Earnings	5	(5)	(191.5)
■ Division sales	**1987**	**1986**	**% chg**
Systemwide sales	2,869	2,747	4.4
Retail sales	987	1,037	(4.8)
Royalties	64	66	(3.6)
Other	8	37	(79.7)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Magazine	483	560	(13.8)
Outdoor	2,026	1,294	56.6
Network TV	46,772	41,668	12.3
Spot TV	31,706	37,913	(16.4)
Network cable	143	587	(75.6)
Spot radio	469	391	19.9
Measured	81,599	82,412	(1.0)
Unmeasured	26,000	26,000	0.0
Total	107,599	108,412	(0.7)

Wendy's International is continuing the slow and sometimes painful process of rebuilding what was once one of the fastest-growing global restaurant chains.

After record growth in 1984 and 1985, Wendy's lost its momentum. Then in 1986, sales grew only 2% systemwide and only 0.5% for company-owned stores as the company reported a net loss of $5 million, compared with a gain of $76 million in 1985.

Suddenly, Wendy's went from Wall Street's darling to a target of criticism from stock analysts, franchisees, shareholders and the business press, all of whom asked "What went wrong?"

Wendy's management responded that the real question was what needed to be righted and set about to turn around the chain's slumping fortunes. Throughout 1987 and into 1988, the company has pursued new strategies aimed at regaining lost momentum.

Those strategies have included a major structural reorganization, menu innovations and new marketing programs. The strategies have begun to pay off. Systemwide sales (including both company-owned and franchised restaurants) rose 4.4% to $2.87 billion. That gave Wendy's approximately a 5% share of the $56 billion quick-service restaurant industry.

However, total revenues for the company were down 7% due to declines in company-owned restaurant sales (down 4.7% to $987,071), franchise royalties (down 3.6% to $64 million) and "other revenues" (down 80% to $7.5 million). Those declines reflect falling sales that occurred during the first half of the year. Sales improved during the second half of 1987.

A priority for Wendy's management during 1987 was to slow what had been a dramatic decline in per-store sales, an important measurement of a chain's financial health.

The average sales for company-operated stores did improve, increasing 2.7% to $786,000 in 1987. But that still left the average below the $850,000 average from 1985. Average sales for franchised restaurants continued to slide, declining 1.7% to $721,000.

That decline in franchised-store sales led to a decrease in some local advertising expenditures, since a percentage of sales funds those efforts.

Wendy's spending on spot TV dropped to $31.7 million in 1987 from $37.9 million in 1986. Network TV spending increased, however, up 12% to $46.8 million in 1987 from $41.7 million in 1986, according to BAR/LNA.

Wendy's said it and its franchisees spent a total of $165 million on advertising and marketing in 1987, compared with $140 million in 1986 reported in last year's Leading National Advertisers issue. Wendy's media spending declined in 1986 with total measured spending of $83.7 million. That was down 5% from the previous year.

An estimated $155 million of that total was spent in the U.S. (vs. $133 million in 1986). The remainder was spent by Wendy's foreign operations, which include 104 units in Canada plus 130 other company-owned and franchised restaurants outside the U.S.

While total measured media advertising spending for Wendy's fell to $81.6 million in 1987 from $82.4 million, the company greatly increased its unmeasured marketing spending.

Non-media spending was an estimated $73.4 million in 1987, compared with $49.3 million in 1986.

AA estimates total U.S. ad spending at $107.6 for 1987, down 0.7% from 1986.

Seeking to broaden its customer base, Wendy's has increased emphasis on a variety of promotional efforts. Chief among them have been its marketing programs targeted to children.

The chain has improved the quality and value of the premiums included in its Kids Meal packs (such as Hasbro's Potato Head Kids) and increased the frequency of such promotions. In 1988, Wendy's offered a Kids Meal with premiums tied to the Lucas film motion picture, "Willow."

It also has encouraged local markets to develop promotions. In September 1988, for example, the Chicago co-op began offering Chicago Bears calendars as part of its first ever locally generated in-store promotion.

One of Wendy's turnaround strategies has been to refocus its media advertising more narrowly on its core business: hamburgers.

The humorous "Hamburger A" campaign from national agency Backer Spielvogel Bates, New York, has run continuously since October 1987.

Wendy's also decided to work through only a single national agency. It ended its relationships with Lockhart & Pettus, New York, which had produced black consumer advertising, and Mendoza, Dillon & Asociados, Newport Beach, Calif., its Hispanic agency. Some local co-ops continue to air Spanish-language versions of radio commercials.

Wendy's major menu move was a departure from the hamburger focus. In 1987 the chain introduced SuperBar, an all-you-can-eat hot and cold buffet featuring pasta, Mexican foods and an expanded salad bar. SuperBar was installed in 800 company and 500 franchised restaurants-out of nearly 3,600 total U.S. units-by the end of 1987.

For 1988, the company set a capital expenditures budget of $40 million, of which $16 million was directed to additional SuperBar construction.

The SuperBar is a key element in Wendy's 1988 business plan. The company intends to use the buffet to expand its customer base (by attracting more family and dinner business) and to improve consumers' price/value perception of its menu.

Another goal is to increase business through its pick-up windows. To that end, Wendy's this year has introduced the Express Meal, a standardized hamburger meal promised to be ready within 30 seconds. TV advertising has been promoting the Express Meal.

Other elements in its 1988 plan include accelerated new product research and development. Items in test include a Bacon Swiss and Philly Swiss hamburger, and the chain has used hot dogs as a limited-time promotional menu item.

The goal is to improve restaurant operations throughout its system of stores in order to improve per-store sales and profitability.

In 1987, the company reorganized and decentralized its corporate organization. More than 400 corporate positions were eliminated while the number of franchise

CPM v

CPMs are useful. They measure an important dimension—cost efficiency.

But they don't begin to measure what really counts—the return on your media investment—its ROI.

And that's where Sunset really shines.

Obviously, we can't predict the return on your investment in Sunset Magazine—there are too many variables—but we can predict that it will be better than in any other magazine.

That's the only reason 2,000+ advertisers invest in Sunset year after year (some for 80 years!). They've learned from experience.

Specifically, they've learned that Sunset—and only Sunset—offers these ROI-building attributes:

READERS WHO SPEND MORE

Four million Westerners who spend twice as much on most upscale products as the average American elsewhere.

EDITORIAL THAT ENCOURAGES SPENDING

Sunset is written for activists who love to spend their money traveling, gardening, remodeling, cooking . . . and look to Sunset to guide them.

area directors was increased. Decision-making responsibility, including marketing planning, was shifted more heavily to regional and local management and away from the corporate level.

WENDY'S INTERNATIONAL
P.O. Box 256
Dublin, Ohio 43017
(614) 764-3100

Marketing personnel: Charles Rath, exec vp-mktg; Bruce M. Ley, vp-corp mktg; Donald F. Calhoon, vp-field mktg; Dennis Lynch, vp-corp comm; Thomas Heskamp, dir-community mktg; Judy Donovan, mgr—WNAP; Julie Skouiis, mgr-adv.

Brands/services by agency of record:

Wendy's

Ad agency: Backer Spielvogel Bates, New York: Randolph C. Lindell, sr vp-dir acct svcs.

■

Sales promo

Ad agency: Impact, Chicago: Tom Smart, acct dir.

RANK
77

Wm. Wrigley Jr. Co.

Chicago

ADVERTISING: **$ 112.5** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	781	699	11.7
Earnings	70	54	30.3
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	528	493	7.1
Operating income	81	72	12.7

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	261	34	675.1
Magazine	4,980	4,147	20.1
Outdoor	839	0	NA
Network TV	51,672	52,759	(2.1)
Spot TV	29,977	22,527	33.1
Network cable	6,680	5,677	17.7
Network radio	8,231	2,578	219.3
Spot radio	822	462	78.0
Measured	103,462	88,183	17.3
Unmeasured	9,000	8,000	12.5
Total	112,462	96,183	16.9

In April 1987, Wm. Wrigley Jr. Co. surprised the chewing gum industry by offering a five-stick pack for 25¢, undercutting competitors's even-stick, 35¢-packs—the standard since 1972.

At the end of 1987, Wrigley again surprised the industry by showing that its gamble had paid off. Wrigley, the world's largest gum marketer, reported global net income was up 30% and sales had increased by 30%. Heavy international unit sales (up 9%, compared with only a 2% increase in unit sales in the U.S.) and favorable foreign currency rates helped boost total sales.

But Wrigley's pricing gambit and other elements of a more aggressive marketing strategy also proved to be effective. At year-end, Wrigley's approximate wholesale share of the domestic chewing gum market was 48%, compared with 46.5% at the end of 1986.

Wrigley's so-called Value Pricing Program repackaged several of its top brands in five-stick packs: Doublemint (the top-selling gum in the world), Wrigley's Spearmint, Juicy Fruit and Big Red.

Chairman William Wrigley said research showed that unit sales of Wrigley's established brands would increase with the five-stick packs and the packs could bring new customers to the chewing gum category attracted by price. The company claims the five-pack helped Big Red pass Warner-Lambert's Dentyne to become the top-selling cinnamon-flavored gum.

Wrigley long has had a reputation for being extremely cautious in its marketing due to its reluctance to change advertising messages. But it has not been reluctant to increase spending for that advertising. The company's total spending on measured media jumped 17% to $103.5 million in 1987, after rising 18% in 1986.

Media spending in 1988 appears to be rising at a comparable or faster rate. The largest increase in 1987 was for top brand Doublemint. Wrigley spent $29.1 million behind it, up 25%. Beginning in January 1988, Wrigley launched a major outdoor campaign for Doublemint involving its heaviest use ever of that medium. More than 4,000 boards or poster went up in 75 markets promoting the five-stick pack and carrying the long-running "Double your pleasure" message.

Wrigley's Spearmint gum got $23.8 million in spending, up 3%. Spearmint is getting special emphasis in Wrigley's 1988 marketing plan. In February, it launched a new campaign for the brand anchored by a 60-second commercial. It was Wrigley's first use of a :60 since the August 1984 introduction of Extra sugarless gum. That 60-second commercial-airing on network, spot and cable TV-also was a creative departure for Wrigley. It involves a young man whose personal computer comes alive and promotes Spearmint's "Pure chewing satisfaction." While that would not be considered a breakthrough creative idea for most other marketers, its lack of reliance on a sung jingle was a major departure for Wrigley advertising.

Wrigley's Extra sugarfree gum, which was backed by $19.9 million in media spending in 1987, also is getting additional attention in 1988. New TV commercials were added during the second quarter. The cinnamon and wintergreen flavors introduced this year are being spotlighted in a major print campaign. Heavy couponing for Extra is planned for this year's third quarter.

Helping boost Big Red to the No. 1 spot in the cinnamon category was an increase in media spending to $9.7 million in 1987, up nearly 30%.

The largest percentage increase in media spending went to Freedent, a gum designed not to stick to dental work. In 1986, Wrigley cut Freedent's budget to $2.6 million from $4 million the previous year. In 1987, media spending on Freedent jumped to $6.6 million, or 154%.

Juicy Fruit brand continued with the ad theme, "The taste that's gonna move ya," for the fifth consecutive year, as media spending rose 5% to $12.2 million.

Wrigley's Amurol Products Co. division continues to have problems and to receive modest advertising support. Amurol's Hubba Bubba soft chunk bubble gum has declined in sales each of the past two years. Hoping to energize sales of the specialty and novelty brands Amurol markets (including Big League Chew, Tidal Wave, Rambo and others), Wrigley in February 1988 moved the Amurol assignment to Leo Burnett USA from DDB Needham.

WM. WRIGLEY JR. CO.
410 N. Michigan Ave.
Chicago, Ill. 60611

(312) 644-2121

Corporate personnel: William Wrigley, president-ceo.

Marketing personnel: R. Darrell Ewers, exec vp; Ronald O. Cox, group vp-mktg; Anthony Cipollina, vp-sales; Susan Sherry, mktg dir.

Brands/services by agency of record:

Wrigley brands

Ad agency: BBDO, Chicago: Eric Harkna, president-ceo; Tonise Hayden, sr vp-mgmt super.

■

Amurol brands

Ad agency: Leo Burnett USA, Chicago: John Kovas, acct dir; Catherine Guthrie, acct super.

s. ROI

EDITORIAL THAT ENCOURAGES RE-READING

Some 85 "how-to" articles per issue address readers' interests and move them to act.

That's why these activist readers typically read every Sunset page *twice*.

SELL-IN HELP

Only Sunset offers marketing specialists who create custom merchandising programs—and work closely with advertisers' Western salespeople to open new accounts and expand distribution.

RETAIL SUPPORT

Western retailers, who know better than anyone what moves goods and services off their shelves, invariably vote Sunset tops.

In part that's because we know them better than anyone else. We never stop listening to them…
and working with them on behalf of our advertisers.

WESTERN MARKET KNOW-HOW

We probably know more about Westerners than anyone anywhere, and we're delighted to share what we know with our advertisers.

We also help them field custom surveys, and we arrange for them to meet with our editors to discuss specific problems and opportunities.

For more information on how you can use Sunset to boost your media dollars' ROI, call your Sunset rep, or our Ad Sales VP, Jim Baker at (415) 321-3600.

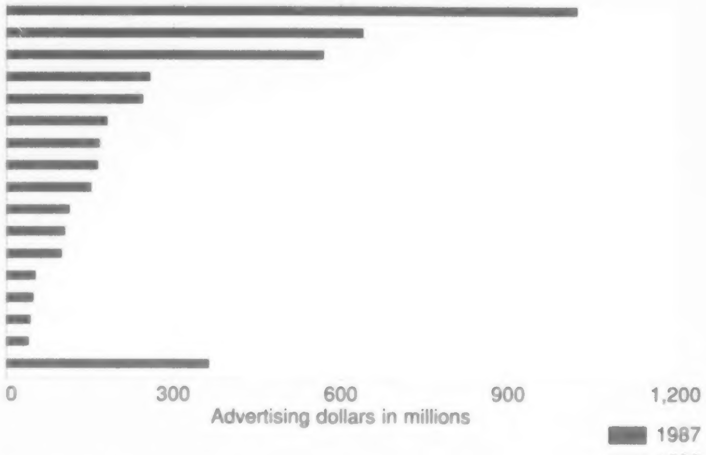
Many Happy Returns

Sunset
90
Looking Back
Looking Ahead

U.S. auto advertising per unit sold

U.S. automotive advertising by company

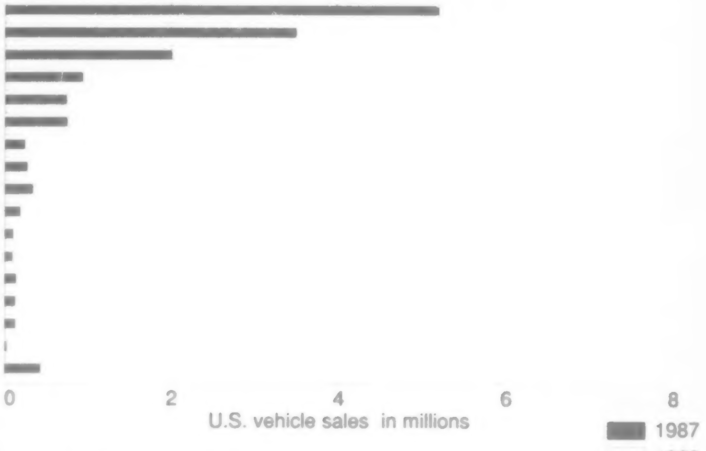
Company	U.S. advertising 1987	U.S. advertising 1986	% chg
General Motors Corp.	$1,024,852	$838,912	22.2
Ford Motor Co.	639,510	650,875	(1.7)
Chrysler Corp.	568,722	503,571	12.9
Toyota Motor Sales	257,738	259,761	(0.8)
Honda Motor Co.	245,365	205,307	19.5
Nissan Motor Co.	181,438	180,042	0.8
Volkswagen AG	167,257	176,353	(5.2)
Hyundai AG	164,336	93,673	75.4
Mazda Motor Co.	151,884	156,524	(3.0)
Subaru of America	113,233	58,534	93.4
Daimler-Benz AG	105,018	79,697	31.8
BMW AG	99,456	61,740	61.1
Isuzu Ltd.	51,815	52,166	(0.7)
Mitsubishi Motors	48,149	33,908	42.0
Volvo AB	43,184	41,753	3.4
Jaguar Cars Ltd.	40,022	29,776	34.4
All other	363,634	200,518	81.3
TOTAL	4,265,613	3,623,110	17.7



Total unit sales in the U.S.

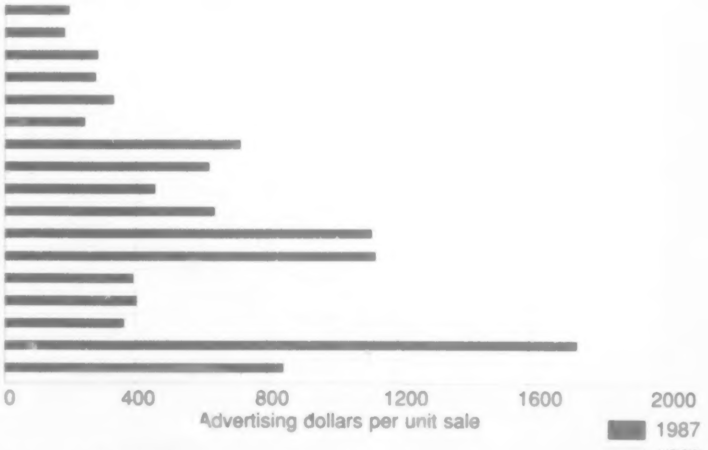
(including trucks)

Company	U.S. unit sales 1987	U.S. unit sales 1986	% chg
General Motors Corp.	5,237,613	6,285,802	(16.7)
Ford Motor Co.	3,514,059	3,462,260	1.5
Chrysler Corp.	2,012,950	2,162,669	(6.9)
Toyota Motor Sales	932,445	1,025,345	(9.1)
Honda Motor Co.	738,306	693,515	6.5
Nissan Motor Co.	743,899	771,026	(3.5)
Volkswagen AG	233,027	277,107	(15.9)
Hyundai Group	263,610	168,822	56.1
Mazda Motor Co.	331,724	379,803	(12.7)
Subaru of America	177,138	183,272	(3.3)
Daimler-Benz AG	93,746	103,330	(9.3)
BMW AG	87,839	96,759	(9.2)
Isuzu Ltd.	132,243	132,584	(0.3)
Mitsubishi Motors	119,816	84,421	41.9
Volvo AB	119,052	126,087	(5.6)
Jaguar Cars Ltd.	22,919	24,464	(6.3)
All other	427,856	352,147	21.5
TOTAL	15,188,242	16,329,413	(7.0)



Advertising per vehicle sold

Company	Advertising dollars per U.S. unit sale 1987	Advertising dollars per U.S. unit sale 1986	% chg
General Motors Corp.	$195.67	$133.46	46.6
Ford Motor Co.	181.99	187.99	(3.2)
Chrysler Corp.	282.53	232.85	21.3
Toyota Motor Sales	276.41	253.34	9.1
Honda Motor Co.	332.34	296.04	12.3
Nissan Motor Co.	243.90	233.51	4.5
Volkswagen AG	717.76	636.41	12.8
Hyundai Group	623.41	554.86	12.4
Mazda Motor Co.	457.86	412.12	11.1
Subaru of America	639.24	319.38	100.1
Daimler-Benz AG	1,120.24	771.29	45.2
BMW AG	1,132.25	638.08	77.4
Isuzu Ltd.	391.82	393.46	(0.4)
Mitsubishi Motors	401.86	401.65	0.1
Volvo AB	362.73	331.14	9.5
Jaguar Cars Ltd.	1,746.24	1,217.14	43.5
All other	849.90	569.41	49.3
TOTAL	280.85	221.88	26.6



Top five automotive advertisers

Top five auto marketers' advertising as percent of industry total passenger car and truck spending: $4.3 billion.

GM:	Ford:	Chrysler:	Toyota:	Honda:	All other:
24.0%	15.0%	13.3%	6.0%	5.8%	35.9%

Top five's total U.S. vehicle sales as percent of industry total: 15.2 million cars and trucks.

GM:	Ford:	Chrysler:	Toyota:	Honda:	All other:
34.5%	23.1%	13.3%	6.1%	4.9%	18.1%

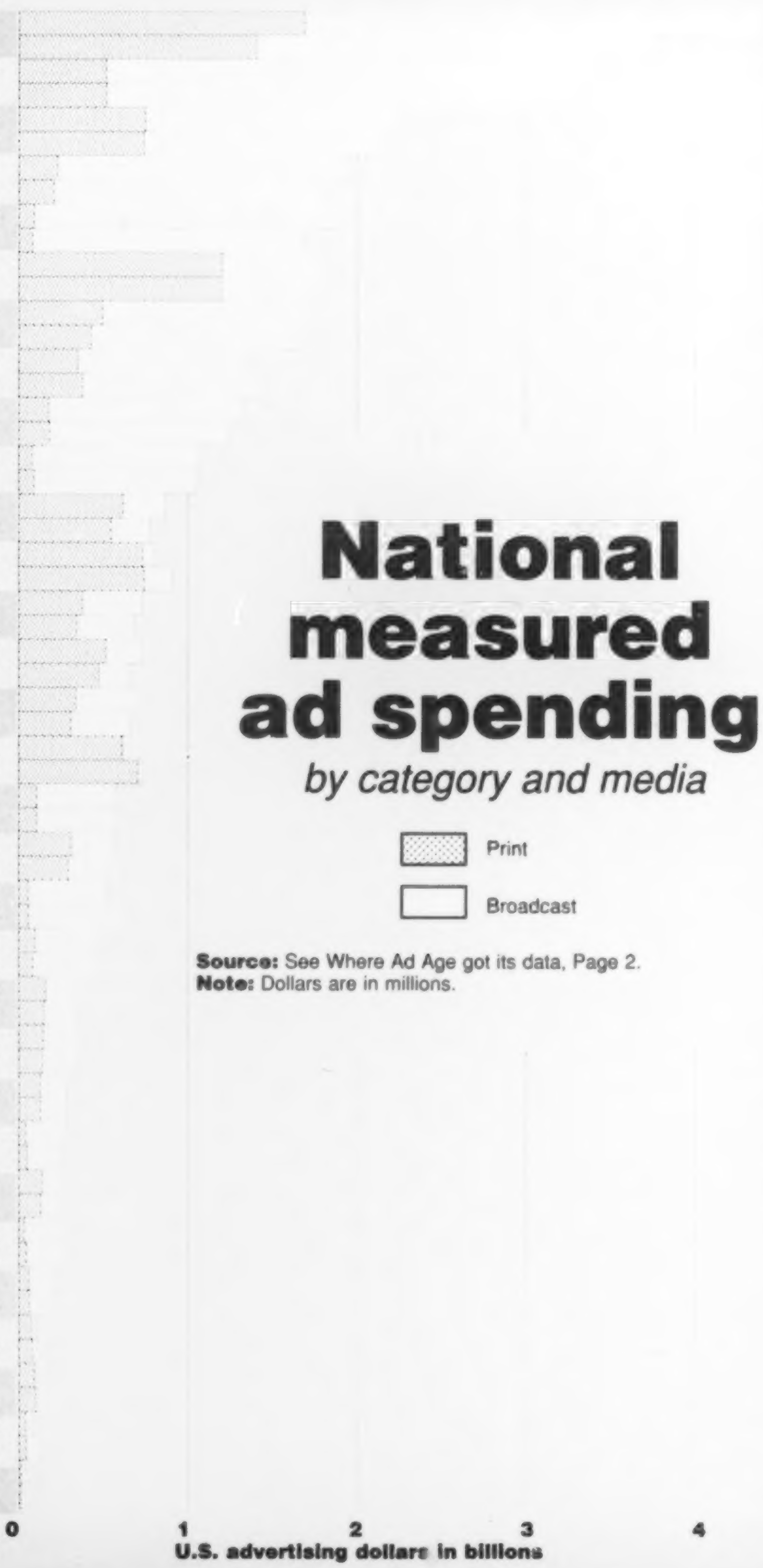
Sources: U.S. ad spending figures are ADVERTISING AGE estimates. Figures include both measured and unmeasured media. See "Where Ad Age got its data," Page 2. Vehicle sales figures are from *Automotive News*, 1988 Market Data Issue, another Crain Communications, Inc. publication. Vehicle unit sales include domestic and foreign cars, trucks and buses sold in the U.S. **Note:** U.S. advertising expenditures are in thousands unless otherwise noted.

Top 100 advertisers by primary business

Primary business	Rank	Advertiser	U.S. ad spending		U.S. sales		Sales/$1 adv.		1987 worldwide		Return on sales
			1987	1986	1987	1986	1987	1986	Sales	Earnings	
AIRLINES	55	**AMR Corp.**	$152,609	$131,098	NA	NA	NA	NA	$7,197,974	$198,407	2.8
	80	**Delta Air Lines**	108,636	105,056	NA	NA	NA	NA	6,915,000	306,800	4.4
	68	**Texas Air Corp.**	124,343	132,576	NA	NA	NA	NA	8,474,967	(466,146)	(5.5)
	64	**UAL Corp.**	137,790	137,047	6,932,790	6,145,141	50.31	44.84	8,292,790	335,117	4.0
AUTOMOTIVE	88	BMW AG	99,456	61,740	NA	NA	NA	NA	10,502,400	202,388	1.9
	14	Chrysler Corp.	568,722	503,571	23,685,400	20,489,000	41.65	40.69	26,276,500	1,289,700	4.9
	84	Daimler-Benz AG	105,018	79,697	NA	NA	NA	NA	37,540,300	99,100	0.3
	9	Ford Motor Co.	639,510	650,875	55,302,000	50,034,000	86.48	76.87	71,643,000	4,625,000	6.5
	3	General Motors Corp.	1,024,852	838,912	86,421,900	91,343,100	84.33	108.88	101,781,900	3,550,900	3.5
	37	Honda Motor Co.	245,365	205,307	NA	NA	NA	NA	12,677,000	453,000	3.6
	52	Hyundai Group	164,336	93,673	NA	NA	NA	NA	3,500,000	75,000	2.1
	56	Mazda Motor Corp.	151,884	156,524	NA	NA	NA	NA	11,527,000	32,000	0.3
	47	Nissan Motor Co.	181,438	180,042	NA	NA	NA	NA	33,950,000	516,000	1.5
	76	Subaru of America	113,233	58,534	NA	NA	NA	NA	1,785,038	NA	NA
	33	Toyota Motor Corp.	257,738	259,761	NA	NA	NA	NA	50,000,000	1,779,000	3.6
	49	Volkswagen AG	167,257	176,353	3,213,000	4,943,000	19.21	28.03	23,867,000	273,000	1.1
CHEMICALS & PETROLEUM	34	**American Cyanamid**	250,376	229,181	2,618,000	2,536,000	10.46	11.07	4,166,000	276,000	6.6
	65	**Dow Chemical Co.**	135,689	138,931	5,946,000	5,165,000	43.82	37.18	13,377,000	1,240,000	9.3
	59	**E.I. du Pont de Nemours & Co.**	149,749	110,681	20,796,000	18,756,000	138.87	169.48	30,468,000	1,786,000	5.9
	50	**Mobil Corp.**	166,285	167,874	22,350,000	19,250,000	134.41	114.67	56,716,000	1,258,000	2.2
	99	**Monsanto Co.**	84,689	88,563	4,883,000	4,638,000	57.56	52.37	7,639,000	436,000	5.7
ELECTRONIC EQUIPMENT	7	Eastman Kodak Co.	658,221	610,192	8,040,000	7,398,000	12.21	12.12	13,305,000	1,178,000	8.9
	32	General Electric Co.	272,607	287,744	37,517,000	33,543,000	137.62	116.57	40,515,000	2,915,000	7.2
	39	International Business Machines	240,846	295,518	24,937,000	25,362,000	103.54	85.82	54,217,000	5,258,000	9.7
	82	Philips NV	107,226	83,842	5,690,600	6,439,000	53.07	76.08	25,229,400	390,000	1.5
	42	Tandy Corp.	225,052	219,673	NA	NA	NA	NA	3,793,800	316,400	8.3
ENTERTAINMENT & MEDIA	36	**Walt Disney Co.**	249,823	163,925	NA	NA	NA	NA	2,876,800	444,700	15.5
	93	**MCA Inc.**	91,366	104,521	2,072,809	1,925,830	22.69	18.43	2,589,623	137,254	5.3
	45	**Time Inc.**	196,579	190,026	NA	NA	NA	NA	4,193,000	250,000	6.0
	79	**Warner Communications**	110,428	79,579	2,696,494	2,353,115	24.42	29.57	3,403,563	328,142	9.6
FINANCIAL	44	American Express Co.	212,479	202,213	14,685,000	13,946,000	69.11	68.97	17,768,000	533,000	3.0
	58	ITT Corp.	151,321	124,331	14,634,000	13,555,000	96.71	109.02	19,524,854	1,018,875	5.2
	74	Loews Corp.	115,200	146,467	NA	NA	NA	NA	9,323,705	696,165	7.5
	78	Prudential Insurance Co.	111,319	70,320	NA	NA	NA	NA	29,019,000	867,000	3.0
FOOD	43	**BCI Holdings Corp.**	223,208	293,375	NA	NA	NA	NA	NA	NA	NA
	98	**Borden Inc.**	84,743	80,464	5,355,000	4,044,000	63.19	50.26	6,514,000	267,000	4.1
	41	**Campbell Soup Co.**	230,708	208,610	3,644,500	3,575,900	15.80	17.14	4,490,400	247,300	5.5
	72	**CPC International**	115,329	121,747	1,600,000	1,680,000	13.87	13.80	4,903,000	355,000	7.2
	13	**General Mills**	572,233	550,436	NA	NA	NA	NA	5,178,800	265,400	5.1
	38	**H.J. Heinz Co.**	245,264	218,574	3,053,000	2,781,000	12.45	12.72	5,244,000	386,000	7.4
	48	**IC Industries**	169,309	161,653	3,422,400	3,064,600	20.21	18.96	4,027,000	251,700	6.3
	17	**Kellogg Co.**	524,865	371,382	2,491,500	2,268,700	4.75	6.11	3,793,000	395,[illegible]	10.4
	22	**Kraft Inc.**	400,699	468,334	7,540,900	5,771,900	18.82	12.32	9,876,000	489,000	5.0
	28	**Nestle SA**	340,825	311,015	NA	NA	NA	NA	25,500,000	NA	NA
	1	**Philip Morris Cos.**	1,557,846	1,451,170	18,228,000	17,568,000	11.70	12.11	27,395,000	1,842,000	6.7
	19	**Pillsbury Co.**	473,895	495,150	5,350,000	5,510,000	11.29	11.13	6,191,000	69,000	1.1
	27	**Quaker Oats Co.**	344,414	306,219	NA	NA	NA	NA	5,329,800	255,700	4.8
	21	**Ralston Purina Co.**	436,606	478,031	NA	NA	NA	NA	5,868,000	523,000	8.9
	5	**RJR Nabisco**	839,589	894,237	11,721,000	11,338,000	13.96	12.68	15,766,000	1,209,000	7.7
	31	**Sara Lee Corp.**	278,141	256,599	NA	NA	NA	NA	10,424,000	325,000	3.1
	97	**United Biscuits (Holdings) PLC**	84,758	64,213	1,244,000	1,176,600	14.68	18.32	3,081,230	231,700	7.5
	53	**U.S. Dairy Associations**	161,372	177,897	NA	NA	NA	NA	NA	NA	NA
GUM & CANDY	69	Hershey Foods Corp.	122,809	111,010	NA	NA	NA	NA	2,433,793	148,171	6.1
	24	Mars Inc.	378,559	317,435	NA	NA	NA	NA	NA	NA	NA
	77	Wm. Wrigley Jr. Co.	112,462	96,183	528,034	493,026	4.70	5.13	781,059	70,145	9.0
MISCELLANEOUS	95	**Franklin Mint**	86,620	50,651	NA	NA	NA	NA	NA	NA	NA
	90	**Goodyear Tire & Rubber Co.**	95,027	124,972	5,908,000	5,590,000	62.17	44.73	9,905,000	771,000	7.8
	91	**Hallmark Cards**	93,913	61,032	NA	NA	NA	NA	NA	NA	NA
	67	**Hasbro Inc.**	134,308	135,511	933,293	977,850	6.95	7.22	1,345,089	48,223	3.6
	94	**Marriott Corp.**	88,523	69,507	NA	NA	NA	NA	6,522,200	223,000	3.4
	29	**U.S. Government**	311,299	307,059	NA	NA	NA	NA	NA	NA	NA
PHARMACEUTICALS	23	American Home Products Corp.	390,391	392,503	3,536,200	3,681,500	9.06	9.38	5,028,272	845,081	16.8
	60	Bayer AG	145,392	126,149	4,189,900	3,789,200	28.82	30.04	20,700,000	860,500	4.2
	26	Bristol-Myers Co.	358,934	333,488	3,949,800	3,594,800	11.00	10.78	5,401,200	709,600	13.1
	20	Johnson & Johnson	459,271	410,959	4,167,000	3,972,000	9.07	9.67	8,012,000	833,000	10.4
	46	Pfizer Inc.	182,059	171,686	2,651,000	2,483,000	14.56	14.46	4,920,000	690,000	14.0
	35	Schering-Plough Corp.	250,184	212,376	1,595,000	1,416,000	6.38	6.67	2,699,000	316,000	11.7
	15	Warner-Lambert Co.	558,115	553,314	1,864,000	1,747,000	3.34	3.16	3,484,700	295,800	8.5
RESTAURANTS	8	**McDonald's Corp.**	649,493	591,808	10,576,000	9,534,000	16.28	16.11	14,330,000	549,000	3.8
	81	**Wendy's International**	107,599	108,412	NA	NA	NA	NA	1,058,557	4,505	0.4
RETAIL	11	K mart Corp.	631,845	573,719	NA	NA	NA	NA	25,627,000	692,000	2.7
	73	Kroger Co.	115,263	108,207	NA	NA	NA	NA	17,659,730	246,644	1.4
	18	J.C. Penney Co.	513,497	495,924	14,771,000	14,117,000	28.77	28.47	15,332,000	608,000	4.0
	4	Sears, Roebuck & Co.	886,529	1,105,398	NA	NA	NA	NA	48,440,000	1,649,000	3.4
	96	Southland Corp.	86,134	60,015	NA	NA	NA	NA	8,125,008	(66,422)	(0.8)
SOAPS & CLEANERS	87	**Clorox Co.**	102,132	90,367	NA	NA	NA	NA	1,126,044	104,899	9.3
	30	**Colgate-Palmolive Co.**	279,813	259,284	2,486,930	2,286,007	8.89	8.82	5,647,460	54,022	1.0
	89	**S.C. Johnson & Son**	96,397	151,022	NA	NA	NA	NA	2,000,000	NA	NA
	2	**Procter & Gamble Co.**	1,386,710	1,500,268	12,423,000	11,805,000	8.96	7.87	19,336,000	1,020,000	5.3
	12	**Unilever NV**	580,656	543,242	5,757,000	4,457,000	9.91	8.20	30,948,000	946,000	3.1
SOFT DRINKS	25	Coca-Cola Co.	364,737	370,117	3,459,100	3,277,900	9.48	8.86	7,658,300	916,100	12.0
	6	PepsiCo Inc.	703,973	641,538	9,515,400	7,884,200	13.52	12.29	11,485,000	595,000	5.2
	75	Dr Pepper/Seven-Up	114,117	85,330	NA	NA	NA	NA	NA	NA	NA
TELEPHONE	100	**Ameritech**	83,445	68,763	NA	NA	NA	NA	9,536,000	1,188,000	12.5
	16	**American Telephone & Telegraph**	531,018	522,551	NA	NA	NA	NA	33,598,000	2,044,000	6.1
	63	**Bell Atlantic Corp.**	138,618	114,141	NA	NA	NA	NA	10,298,400	1,240,400	12.0
	62	**Nynex Corp.**	142,798	112,369	NA	NA	NA	NA	12,084,000	1,277,000	10.6
TOBACCO	57	American Brands	151,371	143,919	2,815,800	2,390,600	18.60	16.61	9,152,906	522,679	5.7
	83	B.A.T. Industries PLC	105,294	98,241	5,835,000	5,499,000	55.42	55.97	27,126,691	751,943	2.8
TOILETRIES & COSMETICS	54	**Beecham Group PLC**	153,307	113,918	1,023,900	903,000	6.68	7.93	3,796,286	647,743	17.1
	71	**Cosmair Inc.**	117,224	120,701	NA	NA	NA	NA	750,000	NA	NA
	85	**Gillette Co.**	103,831	131,437	1,166,300	1,100,900	11.23	8.38	3,166,800	229,900	7.3
	66	**Noxell Corp.**	134,876	111,871	414,287	377,152	3.07	3.37	489,463	43,579	8.9
	51	**Revlon Group**	165,239	171,402	NA	NA	NA	NA	2,400,000	NA	NA
WINE, BEER & LIQUOR	10	Anheuser-Busch Cos.	635,067	643,893	NA	NA	NA	NA	9,019,100	614,700	6.8
	61	Adolph Coors Co.	144,664	131,101	NA	NA	NA	NA	1,350,739	48,148	3.6
	92	E&J Gallo Winery	93,602	116,561	NA	NA	NA	NA	NA	NA	NA
	40	Grand Metropolitan PLC	231,574	232,055	2,711,880	2,468,958	11.71	10.64	8,994,150	815,944	9.1
	70	Seagram Co.	122,325	112,443	1,686,000	1,778,000	13.78	15.81	3,815,000	521,000	13.7
	86	Stroh Brewery Co.	102,878	128,294	NA	NA	NA	NA	1,430,000	NA	NA

Source: Sales and earnings are from public documents and reflect the latest fiscal year. Advertising expenditures are for calendar year only and are Advertising Age estimates. **Notes:** Dollars are in thousands.

Category	Year	Total	News-paper	Mag-azine	News supp.	Out-door	Net TV	Spot TV	Net Cable TV	Net radio	Spot radio
Automotive	1987	4,414.4	936.8	678.2	15.7	58.0	1,044.1	1,422.3	45.2	57.9	156.3
	1986	3,754.4	734.5	597.3	20.9	51.0	921.3	1,189.5	40.4	49.5	150.0
Food	1987	3,417.9	112.1	376.7	13.4	15.0	1,544.7	950.1	76.2	69.4	260.4
	1986	3,307.1	108.7	389.5	12.1	10.1	1,445.4	934.0	64.7	62.3	280.4
Business, consumer svc	1987	2,243.2	175.3	490.8	26.5	56.2	569.3	643.6	40.2	64.7	176.7
	1986	2,148.9	176.2	484.4	21.2	57.4	553.5	661.0	29.4	60.8	105.1
Retail	1987	1,929.5	0.0	138.2	23.6	69.8	194.8	1,331.4	20.6	75.7	75.3
	1986	1,731.6	0.0	142.7	22.8	52.3	252.6	1,106.5	15.3	81.5	58.0
Entertainment	1987	1,879.2	18.7	30.4	2.6	40.5	654.0	1,070.9	27.7	4.0	30.5
	1986	1,686.2	18.3	25.8	1.3	36.8	591.3	960.9	27.9	5.1	18.7
Travel, hotels	1987	1,810.6	859.4	272.8	20.1	54.9	150.0	264.7	20.3	20.4	148.1
	1986	1,780.0	868.5	249.5	20.4	58.5	107.9	276.6	15.7	8.8	174.1
Toiletries & cosmetics	1987	1,752.7	26.7	455.4	13.8	1.5	889.4	263.1	54.8	24.7	23.4
	1986	1,671.3	24.5	390.7	12.0	1.5	894.9	242.3	54.6	27.9	22.7
Beer, wine & liquor	1987	1,341.1	64.7	207.7	9.1	69.5	529.5	244.4	40.0	23.9	152.2
	1986	1,413.7	77.9	225.1	12.2	62.8	547.7	250.8	34.6	24.6	177.9
Drugs & remedies	1987	1,324.1	17.3	142.0	5.9	13.2	757.9	237.0	38.5	77.8	34.5
	1986	1,245.4	19.8	147.7	5.0	11.2	752.5	173.5	28.6	80.0	27.0
Snacks, soft drinks	1987	1,075.5	25.4	43.0	0.9	9.6	451.5	410.5	42.6	43.6	48.4
	1986	1,053.0	29.9	49.3	1.9	10.3	421.2	420.7	43.2	31.2	45.3
Mail order	1987	870.3	66.5	407.1	140.6	3.6	29.6	156.6	41.2	25.1	0.0
	1986	782.3	60.0	363.5	122.4	2.4	37.3	136.8	39.3	20.7	0.0
Miscellaneous	1987	804.5	534.0	153.9	9.2	37.9	15.8	7.3	1.8	1.0	43.5
	1986	912.8	553.3	149.5	7.0	34.1	20.8	8.1	3.0	1.2	135.8
Apparel, footwear	1987	731.8	26.8	323.0	21.0	6.6	221.9	72.4	15.2	4.6	40.4
	1986	685.8	26.7	290.8	23.6	4.3	201.9	71.3	14.6	7.3	45.2
Publishing & media	1987	729.8	261.5	186.3	25.5	45.0	9.7	134.6	11.9	10.1	45.3
	1986	662.2	242.0	176.0	21.3	36.8	14.0	125.6	5.7	6.3	34.5
Insurance & real estate	1987	721.0	163.7	121.9	17.1	36.1	209.7	124.7	11.2	16.8	19.8
	1986	658.5	159.7	106.7	11.5	32.9	185.9	129.1	13.7	12.2	6.6
Cigarettes, tobacco	1987	620.9	85.2	333.6	27.0	165.0	1.2	5.5	0.4	1.6	1.3
	1986	728.8	129.0	321.8	64.8	190.1	1.3	15.3	2.9	1.5	1.9
Household supplies	1987	579.5	4.3	96.7	7.0	0.9	286.4	151.1	14.3	12.0	6.8
	1986	579.3	8.4	93.4	4.6	0.7	301.6	138.5	11.6	15.4	5.0
Computers, office equip	1987	563.8	68.3	241.6	2.3	2.5	167.9	32.4	7.7	17.8	23.2
	1986	613.9	69.7	219.1	3.5	3.1	226.8	37.4	7.6	16.4	30.4
Soaps, cleansers	1987	525.0	3.3	51.1	2.2	0.1	317.9	132.0	12.9	2.6	2.9
	1986	632.7	6.0	50.8	1.3	0.1	386.4	158.3	18.0	9.4	2.4
Sporting goods, toys	1987	488.5	6.9	89.6	1.8	0.2	132.4	227.8	22.1	1.7	6.0
	1986	476.9	7.1	75.5	1.8	0.3	145.3	223.1	16.7	1.8	5.5
Building materials	1987	372.6	78.6	76.7	3.9	2.2	92.8	80.1	9.3	7.7	21.3
	1986	350.9	67.4	76.1	4.8	1.4	97.2	72.7	7.6	6.5	17.2
Jewelry, cameras	1987	369.8	19.0	120.8	5.0	2.8	137.9	44.2	10.5	2.2	27.4
	1986	354.9	22.3	113.4	3.7	3.1	130.9	51.1	9.6	2.3	18.4
Electronic entertainment	1987	285.5	34.0	78.4	13.7	1.7	46.9	63.5	16.0	22.9	8.5
	1986	279.6	28.7	95.5	2.4	2.4	47.3	68.5	17.2	8.9	8.7
Gasoline, lubricants	1987	276.7	21.3	16.4	0.6	5.7	52.3	123.5	8.0	4.1	44.9
	1986	246.3	23.9	20.8	0.6	5.0	37.9	111.1	4.4	6.6	36.0
Household furnishings	1987	268.7	17.8	111.2	8.7	1.2	51.4	58.6	1.6	0.9	17.3
	1986	236.2	20.2	103.0	5.8	0.8	28.0	58.1	1.1	1.4	17.9
Pet products, food	1987	263.7	6.6	24.2	2.2	0.2	164.9	51.0	6.7	7.0	0.9
	1986	272.1	5.6	37.4	1.6	0.9	156.8	54.7	7.1	5.6	2.4
Horticulture & farming	1987	218.6	38.6	21.1	1.7	1.3	41.5	75.1	6.4	7.8	25.1
	1986	203.6	40.7	20.0	1.3	1.4	31.2	68.8	4.2	9.4	26.7
Industrial materials	1987	105.4	33.6	40.7	0.4	0.8	21.8	6.8	1.3	0.0	0.0
	1986	111.3	33.7	47.0	0.2	0.8	24.3	3.7	1.7	0.0	0.0
Business propositions	1987	98.5	73.4	14.6	0.6	0.9	0.0	3.4	0.4	0.0	5.2
	1986	116.9	86.3	13.5	0.2	0.9	9.2	1.0	0.3	0.1	5.3
Freight	1987	77.8	6.0	33.8	0.2	0.1	27.3	7.0	2.2	1.3	0.0
	1986	115.6	7.8	35.6	0.3	0.8	27.6	35.7	2.3	5.5	0.0
Aviation equipment	1987	14.1	2.1	11.9	0.0	0.1	0.0	0.0	0.1	0.0	0.0
	1986	12.3	2.9	9.2	0.1	0.1	0.0	0.1	0.0	0.0	0.0
TOTAL	1987	30,174.8	3,787.8	5,389.8	422.2	702.6	8,814.5	8,395.7	607.2	609.5	1,445.5
	1986	28,824.6	3,659.7	5,120.5	412.7	674.6	8,600.1	7,784.9	542.9	570.0	1,459.2



National measured ad spending

by category and media

▨ Print

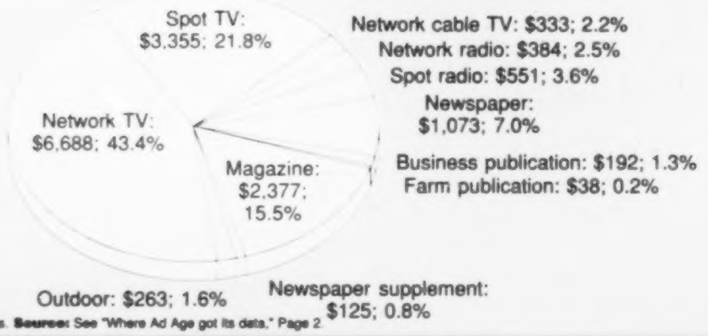
☐ Broadcast

Source: See Where Ad Age got its data, Page 2.
Note: Dollars are in millions.

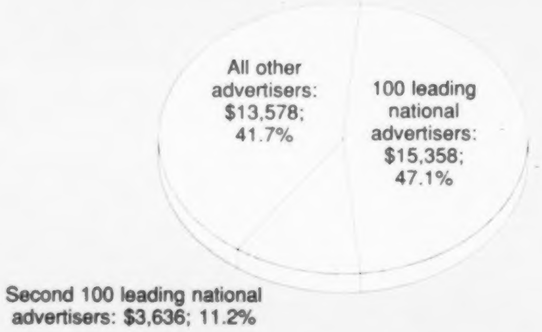
Total U.S. advertising dollars by media

	100 leading national advertisers					Second 100 leading national advertisers					All advertisers		
	Advertising expenditures			$ as % of U.S. media total		Advertising expenditures			$ as % of U.S. media total		Advertising expenditures		
Media	**1987**	**1986**	**% chg**	**1987**	**1986**	**1987**	**1986**	**% chg**	**1987**	**1986**	**1987**	**1986**	**% chg**
Newspaper	$1,073	$933	15.0	28.3	25.5	$292	$302	(3.5)	7.7	8.3	$3,788	$3,660	3.5
Business publication	192	180	6.8	8.5	8.3	94	82	14.2	4.2	3.8	2,231	2,157	3.4
Farm publication	38	35	7.9	22.8	21.5	19	18	9.2	11.5	10.7	166	163	1.7
Magazine	2,377	2,297	3.5	44.1	44.9	652	597	9.2	12.1	11.7	5,390	5,120	5.3
Newspaper supplement	125	139	(10.2)	29.5	33.6	57	52	9.3	13.4	12.6	422	413	2.3
Outdoor	263	282	(7.0)	37.4	41.8	39	40	(2.6)	5.6	5.9	703	675	4.2
Network TV	6,668	6,403	4.2	75.7	74.4	1,023	936	9.2	11.6	10.9	8,814	8,600	2.5
Spot TV	3,355	3,226	4.0	40.0	41.4	1,099	1,034	6.3	13.1	13.3	8,396	7,785	7.8
Network cable TV	333	317	5.1	54.8	58.3	76	62	23.5	12.6	11.4	607	543	11.8
Network radio	384	337	14.0	63.0	59.1	83	87	(4.0)	13.7	15.2	609	570	6.9
Spot radio	551	528	4.2	38.1	36.2	204	170	19.7	14.1	11.7	1,446	1,459	(0.9)
Subtotal measured media	15,358	14,676	4.6	47.1	47.1	3,636	3,379	7.6	11.2	10.8	32,572	31,145	4.6
Unmeasured advertising	13,036	12,597	3.5	NA	NA	2,153	2,045	5.3	NA	NA	NA	NA	NA
Total	28,394	27,273	4.1	NA	NA	5,789	5,424	6.7	NA	NA	NA	NA	NA

100 leaders' measured media spending



All advertisers' measured media spending



Note: Dollars are in millions. **Source:** See "Where Ad Age got its data," Page 2.

Leaders

(Continued from Page 2)

and prescription drug divisions came Cholybar, a candy-flavored medicine designed to reduce blood cholesterol levels. Cholybar and Lopid still await FDA approval for anticholesterol-specific designation.

The four companies that dropped from the Top 100 in 1987 were all buyout targets. The climate for buyouts was particularly inviting after the stock crash of October 1987 dropped many stock prices 50¢ on the dollar. Interest rates also were relatively low for borrowed funds.

Sterling Drug, No. 37 in 1986, was bought for $5.2 billion by Eastman Kodak Co. The deal vaulted Kodak to No. 7 in ad spending from No. 34 a year earlier. American Motors Corp., No. 72 in 1986, was bought by Chrysler Corp. and helped propel its new parent to No. 14 from No. 20 in 1986. Federated Department Stores, No. 98 in 1986, was purchased by Campeau Corp., a Second 100 advertiser. Zale Corp., the retail jeweler, was purchased by Peoples Jewellers Ltd., Toronto.

Media advertising has virtually been eliminated by Peoples, a company that prefers prime mall locations and in-store displays to media advertising.

Two 100 Leaders have escaped hostile takeover attempts in the past two years. Goodyear Tire & Rubber Co., No. 90, fended off Sir James Goldsmith two years ago, and No. 85 Gillette Co. paid greenmail to Revlon's Ron Perelman to stay independent last year and won a proxy fight this year against Coniston Group, a New York investment group that sought to stack the Gillette board with directors who would then sell the company.

The buyout of JWT Group by British holding company, WPP PLC, changed the agency landscape among a number of 100 Leaders. Goodyear, still reeling from its takeover battle with Sir James, warned WPP that it would withdraw its business from J. Walter Thompson if it succeeded in buying the agency's parent. When WPP completed the deal, Goodyear shifted much of JWT's domestic tire account business to Young & Rubicam.

IBM Corp., No. 39, pulled its account from Lord, Geller, Federico, Einstein when two LGFE principals, largely responsible for the account, broke away after the WPP buy. The defection resulted in a suit filed by WPP to stop the breakaway group from taking clients from LGFE, which had been part of JWT Group.

> *Ad spending gains for first half 1988 indicate this year may return the 100 Leaders to the more stellar growth years of the 1970s and early '80s.*

A number of agency-client relationships were strained over conflicts resulting from buyouts and mediocre advertising. The stage also may be set for a possible revamp of the compensation system.

Nestle S.A. announced early this year it was considering inserting a compensation clause in contracts whereby agencies would pay Nestle should the advertiser have to find a new agency as a result of merger-related conflicts.

RJR adopted an incentive compensation system in 1987, giving a 20% bonus to agencies doing "outstanding" work. A 10% bonus is given for "very good." Average and poor are not given bonuses, but paid an undisclosed, fixed commission.

General Foods adopted a similar compensation deal for its U.S. business this May. Under the system, it may award up to 3 percentage points more in revenue for outstanding advertising. Based on an A, B or C grading system, the top percentage is believed now to be 16.3%.

Mars Inc., No. 24, carved out new guidelines for conflict. It fired Leo Burnett USA because it worked for H.J. Heinz Co., which became a Mars competitor overnight with the acquisition of Recipe dog food brand from Campbell Soup Co. Burnett handled none of Mars' U.S. pet food products, but Mars wanted its U.S. agencies to be capable of handling its products worldwide.

Mars also pulled $10 million in Milky Way candy billings from Backer Spielvogel Bates because Mars was miffed by a financial ad published by BSB's new parent, Saatchi & Saatchi PLC. The ad mentioned BSB's profits had risen 25% since the recent Saatchi merger. It later turned over the former Burnett business to BSB. Mars also forced Saatchi in London to resign its Carnation pet foods account there because of Backer's work on several Mars pet foods.

New edifying lingo entered the advertising lexicon in 1987: "Microbubbles" came from Cosmair Inc., No. 71, as in "microbubbles" give a smoother texture to the new Teinte Majeur cream compact and the loose powder makeup, Poudre Majeur; and "laserize," as in No. 89 S. C. Johnson & Son's Captain Raid who "laserizes" bugs dead.#

Because of a typographical error Franklin Mint was ranked in its box 96; it should be ranked 95.

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NEWSPAPER

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October 3, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

**Winski:
Fighting NBC all the way
to High Court—P. 44**

Nissan ads get real

New 'human race' drive tries to correct mistakes

By CLEVELAND HORTON

Nissan Motor Corp. USA, finally conceding its "yuppie engineers" TV spot failed to hit the mark, today breaks its model '89 drive with advertising that relies on real people.

Borrowing a technique from former client Apple Computer, agency Chiat/Day will advertise the new executions of its "Built for the human race" theme in a page ad in *USA Today*.

The ad alerts readers to the start of a "personal trek" series of TV commercials for Nissan's Pathfinder sport utility vehicle beginning on ABC-TV's "Monday Night Football."

Introductory spots for Nissan's new 240 SX, a sporty car on which the company is pinning its hopes of restoring its image among enthusiasts, also break on tonight's game.

"If we made a mistake, it was not using the real engineers," said Lee Clow, agency president and executive creative director, about the earlier commercials, which represented C/D's first effort on Nissan's estimated $150 million-plus account.

NISSAN
Built for the Human Race

Chiat/Day's Lee Clow dumps the "yuppie engineers" in Nissan's corporate campaign.

The spots, which aired from October 1987 to February 1988, featured several actors portraying engineers. They were controversial because the "yuppie-like" conversations in the spots seemed too staged to many observers, and the portrayals were considered offensive to some.

At the time, C/D officials defended the spots by saying the conversations were all based on real, taped conversations with actual Nissan engineers.

While not admitting the "engineers" are dead forever, the agency has several "real people" campaigns in the works for 1989-model advertising.

Tonight's new drive documents a young couple's trek in the Pathfinder truck from their home in Chicago to Rio de Janeiro.

The journey, featuring Kurt and Marty Anderson, was recorded on 16mm film, which will be cut into six commericals, each airing for a week.

The *USA Today* ad shows a color map of North and South America with the Anderson's path marked. The headline reads: "Tonight on Monday Night Football, Nissan goes out for a long one."

The ad is reminiscent of C/D's effort to boost viewership of Apple's ill-fated "Lemmings" spot, which ran only once at the end of the Super Bowl in 1985.

The "event marketing" term associated with that refers to carefully coordinated and orchestrated marketing pushes, not sponsorship of a sporting event.

For its Sentra advertising, C/D

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Last Minute News

General Mills rolls out three cereals

MINNEAPOLIS—General Mills is introducing three cold cereals this fall: Apple Cinnamon Cheerios, Fruity Yummy Mummy and Total Raisin Bran. All three will receive TV and print campaigns from Saatchi & Saatchi DFS Compton, New York. Total Raisin Bran has a $28.7 million introductory ad budget. Also, General Mills this week breaks TV spots touting the oat bran content of regular Cheerios. In a related development, General Foods is rolling national with Post Oat Flakes, an adult cereal touted on the package as "a good source of fiber." Grey Advertising, New York, handles.

'Time' will cut rate base 6.5%

NEW YORK—*Time* will forgo an ad rate hike and lower its guaranteed rate base 6.5% to 4.3 million as of Jan. 1 to discard what Publisher Bob Miller called "marginal circulation." "The total lower rate base will strengthen the composition of our audience," Mr. Miller said. Also, direct mail and TV toll-free call campaigns in certain U.S. markets face elimination. Ad rates are $120,130 for a one-time color page and $77,010 for a b&w page.

DDB, O&M share Cadbury confections

HERSHEY, PA.—Hershey split evenly an estimated $25 million to $30 million in Cadbury candy spending between DDB Needham Worldwide and Ogilvy & Mather, its New York-based agencies. DDB gets York peppermint patties, Caramello and all Cadbury-brand candy bars; O&M gets Peter Paul Mounds and Almond Joy bars plus Cadbury's creme-filled eggs. Wells, Rich, Greene, New York, the previous agency, will continue to work on Cadbury-Schweppes' Canada Dry soft

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**Time eyes European monthly—P. 3
O'Toole debates debaters—P. 44
Will Dukakis get negative?—P. 69**

Attorney pulls TV nets into beer promotion trial

By SCOTT HUME

ST. LOUIS—Defense attorneys in the kickback trial of two former Anheuser-Busch executives claimed last week that TV networks routinely gave gifts to the giant brewer.

James Shellow, principal attorney for defendant Joseph Martino, claimed the A-B Business Ethics Manual, which cautions employees against conflicts of interest, "is full of pious statements. [But] it is honored in the breach, not in the observance. Everybody at A-B was getting gifts."

Mr. Shellow said company executives were given so many TVs, VCRs and the like from TV networks and others that "it looked like a warehouse [at A-B], there were so many gifts sometimes."

Mr. Shellow provided no substantiation for that allegation, which sources at the Big 3 TV networks immediately dismissed as baseless. The defense could begin calling its witnesses this week.

Mr. Martino and former VP-Wholesale Operations Michael Orloff are alleged to have conspired with Mark Shyres, former president of the Bingham Group promotion company.

The government claims the two former A-B executives received merchandise and cash that Bingham recouped through inflated or phony invoices.

The executives deny any conspiracy to fraudulently receive money and say any gifts that may have changed hands were the result of friendship rather than any business relationship that may have existed.

"I don't see where this becomes an industry issue rather than an Anheuser-Busch issue."

Following the opening remarks to the nine-woman, three-man jury by defense attorneys asserting their clients' innocence of the federal mail fraud and tax evasion charges, executives at the TV networks quickly dismissed the charges of rampant gift-giving as totally unfounded.

One TV executive who requested anonymity said the networks don't offer gifts, and most agencies and clients have strict guidelines against accepting anything if they did.

"It would give the appearance of conflict of interest," he added.

He said he knew of no instance in which a client or agency executive approached a network for a gift; the networks had stopped offering anything of value (i.e., hardware) as far back as the 1950s, he said.

The allegations of network gifts to A-B came as advertising, promotion and beer marketing executives took angry exception to an attorney's earlier statement that the defense strategy would include the claim that gift-giving is "commonplace" in relations between promotion agencies and clients (AA, Sept. 26).

"I don't see where this becomes an *industry* issue rather than an Anheuser-Busch issue," said Chris Sutherland, executive director of the Promotion Marketing Association of America. "It's simply not fair to extrapolate from this one case to indicting

(Continued on Page 69)

States may target auto industry next

By JENNIFER LAWRENCE

NEW ORLEANS—With fall auto introductions in full swing, state attorneys general are gearing up to make car ads their next regulatory target.

Although the states are just beginning joint efforts in this area, state officials meeting here last week sent out a warning.

"This seems like a perfect area for a multistate effort," said John Corwin, New York assistant attorney general and chief of that state's Consumer Frauds & Protection Bureau, before members of the National Association of Attorneys General Consumer Protection Committee.

Mr. Corwin said national guidelines for car manufacturers dealing with deceptive warranty, performance, price and safety claims should be considered.

He also suggested the committee not rule out national guidelines for auto dealers.

Committee members later met in executive session to formulate their direction on this issue, but officials declined to discuss what took place.

In a memo dated Aug. 24 from Illinois Attorney General Neil Hartigan, the consumer protection panel chairman, to New York Attorney General Robert Abrams, the NAAG president, "deceptive" automobile advertising was listed as one of two priorities for 1988-89. The other was health and disease-prevention claims in food ads.

The automakers would be the fourth major industry whose advertising has come under multistate scrutiny in the last 15 months, following airlines, car rentals and food.

Mary-Jane Raphael, Dan Jaffe and Wally Snyder at NAAG meeting.

At the NAAG conclave, ad industry association representatives tried to slow the states' efforts to use their collective power to control national advertising.

But a two-hour presentation on the merits of advertising self-regulation by five top executives seemed to fail to dampen their resolve.

"Where does all this stop?" asked DeWitt Helm, president of the Association of National Advertisers, after the meeting.

"What I'm hearing from the states is either all black or all white. There is no acknowledgment that there is good advertising out there. I'm hearing from them that all advertising is bad," he said.

Besides Mr. Helm, those addressing the officials from 32 states

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P&G, Pillsbury just say no to big retail chain

By JUDANN DAGNOLI
and LAURIE FREEMAN

Tensions between the grocery trade and package-goods marketers heightened last week when Procter & Gamble Co. and Pillsbury Co. refused to comply with a new policy on promotional allowances by the nation's fifth-largest supermarket chain.

Winn-Dixie Stores stunned marketers earlier this month with a letter to hundreds of its suppliers saying it will no longer accept promotional allowances on a market-by-market basis.

Instead, it expects all such allowances to be offered chainwide. Winn-Dixie owns 1,300 stores in 13 Southern and Western states.

The new policy has caused a furor among package-goods marketers, who see it as a powder keg that could set a precedent for other chains and sound the death knell for regional marketing.

The policy also has angered smaller grocery stores, particularly Mauldin, S.C.-based BI-LO Corp., which fired off its own letter to suppliers asking them not to knuckle under to Winn-Dixie's demands.

A spokesman for BI-LO, a chain with 154 stores in many of the same markets as its larger competitor, said the policy is unfair because it could give Winn-Dixie better prices.

It may also be illegal under the Robinson-Patman Act, according to the Federal Trade Commission. The antitrust act stipulates that if a marketer gives a price break to one customer, it must give the same discount price to all competing customers. The act also makes it illegal for a supermarket chain to get

(Continued on Page 68)

Olympics ratings worry advertisers

An Advertising Age roundup

NBC-TV's weak ratings for the telecast of the Summer Olympics have fueled an intense debate among advertisers over whether their buys were effective.

There is a growing concern among advertisers that the ratings may be masking more serious problems in the telecasts of major events like the Olympics. Some advertisers are worried that their huge Olympic campaigns may have been hurt by the negative publicity surrounding the Games' telecasts, especially questions about the merits of the production and concerns over commercial clutter.

Sources said there was internal dissent at General Motors Corp. over its big Olympics buy, due mainly to some of the bad publicity and the fact that ratings were running about 16.5% under expectations by the middle of the week.

"There are a lot of people questioning the veracity of the buy," said one source, who requested anonymity.

Still others said they were satisfied because NBC will give units in other programs to make up for the loss.

"Overall, we're satisfied," said Jay Qualman Jr., general director of advertising, Buick Division. "From an advertising sense, I've been pretty happy with the way they've run the commercials."

Even so, the company and other advertisers acknowledged they were looking for answers to the drop-off.

"One of the real issues here is whether there is something inherent going on in terms of viewing patterns that has created some of the diminished audience relative to expectations," said Phil Guarascio,

(Continued on Page 68)

1992 means restructuring

Clients, agencies adjusting

By KEVIN COTE

LONDON—Fully half of the respondents to an ADVERTISING AGE poll of advertiser and agency executives said their companies are engaged in restructuring because of the approach of 1992.

The Editorial Sounding Board poll of 64 high-ranking European marketing executives was conducted in conjunction with AA's European newsletter, *Euromarketing*. The European Community will drop its remaining trade barriers by 1992, which will create a market of 300 million consumers and an increase in pan-European marketing strategies.

Twenty-one advertiser and 43 agency executives responded.

Many consumer products marketers said the trend to aligning major brands with the same agency across Europe will continue.

In the survey, brand alignment was cited by 76% of agency panelists as the "most effective response to the emerging pan-European marketplace."

A smaller majority of advertiser panelists, 57%, felt the same way about brand consolidation, with another 38% of those questioned saying they believe different agencies can effectively handle the same brand in different national marketplaces.

Robert Wilson, marketing director of Hattori, said in a written response: "There will be more coordination from the clients. The one-agency approach may not always result." Hattori markets Seiko watches.

The Sounding Board confirmed that recent European changes by agencies and advertisers are a result of preparations for a single European market.

For instance, Ogilvy & Mather Worldwide last month restructured its European chain of command to better serve the increasing number of clients handled in multiple countries (AA, Sept. 19).

Colgate-Palmolive Co. recently reorganized its operations, citing 1992 as the reason. The marketer has formed a European management board that's led by its European president, Brian Bergin (AA, Sept. 26).

Earlier this summer, 3M Co. consolidated its European roster of about 50 ad agencies by appointing the offices of Backer Spielvogel Bates Worldwide, HDM and Grey Advertising here to handle separate units of related brands.

The poll results also showed that the majority of advertisers and agencies believe there will be increased use of "non-traditional agency services" in Europe when these services are offered by full-service ad agencies.

These services include event marketing, sales promotion, package design, direct marketing and public relations.

There's evidence that agencies are overestimating their ability to effectively provide fully intergrated communications programs.

Though 79% of agency panel members signified the increased use of these services as an area of flux in agency/client relationships, only 57% of advertiser panel members said they felt the same way.

Notably, none of the client-side panel members said agencies do a better job at providing specialized services than independent suppliers.

Some 37% of agency panelists said their companies or related subsidiaries could provide direct-mail campaigns of higher quality than independent agencies.

But 33% of the advertisers believe their agencies perform "poorly in direct mail and are not as effective as in-house or outside specialists."

While 25% of agency panelists think they can provide special event and sponsorship resources on a par with specialist suppliers, 76% of the clients judge agencies as relatively ineffective in that area.

A majority of the full panel predicted that ad spending in Europe will grow by 5% to 10% a year during the next two years.

Estimates of bullish growth by agencies tended to be more conservative than those of advertisers, however.

While only 11% of agency panelists expected growth of more than 10% annually, 19% of the clients said spending will exceed 10% per year.

Media inflation was most often cited as a key cause for increased ad spending.

New products also were cited by 57% of the marketers as contributing to European ad growth, and 39% of agency panelists expected substantial growth to come from new business.#

Bates struggles in Norway

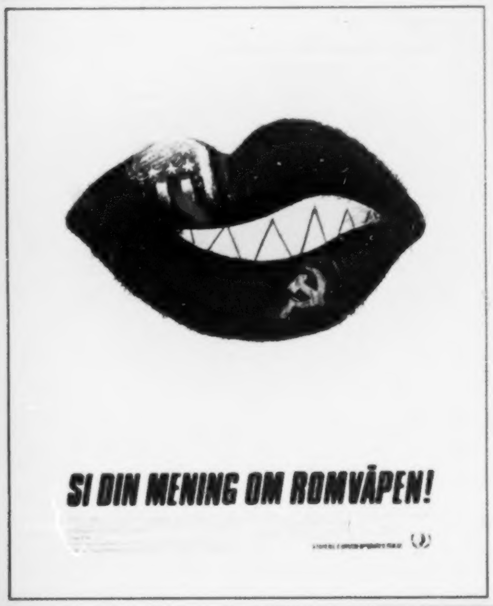
By DOUG MELLGREN

OSLO—Ted Bates A/S, Norway's No. 1 agency, is trying to heal its wounds after losing 8% of its billings—tough going during a downturn in the economy.

The shop is inching its way back from $6.6 million in business lost in December and January. Defectors included two airlines, Braathens SAFE and SAS, and a gasoline company, Norol.

Though the shop has regained $2.2 million in billings since spring, it's about to lay off 25 of its 205 employees.

In spring, the group froze hiring and shut down Ted Bates City, one of its 17 entities, and let 20 employees go.


SI DIN MENING OM ROMVÅPEN!

Norway's Government Information Service used rebounding Ted Bates A/S, Oslo, to develop this poster headlined "State your opinions on Star Wars."

"We thought those [earlier] reductions would be enough," said Erik Berg, Bates' managing director.

The agency, which had been in the black since 1966, expects to show parent Saatchi & Saatchi Co. a 1988 fiscal year bottom line of zero when results come out this month. This comes just one year after the agency hit record profits of $2.75 million on gross income of $28.3 million.

In the early 1980s, a loosening of traditionally tight credit and new wealth created by Norway's oil-based economy incited an unprecedented consumer spending binge. This created an average annual 10% to 15% growth rate for ad spending during the past decade, Mr. Berg said.

As the economy overheated, long-dominant Bates rose to new heights on the strength of its 98% domestic client list, billing $85.7 million last year. Now, all has changed, though the agency still is No. 1 in Norway.

"We had to change a company culture based on strong growth," Mr. Berg said. "We had to become crisis oriented."

Sources estimate 1987 ad spending in Norway at $1.5 billion. A 5% downturn is expected this year.

Recovery is coming but slowly. New business for Bates has sprouted from clients including the Norwegian Dairy Association's cream account, business newspaper *Dagens Naeringsliv*, and Nortra, the Norwegian tourism promotion agency. But Bates still needs $4.4 million more in new business to meet last year's billings total.

Despite the troubles, Mr. Berg isn't worried about the parent company. Saatchi "understands the market problems in Norway," he said.

In October 1987, Saatchi opened its own agency here, handling Saab Norway. Though its first-year gross income is expected to be only $735,000, Morton Stoevre Larssen, the Saatchi project manager, said that the sister agencies wouldn't merge.#

Thai TV grows nationally

By JOYCE RAINAT

BANGKOK—Thailand's five TV channels will be locking horns next year, competing for viewers and advertisers in a mad scramble for the No. 1 spot.

Though Thailand has only one true nationwide TV station—Channel 7, which reaches 98% of the country's 5.5 million TV households—that will change early next year when three of the four regional stations expand their coverage areas.

"Before, Channel 7 was king, and if you wanted prime time on a good program, you would have to block it in almost a year in advance," said Lintas:Worldwide Media Planning Director Sumala Mahasiri. "With competition surfacing, it's a month-by-month buy."

TV ad time attracts about $150 million to $180 million annually—from 50% to 60% of the country's total ad spending.

TV frequencies traditionally are government-owned but assigned to various government agencies: Channels 5 and 7 to the Royal Thai Army, Channels 3 and 9 to the Mass Communication Organization of Thailand and Channel 11 to the Public Relations Department.

Last year, Channel 3 got permission to extend its transmission area.

The network expansion, expected by March 1989, will allow Channel 3 to reach 86% of the population, said Andrea Cahn, the TV channel's assistant director-program department. Channel 9, also run by MCOT, will follow in Channel 3's footsteps, duplicating its competitor's expansion.

Each of the two channels now covers more than 47% of Thailand's TV households.

Channel 11, an educational channel, reaches 387,000 TV households. Benefiting from $1.25 million donated by the Japanese government, Channel 11 also has extended its coverage nationwide.

Channel 5, though not expanding its coverage area of 3.5 million homes, is beefing up its programming.

Broadcast buying had been simple under the old arrangement.

"If you wanted to reach the mass, lower end of the market you opted for Channel 7 and sometimes 5," said Prakit/FCB Media Director Paichit Thienthong. "And if your brand was geared to an upmarket audience, you looked at Channel 3 and, as an alternate, Channel 9."

But now that will change, though it will be at least a year before any thorough analyses on program ratings and audience coverage can be done, said Kenda Harris, director of the TV research unit for Deemar, a TV monitoring service.

Not only must homes outside the major cities reorient antennae to pick up the four channels, but Deemar is waiting for agencies and networks to sign contracts before installing a monitoring system.

The TV channels, too, have been reluctant to announce their new ad rates; each one is waiting for the other to announce its increase first.

How much upfront rate increase the advertisers will absorb is up for question, said Prakit/FCB's Mr. Thienthong. TV rates already are near saturation; an increase of 10% would be the maximum, he said.

Channel 7 now claims the highest prime-time 30-second rate, at $1,800, while Channel 9 has the lowest, at $860.

Each channel's ad time is limited to an average of 10 minutes an hour of broadcast time with a maximum of 12½ minutes in any one hour. The stations can broadcast seven hours on weekdays and up to 17 hours per day on weekends and holidays.#

World News Roundup

(Continued from Page 3)

TV. The spot shows an armed Catholic or Protestant terrorist and a pile of money, implying that the public will be rewarded for turning in suspected terrorists. The government refused to reveal the name of the ad agency.

DUESSELDORF—**Quaker Latz** pulled its $3.5 million Latz pet-food account from Imparc Werbeagentur. Imparc recently was bought by D'Arcy Masius Benton & Bowles, Hamburg, which handles Mars' Effem pet food. Latz may move to Eiler & Riemel/BBDO, sources say.

Addendum to who's on top in Europe

Publicis

1987 European gross income	$161,969
% change over '86	23%
1987 European billings	$1,070,375
% change over '86	20%

Figures are in thousands.
Source: ADVERTISING AGE

Publicis was inadvertently excluded from ADVERTISING AGE's "Who's on top in Europe" survey (AA, Sept. 12).

With 1987 European gross income of more than $161 million, the French network ranks No. 9. European gross income accounts for 99% of its worldwide gross income, while European billings make up 98% of its worldwide billings.

This year, Paris-based Publicis entered into a joint venture with Foote, Cone & Belding, Chicago (AA, May 23). If FCB and Publicis '87 figures had been combined for 1987, gross income would have totaled $247.84 million and billings would be $1.64 billion, putting the joint venture in the No. 2 slot.#

CATEGORY REVIEW: Baby food

A fuller platter to choose from

Active segment builds variety for youngsters while developing alternate fare for other age groups

By Dee Ann Maki

Baby food marketers are very aware of the fact that booms usually turn to busts. Despite an upturn in baby food and infant formula sales as a result of the baby boomlet, marketers are mapping out strategies to cope with the next birth decline, expected by 1991.

They are preparing for that day by emphasizing nutrition and single-serving convenience and extending product lines, adding additional flavors and container sizes. The moves are designed to influence consumption by starting children on strained food earlier and keeping them on longer. Baby food market leader Gerber Products Co. is even targeting adults for future products. Annual consumption per baby is expected to increase from 45.8 dozen jars in 1987 to 46.3 dozen jars this year.

Nomi Ghez, an industry analyst at Goldman, Sachs, says baby food sales reached $785 million in 1987.

"The hottest category today is the 'smaller version,' single-serving size products," adds Eric Larson, analyst at First Boston Corp. These smaller sizes, generally 2.8 ounces vs. more traditional 4.5-ounce jars, promote less waste for younger children. The single-serving sizes have "been one of the most active areas in the market. Dried foods have basically been a niche product."

Both Gerber and Heinz tested instant baby foods in the early and mid-1980s, he says. "Heinz currently is the only one in instant baby food," says Mr. Larson.

He adds that he expects the first foods category to stay strong for years.

Gerber is so dominant it dictates the baby-food category's direction, says Ms. Ghez.

"When you're the leader in the market, you're safe and you stimulate the market by finding ways to continue usage. Gerber has demonstrated this, and with that formula, it can't lose."

The three companies involved in the business don't agree on exact market share figures, although Gerber is the clear leader. Nestle Corp. subsidiary Beech-Nut Nutrition Corp. is No. 2, and H.J. Heinz Co. ranks third. Gerber claims it has a 71.2% of the market, Heinz has 13%, leaving 15.8% for Beech-Nut. But Beech-Nut claims it has 17% of the market, and Heinz claims it has 15.8% of the market.

Gerber's First Foods, a line of single-ingredient, single-serving products available in nine fruit and vegetable flavors, has grown into a $25 million category alone, since its inception in July 1987, says Bob Johnston, exec VP-general manager of Gerber Products division.

Gerber positioned its line of single-ingredient foods, designed to be babies' first solid food consumed, toward first-time parents by emphasizing compatability with mother's milk and infant formula. The manufacturer emphasizes its line as a natural transition between milk and solid foods, but suggests parents first get pediatricians' recommendations.

Gerber plans to counter the projected birthrate decline by targeting adults with its nutrition-based food product lines, hoping to snag a higher percentage of health-conscious consumers and reach the $1 billion mark by 1991.

Gerber introduced Fruit Classics, an apple sauce-and-other-fruit combination product, available in 4-ounce single servings, in selected markets last May. The product, still in test, directly competes with Mott's USA in the lunch bucket category.

Gerber is testing shelf-stable milk in the Quad Cities. On the shelves since last May, the milk does not compete with infant formula because it is being positioned as a post-formula whole milk alternative for babies, Gerber says. Sterile

(Continued on Page S-4)

Dee Ann Maki is a frequent contributor to ADVERTISING AGE.

DATA BANK

Leader shows no signs of strain

Baby food supermarket sales (1987, $000,000) and % change from previous year

Strained	$282.4	10.4%
Junior	149.6	4.4
Juices	102.9	3.2
Dry cereal	33.7	6.9
Biscuits, cookies, etc.	7.9	18.1
Other	11.0	4.3

Source: *Progressive Grocer*

CATEGORY REVIEW: Coffee

'Fast roast' turns into weighty issue

Marketers respond to P&G's 'downsizing' of coffee containers, usage declines

By Judann Dagnoli

A revolution in the coffee market has taken place on supermarket shelves, but most consumers have not even noticed.

The 1-pound coffee container is going the way of the Edsel. Adopting a less-is-more attitude, most major coffee marketers are replacing the 1-pound ground with a 13-ounce "fast roast" blend.

The movement started last spring when No. 2 coffee marketer Procter & Gamble Co. revamped its Folgers line, saying the new roasting process "fluffs" beans to the point where 13 ounces by weight equals 16 ounces by volume. Market leader General Foods and Nestle Foods followed with 13-ounce products. Regional roaster Chock Full o' Nuts reportedly is converting to a 13-ounce size.

An industry source says, "P&G has been successful in downsizing the entire coffee industry."

Many consumers have not noticed the change because it is not being advertised, for an obvious reason. "The consumer is not getting any bargains because the fast-roast coffees are weaker and of lower quality than regular brewed coffees," says an industry source. "It takes more scoops to make a cup of the same strength and taste of regular coffee."

The change cannot be detected on the shelves, either; the fast-roast coffees are still packaged in 1-pound cans.

What consumers notice, say grocery buyers, is fast-roast coffee prices. Both P&G and GF say they are pricing their fast roasts 20¢ below list price because they use fewer beans.

Coffee industry sources contend the real savings goes to the coffee marketer, not consumers. "There's greater yield and less shrinkage," says a coffee industry insider. "Since the [coffee marketer] buys less green beans, he makes a higher margin, which is passed along to the trade."

Higher margins are crucial in the $4.8 billion coffee industry, where prices have bounced erratically in the past few years. A 1986 Brazilian drought forced coffee prices to skyrocket to more than $5 per pound. When bean prices tumbled later, retail prices dropped to $2.95.

In 1987 when import quotas on coffee beans were not reinstated, prices fell to less than $2 per pound. When the quotas were re-established later last year, coffee prices rose, hovering at $2.87 per pound in July.

To complicate matters, the ground-coffee market continued to skid as consumers increasingly turned to soft drinks. According to SAMI/Burke figures, ground coffee sales plunged 18.7% to $2.6 billion for the 52 weeks ended June 17, 1988, from the previous 52 weeks.

The suspension of import quotas produced a margin squeeze among coffee manufacturers. General Foods especially suffered from an excess of high-priced inventory when prices plummeted. At a spring 1988 shareholders meeting, GF's then president-ceo Philip Smith called 1987 "a painful year in domestic coffee."

GF responded by slashing ad spending for its flagship Maxwell House brand, first by 25% or $17.5 million, and then even lower by year's end. Maxwell House's agency is Ogilvy & Mather, New York.

Archrival P&G took advantage of the cut, aggressively advertising Folgers via N W Ayer, New York. P&G spent $33 million in 1987, while GF spent $24 million on Maxwell House. GF's share, according to P&G sales materials, dipped to 34.6% from 35.9%; P&G's shot up to 31.4% from 28.2% (AA, April 4).

P&G's switch to fast roast forced other manufacturers to convert because they could not match Folgers' 13-ounce price. "If you look at trends [in the industry] sooner or later most competitors fall in line," says George Boecklin, president of the National Coffee Association.

Less than a month after P&G introduced fast roast, GF downsized its Maxwell House and Yuban lines to 13 ounces, says GF spokesman Peter Ackley. Unlike P&G, which does not call its fast-roast coffee high-yield, GF says its coffee is high-yield although it does not flag it as such or mention the downsizing in advertising.

GF has reinstituted a heavy schedule of Maxwell House advertising, abandoning its "Coffee Made Our Way" campaign and reviving its "Good to the Last Drop" theme first begun when Theodore Roosevelt was U.S. President. The company also is emphasizing its brick-pack coffee as the market's freshest with new ads that bowed this summer via O&M.

The 13-ounce changeover has not reversed the slide in ground coffee sales, however. SAMI/Burke reports show that four-week dollar volume of regular coffee for the period ended July 15, 1988, was $185 million, down slightly from $187.4 million for the same period a year ago. June sales were $200.4 million in 1988 from $204 million in 1987. In May, the first

(Continued on Page S-4)

DATA BANK

GF filters to the top, but P&G perks up

Share of market, case shipments

Company	1987	1986
1. General Foods	34.6%	35.9%
2. Procter & Gamble	31.4	28.2
3. Nestle (Hills Bros.)	11.3	11.1
4. Chock Full O' Nuts	5.2	4.6
5. Coca-Cola Foods	1.9	1.9
Other	15.6	18.3

Coffee sales in a grind

Total coffee market sales ($000,000)

1987 $4.15 1986 $4.95 1985 4.19

Source: SAMI/Burke

A fuller platter

(Continued from Page S-2)
nurser water went into test last month in Fort Wayne, Ind.

Gerber also hopes to capture additional sales by extending its product lines into areas such as reusable decorator bottles and microwaveable feeding dishes.

Gerber Products division, which markets baby food and infant-related merchandise, accounted for 55.7% of the company's total sales of $942.6 million in fiscal year 1988, ending in June, up 14% from the same period in 1987.

Beech-Nut sought to encourage brand loyalty with parents by introducing its Stages line of baby foods in 1984. The brand is pitched as "foods designed to change with the baby's growing needs." This year Beech-Nut added prunes and yellow wax beans to its Stages One line of fruits and vegetables.

Industry observers see Beech-Nut's April launch in test markets of Baby's First single-ingredient, single-serving fruit and vegetable products as an attempt to enter the Gerber-dominated first infant food category. Baby's First is positioned as having a smoother texture for good digestibility, while Stages One is positioned for older babies' tastes.

Heinz last month launched its version of single-ingredient, single-serving transitional baby foods. The manufacturer is positioning its Beginner Foods line as a natural introduction to solid foods, providing the baby with a bridge between cereal and traditional strained foods.

Beech-Nut also entered the cereal category this year with its rice and oatmeal based Fruit Cereals, available in three added fruit varieties. The company notes the cereal is the only line in the baby cereal category without sugar; the company claims to have taken 10% to 12% of the segment. In 1987, Beech-Nut also launched a four-flavor line of 32-ounce fruit juices.

Unlike Gerber, Heinz launched new products rather than expand its existing categories. The Baby Food division reintroduced Heinz Strained Yogurts into the market, after an unsuccessful attempt several years ago, and plans to add additional flavors to its line of five varieties this year.

Beth Adams, Heinz's manager-public communications, says baby yogurt has become a fast-growing category for the manufacturer.

The company's mainstay remains its 40-product line of dried, instant baby food, which the marketer positions as an alternative to the strained, jarred variety.

According to a study last year by New York-based Packaged Facts Research, baby food sales are predicted to increase an average of about 3% to 4% by 1991.

Overall sales for the baby-food market are expected to reach $3.2 billion by 1991, representing a 6% annual rate of growth for the category. The growth is attributed to a higher number of first-time parents who are placing a greater emphasis on quality.

Because of an increasing number of working mothers, the infant formula product category is expected to rise sharply 8% to 9% over the next few years.

FINALLY, FAMILY TV WITH SOME BITE TO IT.

Our lineup may take some people by surprise. Because it's packed with snappy family-fare seen nowhere else.

Take the world premiere of *Rin Tin Tin K-9 Cop.* This co-production with CBS International joins a growing list of gripping originals.

Shows like *The Campbells* and *Crossbow,* both return with all-new adventures. And *Bordertown,* our newest production, will debut in January.

So who is basic cable's family entertainer? The answer should jump right out at you.

'Fast roast'

(Continued from Page S-2)
month of GF's 13-ounce introduction, sales were down even more, to $207.7 million in 1988 from $212.3 million in 1987.

No major coffee marketer seems to be fighting the 13-ounce trend. Nestle Foods has been testing a 13-ounce ground coffee under its Taster's Choice label since September 1987; Della Femina McNamee WCRS handles.

And although some northern New Jersey supermarkets were carrying Chock Full o' Nuts 16-ounce can with a special label reading, "Still one full pound," sources say New York-based Chock's strategy is only temporary and designed to sell existing 1-pound inventory. The company could not be reached at presstime for comment.

In late summer, P&G took downsizing a step further, converting its established Folgers Special Roast Flakes high-yield coffee to fast roast. Now in 66% of the country, excluding the Eastern seaboard, the new Special Roast Flakes container holds 11.5 ounces, but produces 12 more cups of coffee than the now discontinued Folger's 1-pound coffee, says company spokeswoman Belinda Baxter-[illegible]ch.

Observers expect Maxwell House to follow suit and convert its Master Blend high-yield line, now packaged in 11.5-ounce cans, to fast roast. With its flagship Maxwell House line producing the same number of cups as 16 ounce, the high-yield Master Blend "has no reason for being," says a source. GF had no comment.

But even with the margin cushion of 13-ounce coffee, insiders say marketers are in for a tough 1988.

Coffee prices are increasingly uncertain; 1989 green coffee bean quotas are due to be set this month.

If levels cannot be agreed upon, current quotas will be suspended, says Mr. Boecklin. That will cause coffee prices "to come crashing down," says another source, resulting in a "free-for-all."

Laurie Freeman in Washington contributed to this story.

CATEGORY REVIEW: Yogurt

Yogurt breaks out of chilled section

Versatile U.S. staple moves into wide-ranging areas

With refrigerated yogurt now assimilated into American culture, marketers are moving to bridge that success across category boundaries.

But while refrigerated yogurt sales have tripled in the last five years, marketers including Dannon Co., General Mills and Del Monte Corp. have only started to make headway in frozen novelties, desserts, lunch snacks and beverages.

Howard Waxman, editor, Find/SVP's *Ice Cream Reporter*, estimates that supermarket sales still account for only $35 million to $50 million, or about 5%, of total frozen yogurt sales. SAMI/Burke placed 1987 frozen yogurt sales at $26.4 million—small, but up 185%.

Piggybacking on the success of frozen-yogurt chains, supermarket sales should take off as national marketers broaden their offerings.

Danny-on-a-Stick, Dannon's initial experiment with frozen yogurt in the 1970s was a flop; only this year did the company revive the product with frozen yogurt bars, which rolled national this spring.

Through its Vroman division, General Mills has extended the Yoplait name to soft-frozen yogurt: first in 1987, in single-serve packages, and then this spring in pint containers. Castle & Cooke also launched a Dole Fruit & Yogurt bar this year.

Miscellaneous yogurt products, characterized as yogurt drinks and shakes such as Dannon's Dan-up, is another small but growing category; 1987 sales rose 272%, to $10.6 million.

Del Monte wants to develop yogurt's image as a snack. After introducing yogurt-covered fruit snacks last year and testing but rejecting a refrigerated yogurt in the early 1980s, the General Foods unit this summer rolled out a shelf-stable Yogurt Cup, adding to its line of fruit and pudding cups.

Yogurt Cup technically competes with all portable snacks, from salty snacks to "Ding Dongs," says Clyde Noel, marketing manager. Yogurt Cup is Del Monte's first yogurt, although the company tested a chilled yogurt a few years ago.

Yogurt Cup is specially formulated to meet kids' tastes with a smoother taste and in a smaller size than regular yogurts. Spot TV and free standing inserts, themed "Now yogurt is kids' stuff," support via agency McCann-Erickson, San Francisco.

Market leader Dannon has been working on changing yogurt's positioning from a "health food" to a good-tasting healthy snack, says a spokeswoman.

Dannon ads are designed to be "myth-shattering," says the spokeswoman. In print, Dannon features non-traditional yogurt eaters such as male teens and male construction workers. The campaign pits Dannon against fast food—tortilla chips and double cheeseburgers—with tag lines such as, "The fastest growing fast food isn't a double cheeseburger"; HDM, New York, handles.

The refrigerated yogurt category continues to outpace virtually all other supermarket categories in the dairy section; sales have nearly tripled—up 188%—in the past five years. In 1987, sales totaled $1 billion, up 18.2% from 1986, according to SAMI/Burke.

According to a 1986 Find/SVP report, 45 brands of cup yogurt are on the market, with more than 30 producers each registering $1 million in sales. "Few products have demonstrated the kind of sales growth and increase in consumer acceptance that yogurt has over the last 10 years," the report concludes.

The four national competitors are Dannon, Yoplait, Kraft Dairy Group's Light n' Lively and Breyers, and Kellogg Co.'s Whitney's.

H.J. Heinz Co., which markets a low-fat yogurt under the Weight Watchers name, says low-calorie, non-fat yogurts, at $221 million in sales, now account for 17% of category sales. With NutraSweet now approved for use in refrigerated yogurts, marketers are rushing products to stores; Kroger Co. in July introduced Kroger Lite, the first NutraSweet yogurt, and Kraft is readying a Light n' Lively version for test market.

French-style yogurts now account for more than 65% of branded, pre-stirred yogurts.

To capitalize on this growth, Heinz in July introduced A La Francais, a creamy, 150-calorie per serving yogurt in nine flavors.

The line is available in 85% of the U.S., excluding the Northeast.

Phil Lempert, president, Lempert Group, an advertising agency handling Tuscan yogurt, says "non-fat yogurts are growing by leaps and bounds." This will create new opportunities for new yogurt products, he says, including yogurt puddings and yogurt desserts such as yogurt cheesecakes.

—Judann Dagnoli and Julie Liesse Erickson

DATA BANK

Very active cultures

Yogurt sales by category

Total yogurt
$1,049.9 million (up 20.8%)

Refrigerated
$1,012.9 million (up 18.2%)

Frozen
$26.4 million (up 185%)

Misc. products
$10.6 million (up 272%)

Top 5 refrigerated yogurt brands

Dannon
Yoplait (General Mills)
Light n' Lively (Kraft)
Breyers (Kraft)
Weight Watchers (H.J. Heinz Co.)

Top 3 frozen yogurt brands

(Accounting for more than 80%)

Yoplait
Sealtest (Kraft)
Knudsen (Kraft)

Source: SAMI/Burke figures for 52 weeks ended Jan. 1, 1988

CATEGORY REVIEW: Granola

Early-decade hit gives way to fruit snacks

By Julie Liesse Erickson

Granola snacks are growing stale on the shelves.

A star performer in the early 1980s, granola snacks—including not only granola bars but other grain-based bars—have experienced a 32% drop in dollar sales since 1985, when sales peaked at $439 million. Last year, sales fell 17% to $300 million, according to SAMI/Burke.

Granola snacks have suffered from two problems, analysts say. In their eagerness to expand the products' appeal, marketers added pudding flavors, chocolate chips and coverings, sacrificing granola's health-food image. Simultaneously, those marketers found themselves competing with new healthy and portable snacks—often from their own R&D departments.

For instance, while granola snack sales have declined 32% in the past two years, sales of fruit snacks have exploded, passing up granola last year when total sales rose 15% to hit $313 million. General Mills competes in both markets, with Nature Valley granola bars and Fruit Corners/Betty Crocker fruit and pudding snacks.

> ***Describing the explosion in new snack products on the shelves, "There's only so much Mom can put in a lunchbox."***
>
> **Linnea Johnson**
> **Thomas J. Lipton Inc.**

Shelf-stable puddings, yogurt and fruit compete for the kids' market, while a rapidly growing grain cake market attracts adults.

"There's only so much Mom can put in a lunchbox," says Linnea Johnson, product manager for Thomas J. Lipton Inc.'s Fun Fruits line.

Quaker Oats Co. still retains about a 45% share of granola snack sales and is dedicated to sticking with its lineup. Quaker believes the market is "rationalizing" after a glut of new competitors and will plateau at a comfortable—and profitable—level.

Trying to piggyback on fruit snacks' success, Quaker in September introduced strawberry and apple flavors of its Chewy Granola Bars, which lead the market with a 25% share. Granola Dipps, Quaker's chocolate-covered bar, are second with about a 20% share.

But Quaker has focused more on its grain cakes line as a growth vehicle. It markets corn, rice, rye and wheat cakes under both the Quaker and its Mothers health-food labels.

Likewise, despite some renewed vitality for its Nature Valley granola bars—which saw unit sales up 14% on the strength of heavy trade promotions—General Mills has refocused its new product and marketing attention on its line of fruit snacks. This fall it moves into fruit shapes with the introduction of Berry Bears and Shark Bites fruit snacks, under the Fruit Corners nameplate. A $7 million marketing effort supports, including TV spots from Saatchi & Saatchi DFS Compton, New York.

General Mills already has stumbled in the fruit snacks market; analysts say Pudding Roll-Ups and Fruit Swirl Bars, introduced in 1987, both have damaged consumers' perception of fruit snacks as a healthy alternative to candy.

Lipton seems determined to avoid the problems experienced by granola bars. Its concentration on the bite-size fruit snack segment of the overall wholesome snack market has paid off. Unlike General Mills, Lipton never introduced a granola bar and further narrowed its sights by discontinuing all but one of its fruit roll products in favor of bite-size products.

As a result, Lipton more than doubled its share of the fruit snacks category to an estimated 54% from 20% in 1986. Meanwhile, General Mills, which tried a number of new roll products, watched its share slide to 40%.

Despite fruit snacks' potential to replace granola snacks as the healthy snack of the late 1980s, however, marketers must watch their step.

Del Monte Corp. already offers yogurt-covered, bite-size fruits that some industry analysts believe may lead fruit snacks down the same self-destructive path granola snacks covered.

A backward glance at the litter of discarded or struggling brands—from trail bars to bite-size granola snacks to breakfast bars—begs the question: Are these snacks doomed to the short-lived life of a fad?

DATA BANK

Crunch time for granola, while fruit rolls on

Snack sales ($000,000)

	Granola	Dried fruit
1987	$298	$587
1986	359	508
1985	439	418
1984	424	326
1983	350	250

Source: SAMI/Burke

consumers decide where and what they're going to eat," he says. "Today, supermarkets compete with restaurants and other retailers."

How drought-related food price hikes will affect the shift toward imagery is unclear. With 1989 food prices expected to be 6% higher than this year's it seems a move toward softer image advertising would help lessen consumer sticker shock.

But few supermarket executives expect the weather to affect ad plans. "The drought affects us all equally," says one retailer.

"Of course, if the price of bread gets really outrageous, we'll probably all find something else to talk about. But if a loaf of bread costs 10¢ more at XYZ store and I'm selling it for only 8¢ more, I'm going to advertise my better price." ▪ AA

Cash register kings

Top supermarket companies, supermarket sales ($000,000,000)

1. **Safeway Stores**	$18.3
2. **Kroger Co.**	17.7
3. **American Stores**	14.3
4. **Winn-Dixie Stores**	8.8
5. **A&P**	7.8
6. **Albertson's**	5.9
7. **Supermarkets General***	5.1
8. **Publix Super Markets***	4.2
9. **Von's Cos.**	3.2
10. **Grand Union***	2.8

*Estimate

Source: Prudential-Bache Securities

Promotions

(Continued from Page S-1)

scale convenience foods that consumers seek.

"The chain stores increase their profit margin by moving into radios and Sony TVs," he says. "We do it with raspberry vinegar at $15 a bottle and extra virgin olive oil at $20."

West Point Market does not emphasize price because it is in a saturated market, Mr. Vernon says. "We can't compete in the newspapers on price. We haven't built our business on price. We look for quality first."

Supermarket industry executives say the gourmet foods market is growing, but BMW owners aren't the only ones looking for fresh Norwegian salmon and imported Havarti cheese. Now ads targeting main-line consumers reflect tonier tastes.

"It may have started with the upscale or yuppie market, but now there's a broad spectrum of customers interested in new foods, in a wide variety of produce and fresh seafood, and in nutrition," says Michael Rourke, VP-community and corporate affairs at A&P Supermarkets.

"Where we once carried 110 produce items, we now carry 300. We once offered 30 to 40 different kinds of cheese in a store, now we have 170 kinds from all over the world," he says.

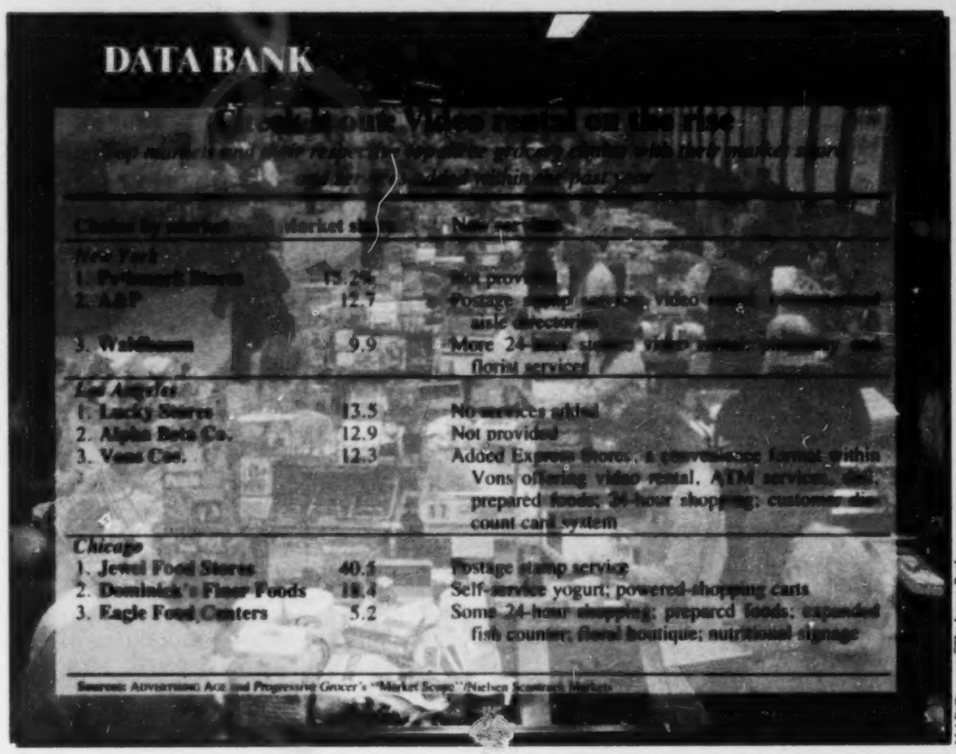
To reach consumers interested in quality perishables and personal service, A&P combines image and price advertising for its mid-Atlantic Superfresh subsidiary. Image spots boasting the chain's "proud new feeling" run on TV, supported by printed price-item ads and inserts.

"We use TV to reach new customers, to let them know that Superfresh puts a great deal of emphasis on service. The ads convey the idea that this is a friendly store with a better atmosphere," says Mr. Rourke.

Superfresh uses print to speak primarily to its current customer base, he says. "Not everybody reads supermarket ads, and those that do tend to read ads from the supermarket where they primarily shop and maybe one other."

Superfresh's print ads address the competition on price, although Ad Director Albert Adelman says the company tries to make those ads stand

(Continued on Page S-18)



DATA BANK

Checkout: Video rental on the rise

Top markets and their respective top three grocery chains with their market share and services added within the past year

Chains by market	Market share	New services
New York		
1. Pathmark Stores	15.2%	Not provided
2. A&P	12.7	Postage stamp service; video rental; [illegible] aisle directories
3. Waldbaum	9.9	More 24-hour stores; video rental; pharmacy and florist services
Los Angeles		
1. Lucky Stores	13.5	No services added
2. Alpha Beta Co.	12.9	Not provided
3. Vons Cos.	12.3	Added Express Stores, a convenience format within Vons offering video rental, ATM services, deli, prepared foods; 24-hour shopping; customer discount card system
Chicago		
1. Jewel Food Stores	40.5	Postage stamp service
2. Dominick's Finer Foods	18.4	Self-service yogurt; powered-shopping carts
3. Eagle Food Centers	5.2	Some 24-hour shopping; prepared foods; expanded fish counter; floral boutique; nutritional signage

Sources: Advertising Age and Progressive Grocer's "Market Scope"/Nielsen Scantrack Markets

Mel DiGiacomo/©The Image Bank

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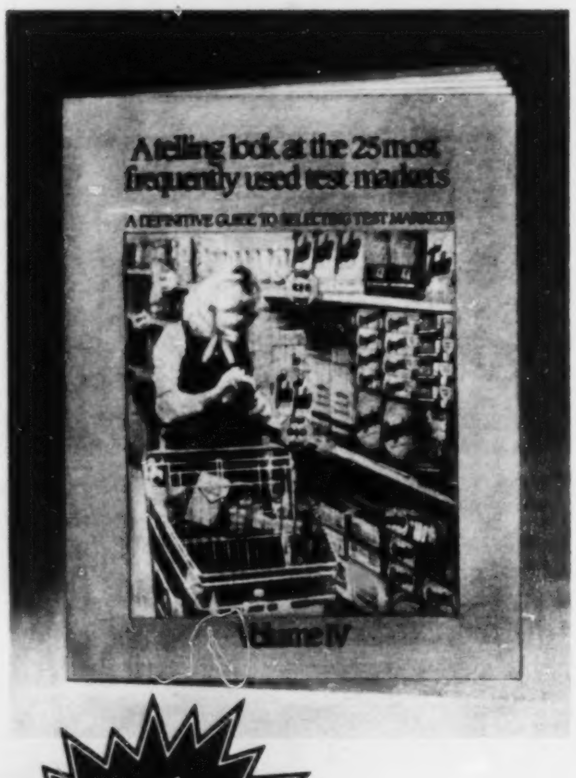
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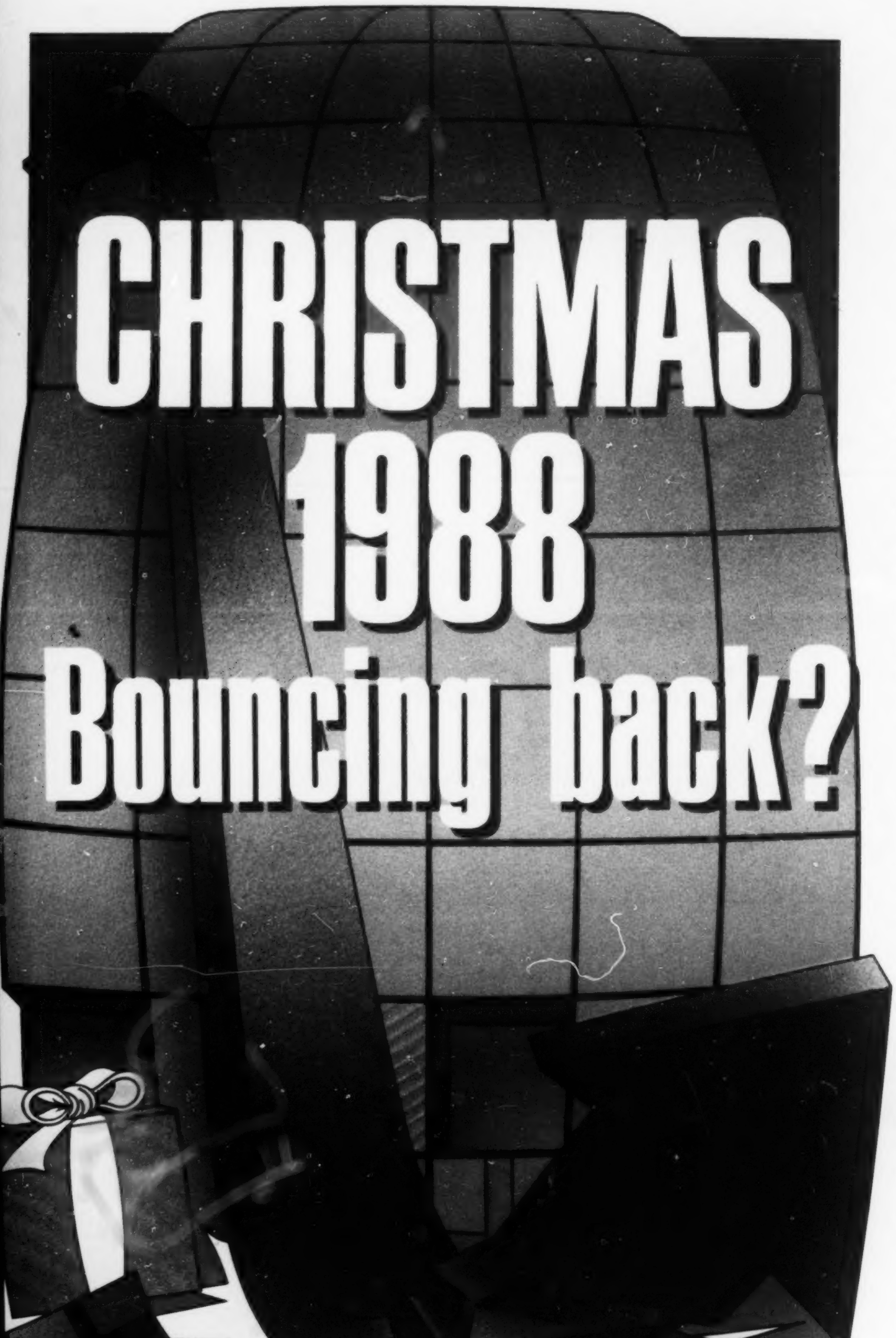

CHRISTMAS 1988 Bouncing back?

Joe Taylor/RHI Graphic Design

Retailers learn from bitter 1987

An Advertising Age roundup

Just one year ago, the stock market plunge was threatening to drag down the holiday selling season. Survey after survey showed that consumers were nervously clutching their pocketbooks and shopping conservatively.

For most retailers, that crucial sales period was a crapshoot.

But looking toward this Christmas, those same retailers' spirits are on the rebound. While surveys show that consumers still aren't in a strong buying mood, retailers are ready for whatever fickle shoppers decide to throw at them.

Since last year's troubles, retailers have cut costs, trimmed bloated inventories and ordered from suppliers more cautiously in a drive to junk the bad habit of overloading on merchandise and then selling it in unplanned deep discounts late in the season.

"Stores have taken measures to protect themselves," said Kurt Barnard, retail consultant and publisher of *Retail Marketing Report*. "They are buying merchandise from their suppliers on a hand-to-mouth basis, and they have bought only what they believe they can sell."

> *"Last year retailers were loaded down with inventory; this year they'll be lean. They're going to make a lot more money."*

The true test of this holiday season will be how much—or how little—it takes before retailers hit the panic button and start heavily discounting.

Optimists say stores will stay firm and abide by their existing sales schedules. "You'll see a lot of planned markdowns as opposed to unplanned markdowns at the end of the season," said William Flatley, principal, Kurt Salmon Associates, a retail consultancy.

But pessimists believe that competition is so fierce, and price-cutting habits so deeply ingrained, that significant promotional activity is inevitable.

"Any retailer that is not promotional will be left standing at the gate," said John Landschultz, retail analyst at Mesirow & Co.

The difference this year, he predicted, will lie in re-

(Continued on Page 35)

Inside:

Premier ads draw political fire—P. 3
Alan Bond eyes U.S. media—P. 26
Martin Sorrell hot on Far East—P. 58
Dukakis spots strike out—P. 76

What GrandMet plans for Pillsbury

By LAUREL WENTZ and JULIE LIESSE ERICKSON

Burger King Corp. can expect an injection of marketing dollars if Grand Metropolitan's proposed acquisition of Pillsbury Co. succeeds.

But N W Ayer then could have to win the advertising account all over again.

Sources familiar with the London-based conglomerate say it has a history of aggressively funding advertising and making dispassionate decisions about agencies.

While that doesn't mean GrandMet would start a formal review of the existing $200 million Burger King account, the British company's top executives wouldn't hesitate to drop the agency if they thought better work could be had elsewhere, sources said. Ayer has had the Burger King account for a year.

Despite frantic actions by Pillsbury, analysts and GrandMet officials seemed confident at the end of last week that the $5.2 billion unfriendly takeover attempt would succeed.

"We are confident that the blend of Grand Metropolitan's experience, innovation and resources with Pillsbury's established brand names, quality products and talented employees will create an organization with the potential to be a worldwide leader in the manufacture and sale of branded foods," said Ian Martin, ceo of GrandMet USA, in a letter to Pillsbury CEO Philip Smith.

Those familiar with GrandMet paint it as a company dedicated to brand marketing but also as a lean and efficient organization that acts quickly to solve problems.

"This is not a buy-it-and-break-it-up plan," said Frank Krum, president of Alpo Pet Foods, a key GrandMet subsidiary in the U.S. "GrandMet will be investing heavily in all the Pillsbury brands.

"They are committed to becoming a force in foods and committed to brand development. They move very quickly; they have an exciting attitude of being dissatisfied with things as they are."

That may not be good news for New York-based Ayer, which might also be troubled by comments from Keith Holloway, GrandMet's commercial affairs director in London.

"Our belief is that Burger King needs a very superb advertising campaign, and we'd go to a lot of trouble to get the best creative product," Mr. Holloway said. "We've already pinpointed advertising that has not been consistent over time. A big idea is needed that can be built over time. We would bring additional support and consistency to the advertising."

Ayer officials weren't available for comment at press time.

GrandMet's style also may mean trouble for Mr. Smith,

(Continued on Page 74)

Last Minute News

CBS takes promotions in-house

NEW YORK—CBS-TV Network has pulled its on-air program promotion assignment in-house from Backer Spielvogel Bates. Backer keeps media planning, print advertising and collateral. Backer won the $40 million account last year (AA, Aug. 31, 1987), but affiliates severely criticized the agency's promotions for CBS' prime-time shows. The creative assignment may go to another agency. New on-air promotion breaks next week.

Wrangler splits with Saatchi

GREENSBORO, N.C.—Wrangler is reviewing agencies for its estimated $10 million account after splitting with Saatchi & Saatchi DFS Compton, New York. Finalists are the Martin Agency, Richmond, Va.; Henderson Advertising, Greenville, S.C.; HutchesonShutze, Atlanta; and W.B. Doner & Co., Baltimore. A decision is expected by mid-November.

Hawley Martin rethinks shop buy

RICHMOND, VA.—Hawley Martin Partners, the new shop created by Martin Agency founder David Martin, is dissolving its unsigned agreement to buy Ford & Westbrook, sources said (AA, Aug. 22). Hawley Martin claimed to have combined billings of $50 million, $35 million of which came from Ford & Westbrook. The merger wasn't completed because Ford & Westbrook was too deeply in debt, the sources said. Brad Armstrong, a Ford & Westbrook partner who was to be president of Hawley Martin, confirmed last week that his old agency "had some cash flow problems that affected the structure of the agreement." But he denied that Mr.

(Continued on Page 8)

October 10, 1988

Advertising Age

Crain's International Newspaper of Marketing.

ESPN to kick off sports magazine

By PATRICK REILLY

ESPN, the nation's largest cable TV network, will unveil a monthly sports magazine to be distributed in home-delivered Sunday editions of major metropolitan newspapers.

The New York Times, The Boston Globe, San Francisco Chronicle, The Dallas Morning News and eight other newspapers have signed on.

The advertiser-supported magazine, called *TV Sports*, will be created by Crosby Vandenburgh Group, a Boston-based custom magazine publisher. It will be launched in December.

The full-size book will appear in the last Sunday edition of each month, only in home-delivered copies to neighborhoods wired for cable and only to homes with median household incomes of $35,000 or more.

CVG, which will handle the editorial and sales functions of *TV Sports*, said it has already signed RJR Nabisco and Philip Morris Cos. as advertisers for multiple products.

Ad rates are $21,500 for a b&w page and $30,200 for a color page. Rate base will be 2 million.

TV Sports will be subtitled "The Magazine of Televised Sports" and carry listings of sports events on ESPN as well as the Big 3 TV networks and other cable services.

Editorial will include features on TV sporting events and will be mixed with a prime-time chart of events and an innovative listing of monthly programs by sport.

"We are trying to make the magazine as usable as possible to the viewer," said Roger Werner, president of ESPN. "The [broad range of] listings in the long

(Continued on Page 70)

Grocery chain dumps major package goods

By JULIE LIESSE ERICKSON

The nation's fifth-largest supermarket chain, Winn-Dixie Stores, is dropping products of grocery marketers that have refused to comply with its demand for standardized promotional allowances.

ADVERTISING AGE has learned that products from Campbell Soup Co., General Mills, Quaker Oats Co. and Procter & Gamble Co. are among those not being restocked by Winn-Dixie, a 1,300-store chain based in Jacksonville, Fla.

General Mills, Quaker and General Foods Corp. last week joined P&G and Pillsbury Co. in making it clear they had no plans to comply with Winn-Dixie's pricing demand (AA, Oct. 3).

"We have had some items discontinued," said Sydney McHugh, a P&G spokeswoman. "We're disappointed, but that's Winn-Dixie's prerogative."

The chain has said it no longer will accept promotional allowances on a market-by-market basis but will place chainwide orders at the lowest available prices—even if those prices are offered in only one of its markets.

Some of the big food marketers are contemplating retaliatory coupon blitzes in Winn-Dixie markets to boost demand for the discontinued products.

"This is more than a single account at issue. This speaks to the need for reviewing the industry's long-term strategies for trade allowances," said Craig Shulstad, director of media and financial relations for General Mills.

Winn-Dixie refused comment

(Continued on Page 75)

HOT STUFF

Breaking campaigns

Hyundai Motor America highlights the spaciousness of its new Sonata in a TV spot that starts running next month. Backer Spielvogel Bates, Huntington Beach, Calif., handles.

A new Diet Dr Pepper spot stars comedian Judy Tenuta, who explains the diet drink keeps her from turning into a "big bull moose." Young & Rubicam, New York, handles. *(See story on Page 71.)*

1992: a false sense of 'Europhoria'?

By LAUREL WENTZ

LONDON—The skeptics are starting to emerge on the subject of a barrier-free Europe in 1992.

Marketers have been carried away by the euphoria of a European Community that supposedly would be similar to the U.S., but now a few companies are beginning to realize it won't be that easy.

At a "Euro 1992" conference here last week, organized by the International Advertising Association, some executives said cracking the European market still will be hard after trade barriers fall.

Europe is gripped by "Europhoria," ignoring difficult details such as the loss of economic independence to focus on a rosy long-term future vision, said Mike Johnson, editor of *International Management*.

He compared European Parliament Commission President Jacques Delors to "Julie Andrews in 'The Sound of Music' with a family of cute little bureaucrats yodeling in the background."

The business monthly's September cover story on 1992 said industry restructuring to prepare for a single European market will eliminate between 250,000 and 500,000 jobs. Restructuring also could lead to labor unrest, economic disruption and protectionism arising from a worsening trade deficit.

European Community to scrutinize 'media moguls'—P. 74

The passing of 300 EC directives to cover every trade aspect could result in more regulation than deregulation.

"We may see proposals for directives on videotex, tobacco advertising, sexism [in advertising] and certain types of food claims," said Alastair Tempest, secretary general of the European Advertising Tripartite.

As companies focus on the cost savings of 1992, the consumer could end up being worse off—rather than better off—than he is today, Clay Timon, VP-director of worldwide advertising at Colgate-Palmolive Co., said in a speech at the conference.

A European Community housewife won't suddenly emerge on Jan. 1, 1993, Mr. Timon said. "Her needs, her desires and her consumption habits are not going to change appreciably. And this we cannot ignore."

For example, toothpaste and oral care can't be marketed in the same way across Europe because they aren't perceived the same way everywhere, Mr. Timon said.

In Spain, toothpaste is regarded as a cosmetic. Spanish toothpaste commercials look glamorous, like soft-drink commercials. In the U.K. and the Netherlands, toothpaste consumption is three times as high as in Spain and Greece, and the product is seen as therapeutic.

Sometimes products themselves have to change from country to country. Mr. Timon cited the example of Ajax household cleanser, used straight out of the bottle in northern Europe to obtain a glossy shine in spot cleaning.

In southern Europe, Ajax is used

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Tuesday
10:13 a.m.

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Towne shop on the block

By JON LAFAYETTE

NEW YORK—After chasing away all potential suitors two years ago, Towne, Silverstein, Rotter, an $80 million agency, is inviting acquisition proposals.

"The economics of the agency business have changed," said TSR President Steven Rotter. "I'd listen to offers now."

His admission is unusual. Most agency executives deny being involved in merger discussions and loudly proclaim the virtues of independence up until the moment the ink is dry on a contract selling their shop.

Mr. Rotter, who said he hasn't received any feelers in the past six months, said his change of heart is partly based on figures he's seen on how much an agency of TSR's size would be worth.

Using one standard formula based on the agency's $12.3 million in gross income, a ballpark price for the agency would be $6 million to $7 million, industry observers say.

Mr. Rotter said that in addition to "putting a bunch of money in the bank," a sale would give TSR clients the support of a large agency.

Although he would be willing to sell, given the right offer, Mr. Rotter added, "we wouldn't do it [just for the money] if we didn't fit."

TSR is owned by Mr. Rotter, 38, and CEO Leslie Towne, 55. William Silverstein, who'd been chairman-director of creative services, retired a year ago, Mr. Rotter said.

The agency has been profitable in 21 of its 22 years, landing in the red once in the mid-'70s because of problems with one of its accounts, the popular Rubik's Cube toy (then marketed by Ideal), he said.

The agency's clients include Canandaigua Wine Co., Lewis Galoob Toys and Emerson Radio Corp. However, Levy, King & White, a Buffalo, N.Y., agency near Canandaigua's headquarters, is eager to pick up more business from the wine company.

Levy King has been handling Sun Country cooler's sales promotions for the past year. A few months ago, the small shop was named agency of record for Canandaigua's latest product, Marcus James White Zinfandel.

Mr. Rotter believes that because his agency's key clients are in "unusual categories," TSR should be "more appealing" to an acquisition-minded agency and be able to command a good price. Also desirable, Mr. Rotter said, is the agency's recently launched sales promotion division.

There are several agencies reportedly pursuing acquisitions in New York. Among them are Roux, Seguela, Cayzac & Goudard, Paris; WCRS Group, London; and Dallas-based Tracy-Locke, a subsidiary of Omnicom Group.#

'Cosby' starts slow on syndicated TV

By VERNE GAY

NEW YORK—The new fall season has kicked into high gear on syndicated TV, but it appears few viewers have noticed.

A batch of new, highly touted shows hit the air last week, including "The Cosby Show" and "Family Feud." Initial audience reaction, however, appears lukewarm, based on overnight ratings in a handful of markets.

"The Cosby Show," which made its debut Oct. 3, bowed to an 8.5 A.C. Nielsen Co. rating on WWOR in New York. The show on Oct. 7 turned in ratings of 8.6 on WFLD in Chicago and 8.9 on KCOP in Los Angeles.

LBS Communications' "Family Feud," which has early-morning placement on three major CBS owned & operated stations, got a 5.6 rating on WCBS in New York on Oct. 5. But it earned ratings of only 1.6 in Los Angeles (KCBS) and 2.0 in Chicago (WBBM). LBS said the show eventually will do between an 8 and 10 national rating.

Many stations paid a king's ransom for the syndicated "Cosby" and staked their financial futures on the show's outcome.

Stations are also still interested in

(Continued on Page 70)

Chiat/Day execs break away

By CLEVELAND HORTON

The breakaway bug has reached the West Coast. Three senior executives have bolted Chiat/Day to hang out their own shingle.

Greg Helm, 41, former senior VP-general manager at Chiat/Day's Venice, Calif., office, is now managing director of the new agency, Stein, Robaire & Helm.

John Stein, 37, and Jean Robaire, 31, both VP-associate creative directors at Chiat/Day, are co-creative directors of the new agency.

The Stein-Robaire creative team, best known for its celebrity Pizza Hut campaign, has won numerous creative awards and is considered a West Coast powerhouse. Mr. Helm distinguished himself at Chiat/Day when he managed the often-stormy Apple Computer account.

Unlike the high-profile breakaway from Lord, Geller, Federico, Einstein in New York last March, where about 60 employees left to join Lord Einstein O'Neill & Partners, the former Chiat/Day executives say they won't go after their alma mater's clients or staffers. The new agency has no start-up accounts and is looking for office space in Los Angeles.

Both Mr. Helm and Bob Wolf, Chiat/Day vice chairman and president of the Venice office, said the departure was amicable, but it was also abrupt. The three principals offered their resignations on Sept. 30 and were immediately escorted out of the agency.

"I offered them as much [notice] as they wanted," Mr. Helm said. "But they said, and I agree with this philosophy of management, 'Thank you, but with all due respect . . .' "

Mr. Helm said he was concerned that the breakaway would be interpreted as hostile, even though he said it wasn't.

"It's something I've always wanted to do, but I didn't want to leave Chiat/Day," he said.

However, he indirectly attacked the agency's recent expansion. "I hope [Stein, Robaire & Helm] will always be as challenging as Chiat/Day was at the beginning, when it was a smaller agency, where people call each other by their first names," Mr. Helm said.

Mr. Wolf took exception to any suggestion that Chiat/Day has suffered from the growth associated with the win of Nissan Motor Corp. USA's $150 million-plus account and later the $80 million in Nissan dealer business.

Asked about reports that Chiat/Day is an agency split between those who work on the Nissan account (the haves) and everyone else (the have-nots), Mr. Wolf said: "I don't agree with it, and I don't want to talk about it. Everybody who writes a story wants to write that story." The breakaway team didn't work on the Nissan business. #

Marcy Magiera in Los Angeles contributed to this story.

Chiat alums (from l.) Greg Helm, John Stein and Jean Robaire after the breakaway.

Mail-order ads planned for Soviets?

By STEVEN W. COLFORD

WASHINGTON—A major U.S. consumer-products company is negotiating with Soviet officials about airing mail-order commercials in Soviet TV programming, says a leading producer of joint U.S.-Soviet programming.

Ed Wierzbowski, president of Global American Television, last week refused to identify the U.S. marketer but said such an agreement would represent a "breakthrough" for advertisers.

The spots would direct viewers to send money to a post office box in the Soviet Union; from there, it would be relayed to the U.S. marketer, he said. The marketer then could send the product to the Soviet Union.

Only a handful of U.S. marketers have used TV to reach the Soviets, mostly because U.S. goods aren't readily available in the Soviet Union.

Another issue that must be resolved is how U.S. marketers in general can bring their profits out of the Soviet Union.

Mr. Wierzbowski is also looking for U.S. advertisers to buy time on the Nickelodeon children's series "Fraggle Rock," which he said will make its Soviet TV debut early next year. #

CORRECTIONS & CLARIFICATIONS

- No longer an exec VP, Rob Weinberg, author of the "Viewpoint: Forum" essay, "Marketing's kissin' cousins" (AA, Sept. 26, P. 20) is now president of W.L. Harvey Inc., New York.
- A photo of participants at the Detroit International Croquet Tournament sponsored by *Town & Country* (AA, Sept. 12, P. 94) was misidentified. The three are (from l.) Val Corradi, president, Corradi Co., Bloomfield Hills, Mich.; Bob Gamble, senior VP, J. Walter Thompson USA, Detroit; and Terry Sweeney, Detroit marketing manager, *Business Week*, Southfield.
- A report on a new magazine for polo players (AA, Aug. 22, P. 52) should have mentioned *Polo*, Gaithersburg, Md., which has 5,000 paid circulation and is affiliated with the U.S. Polo Association.
- Top imported beers as reported by Information Resources Inc. (AA, Aug. 15, P. S-6) should include Labatt's with volume share of 7.0. "All others," with the inclusion of Tecate, changes to 21%. #

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Retailers hope for holiday jingle

Analysts expect improved fourth-quarter profits

(Continued from Cover)

tailers' pricing policies. Mr. Landschultz said he doesn't think retailers will mark up merchandise as steeply or subsequently take as sharp a markdown as last year.

One source of optimism is expected fourth-quarter sales in key categories. Because of current strength in apparel and home-related, recreational and upscale merchandise, industry analysts expect fourth-quarter retail sales to rise 5% to 8% over the same period last year. With inflation running at 3% to 4%, "real" gains should be in the 2%-to-4% range.

Those figures resemble last year's fourth quarter, when general merchandise sales climbed 5.5% to $109.7 billion, inflation hit 3% and real sales were up a modest 2.5%, according to the National Retail Merchants Association.

But the crucial element is profits, not sales.

"In terms of profitability, this Christmas is going to look a whole lot better," said James Newton, president of Economic Perspectives, a research and consulting company.

If things shape up as expected, merchants stand a chance of breaking out of their price-cutting spiral even though no hot new items have yet appeared on the horizon.

In fact, retailers run the risk of running out of merchandise if sales exceed their relatively modest expectations.

Analysts are upbeat

"This Christmas will be much better. Retailers will do very well on their bottom lines," said Mesrow's Mr. Landschultz.

"It will definitely be a better Christmas than it was last year," said Fred Wintzer, specialty apparel retail analyst at Alex. Brown & Sons. "Last year retailers were loaded down with inventory; this year they'll be lean. They're going to make a lot more money."

In his opinion, specialty retailers' profit margins should rise by 2% in the fourth quarter, compared to a drop of 3% to 4% in last year's final quarter.

Despite consumer surveys *(see related story on this page)*, industry experts have high hopes that consumers are ready to buy, if only somewhat more cautiously than in previous years.

"The environment looks different this year than it did last year," said Rosalind Wells, chief economist at the National Retail Merchants Association. "The economy is in good shape, employment and income levels are high, and consumer confidence levels have been extremely good. Barring some unforeseen event, like last year's stock market crash, demand should pick up and stores should panic less."

Paul Leblang, senior VP-director of marketing at Saks Fifth Avenue, agreed. "Assuming that nothing unexpected happens, customers should be in good shape," he said, noting that last year's market volatility had a definite impact on Saks' business.

Even the less-than-thrilling consumer spending surveys are consistent with retailers' feelings that consumers are choosing quality over quantity and exercising greater control over their buying.

"Customers today are older, more conservative, not as easily swayed," Mr. Barnard said. "And retailers are gradually beginning to realize that the impulse-buying customer of the past is giving them a cold shoulder."

As baby-boomers have become older and more mature, "they're less prone to self-indulgent spending sprees," said Carol Farmer, president of Carol Farmer Associates, her own retail consultancy. "They're shopping now with lists, and that makes a big difference in what they buy."

In general, high-quality items targeted at upper-income consumers stand to reap substantial gains because virtually all of the nation's income growth this year has been concentrated in the wealthiest 20% of population.

The immediate consequence is that the broad middle- and lower-middle-class markets probably won't have as much to spend, said Carl Steidtman, chief economist, Management Horizons, a retail consultancy.

The longer-term consequence is an increasing split between the haves and the have-nots that's gradually changing the shape of retail markets.

"At the top, people are in a better condition to buy luxury goods like cashmere, natural fibers or whatever the latest toys are," said Fred Marx, president of Marx & Co., a retail consultant. "At the bottom, people are extremely price-oriented. . . . But it's the middle market that's kind of treading water."

Apparel sales crucial

Apparel is a critical category. Although sales figures for September aren't available yet, "Retailers are saying women's apparel is showing signs of life again," said Ms. Wells of NRMA.

She noted that stronger apparel sales will give a needed lift to specialty stores and general merchandise stores, which have been hurt most by the yearlong slowdown in apparel sales.

Apparel's recovery is being driven by pent-up consumer demand and more acceptable fall fashions, rather than a much-hoped-for fall fashion trend that never materialized.

The themes of the season are "more colors, better silhouettes, more variety in hemlines, suede shoes: a hodgepodge," said William Smith, retail analyst at Smith Barney, Harris Upham & Co.

"With so many fashions revolving around miniskirts, women delayed buying apparel, but we're feeling the benefits of those postponed purchases now, [and] we expect this to continue through Christmas," said Bob Capelli, senior VP-sales promotion at Marshall Field's.

Like last year, "hot" items in everything from toys to consumer electronics are in short supply this holiday season.

Service isn't just for holidays

That leads Morris Saffer, president of Toronto-based Saffer Advertising, which specializes in retail, to draw an analogy with the automobile industry.

"Retailers are having the same problem as auto manufacturers had when the new model year no longer automatically resulted in a surge in sales. Then they had to become good merchants all year long. We're seeing the same kind of thing happening in fashion and other industries, and that's changing the tenor of Christmas."

In Mr. Saffer's view, the merchants' main task this holiday season is to "woo" customers who've been disappointed in the lack of newness or excitement in store offerings. He believes stores that provide good service, well-selected merchandise and a sense of drama in their presentation will have success, while stores that adopt superficial sales promotion tactics will lose share.

Experts suggest that the "identity" of stores is important this year because of the wave of mergers and buyouts that has swept the retail industry, creating unprecedented turmoil.

"When you have changes as dramatic as these, the nature of individual stores changes and consumer allegiances are going to be more questionable than they historically have been," said Bernie Feiwus, senior VP-marketing and advertising at Nieman Marcus.

"This is a real opportunity for retailers to come up with a clear and focused strategy to pick up con-

(Continued on Page 62)

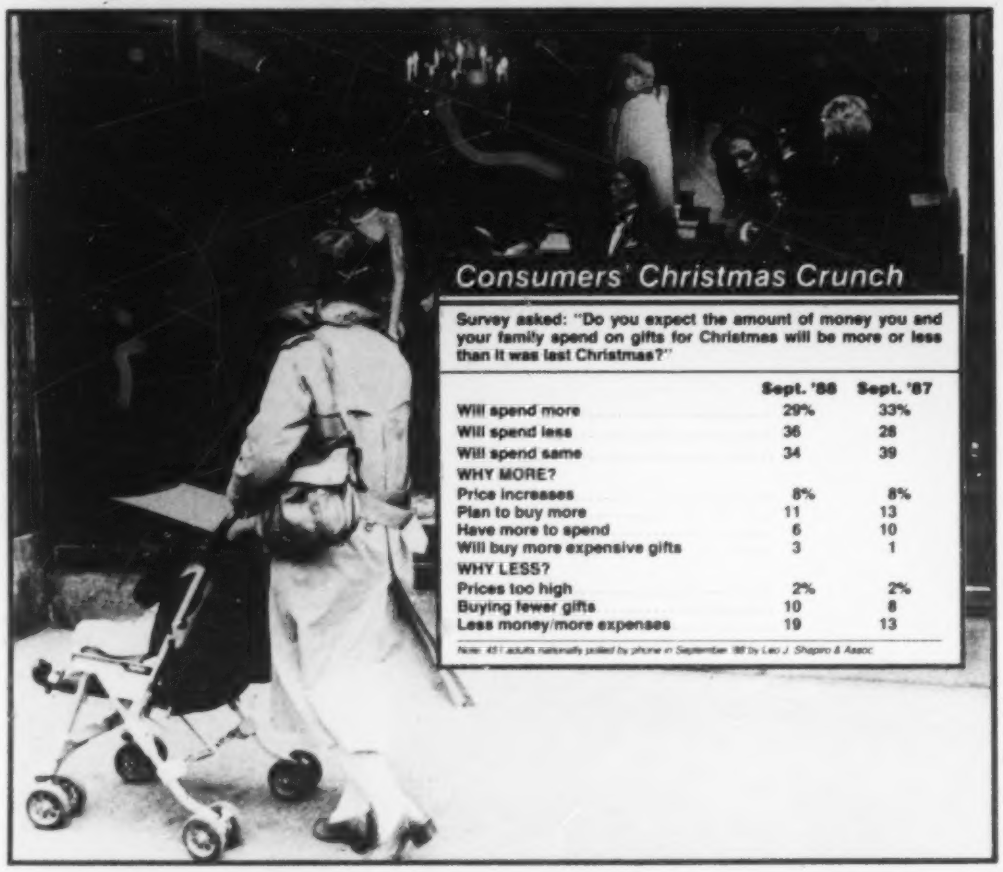

Photo by Susan Paddor Lukes

Consumers' Christmas Crunch

Survey asked: "Do you expect the amount of money you and your family spend on gifts for Christmas will be more or less than it was last Christmas?"

	Sept. '88	Sept. '87
Will spend more	29%	33%
Will spend less	36	28
Will spend same	34	39
WHY MORE?		
Price increases	8%	8%
Plan to buy more	11	13
Have more to spend	6	10
Will buy more expensive gifts	3	1
WHY LESS?		
Prices too high	2%	2%
Buying fewer gifts	10	8
Less money/more expenses	19	13

Note: 451 adults nationally polled by phone in September '88 by Leo J. Shapiro & Assoc.

Consumers remain cautious

CHICAGO—Consumers appear to be approaching the holidays this year as cautiously as they did after the October 1987 stock market plunge.

Leo J. Shapiro, head of Leo J. Shapiro & Associates, a consumer research company, expects this holiday season to be a "cliff-hanger" for retailers.

"Consumers are making their buying decisions later and later, because they are waiting to see if the products will go on sale," he said.

In its latest survey of consumer plans, Shapiro found the spending outlook gloomier in September 1988 than the precrash outlook a year earlier.

This year, 63% of the respondents said they plan to spend more or the same as they did last year, compared with 72% a year ago.

Suprisingly, the results are even gloomier than last November, when 65% planned to spend more or the same as a year earlier.

In another major survey, the Conference Board's ongoing consumer confidence survey of 3,500 people found last month that confidence levels dropped almost 11 points compared to August.

"That ain't no kid stuff," said Fabian Linden, executive director of the board's consumer research center.

"It's hard to tell if this is merely a pause in consumer optimism or the beginning of a larger decline," Mr. Linden said.

A similiar survey at the University of Michigan Institute for Social Research found consumers are "quite concerned" about inflation, said Richard Curtin, director of the survey.

But he said preliminary data for September show a slight rise in consumer confidence.

"I think Christmas sales will somewhat benefit from this attitude, but we won't see a boom in Christmas sales," Mr. Curtin said. "I think consumers will be spending a little more than usual, but this is because inflation will be higher than in the past year."

Impact Resources, a retail consulting company that tracks consumers' intention to buy various goods, reported an across-the-board drop in purchase intentions between this year's third quarter and a year earlier.

The drop cuts across all categories, including cars/trucks, computers, furniture, home appliances, homes/land, jewelry/watches, recreational vehicles/boats, stereo equipment, TVs/videocassette recorders and vacation/travel.

The score for consumers' purchase intentions in the third quarter was 141.1, down 17.7%. The score reflects consumers who say they definitely or probably intend to buy a given item.

Of the categories listed, stereo equipment suffered the steepest decline, furniture was second and computers third.

"What we're seeing is something pretty typical of an election year. It's not that the economy is falling apart; it's just that people are uncertain and waiting to see what will happen," said Gary Drenik, president of Impact Resources.

Ironically, he expects that Christmas this year will be a "moderate success" in part because the data also indicate a fair amount of pent-up demand.#

Plain backdrops let viewer focus on the ad's pitch

NutraSweet Co., Xerox Corp. and Interstate Bakeries Corp. are among the marketers who've discovered the virtues of plain backgrounds in TV campaigns.

By JULIE LIESSE ERICKSON

Sometimes the more complicated a commercial gets, the simpler it needs to look.

Several new technologically manipulated TV spots have caused agencies to produce ads with plain backgrounds. Campaigns now running for Xerox Corp., American Isuzu Motors and the National Dairy Research & Promotion Board feature neutral backdrops as settings for unusual images.

The Xerox campaign uses actors and dancers to demonstrate the features of the company's line of copiers, facsimile machines and other business equipment (AA, Sept. 12).

"We not only used the backdrop to give a strong graphic look to the spots, but there's so much electronic manipulation of the images that it was necessary. We needed a way to shoot scenes separately but marry them cleanly. So there was a real technical reason for it," said Howard Benson, group creative director for Backer Spielvogel Bates, New York, which produced the ads.

A new execution in Los Angeles agency Della Femina, McNamee WCRS' Joe Isuzu campaign features a shower of paper money that's attracted like a magnet to an Isuzu Trooper II, which sits—of course—in front of a plain white background.

And in the dairy board's milk campaign from McCann-Erickson, San Francisco, children grow up and become adults in front of a plain backdrop.

But agency creatives opt for a plain background for other reasons.

NutraSweet Co. used pint-size actors to impersonate Whoopi Goldberg, Robin Leach and Joan Rivers in its current campaign for Equal tabletop sweetener.

The Equal spots used a gray, crinkled backdrop because "We wanted viewers to look at the kids; the simple surroundings give a confused feeling at first about whether they are kids or adults, and that's what we wanted," said Joe Johnson, art director at Ogilvy & Mather, New York.

Campbell-Mithun-Esty, Minneapolis, decided to shoot its new spot for Interstate Bakeries Corp.'s Butternut bread on a plain backdrop rather than in a schoolroom setting.

The commercial promotes white bread as one factor in reducing the risk of heart attack. A group of children play musical chairs, with one child left out at the end.

"The message here is that heart disease is as unsuspecting as the kid who doesn't get a chair. So the idea was to make these kids symbols—of any innocent person in any environment who loses out," said John Borchardt, C-M-E broadcast producer. "We felt that putting them in a specific location would cause viewers to see them as representatives of a specific demographic group."

Mr. Borchardt went on to say, "The backdrop offers a nice-looking, generic but dramatic way to present an idea. It's kind of an artsy thing to do, but it's nice to move away from putting shadows of venetian blinds on a blank wall."

"It gets a fresh look and moves away from the clutter of live-action spots," said Backer's Mr. Benson. "With these kinds of ads, the message is in the graphics of the spot—and the audience really understands that."#

Holiday

(Continued from Page 35)

sumers," and also address consumers' confusion, Mr. Feiwus added.

However, retailers' overall conservatism is expected to be reflected in their holiday advertising and marketing plans. "No one wants to change their marketing strategies dramatically, because no one is sure where the consumer is or where he is going," said Mr. Barnard of *Retail Marketing Report*.

For their part, retailers express cautious optimism and a reluctance to give away specifics of their holiday marketing strategies early in the season.

Some, like Wal-Mart Stores, are starting the holiday season this month. "Customers gear up earlier and earlier every year," said Stacey Duncan, Wal-Mart public relations coordinator.

Rival K mart Corp. anticipates a "reasonably good" season, with Christmas ads breaking around Thanksgiving and December sales increases of 6% to 7%, said Orren Knauer, director of investor relations.

Although many retailers including K mart overestimated demand for stuffed Christmas bears last year, K mart is bringing back "Our Christmas Bear" as a purchase-with-purchase promotion; that is, the bears are sold to customers who make other purchases at K mart.

Retailers are divided on the subject of the bears, with some arguing that the marketing ploy has become tired and others counting on them for yet another year.

Minneapolis' Dayton Hudson Department Stores Co. is credited with introducing the bears in 1985; this year, it's selling a limited edition of its Santa and Miss Bear characters and paring related Santa Bear products to 130 from 160 last year, said Cyndi Schlosser, director of public relations.

In sunny California, however, Dayton Hudson Corp.'s Mervyn's division has decided not to bring back last year's plush Christmas bunny or 1986's Max the Reindeer.

Marshall Field's in Chicago agrees and isn't bringing back its Mistletoe bear as a purchase-with-purchase promotion. Instead, it will use bear logos on some merchandise, like children's apparel, and make Mistletoe bear one of its Christmas tree characters, along with Uncle Mistletoe and Aunt Holly.

Other retailers, which have made the characters a critical part of their holiday strategy, are more sure of their lasting appeal. For instance, the Broadway-Southern California, a division of Carter Hawley Hale Stores, is counting on its Jingle Bear to be a "goodwill ambassador" during the holidays, a spokesman said.

And in Boston, Filene's has added several characters to its Felix and Felicia bear couple this year, including Fi-Ling, a Chinese panda whom they adopt, and new friends Betsy Bunny, Otto Owl, Sidney Skunk and Rusty Raccoon.

The tactic, used by stores in other parts of the country, is to create a story line around the characters and advance it each year.

Some stores still think that purchase-with-purchase or gift-with-purchase promotions are important but see the need to move beyond plush stuffed animals.

In Washington, for instance, Woodward & Lothrop this month introduced Talk of the Town, a red-and-gray telephone, selling for $18.50. As of Dec. 3, the phone will be sold for $7.50 with each $50 purchase.

Separately, instead of using its plush Kringle bear as a promotional tool, like last year, the chain will sell the bears for $10 with no related purchase requirements.

Several retailers are counting on stronger holiday ad budgets to pump up sales.

Toys "R" Us intends to be "very aggressive" with a strong TV and print presence, said Ernie Speranza, VP-advertising and marketing.

In response to continuing pressure to start the holiday season early, the chain will kick off its efforts this month, with its major ad push coming after Thanksgiving.

Rival FAO Schwarz is also boosting its print-only ad budget, which will be devoted to ads that have a strong emotional appeal, said President-CEO Peter L. Harris.

Bloomingdale's also will spend more on advertising that will "sell the store, rather than price," Gordon Cooke, exec VP-sales promotion, said recently in an interview with a retail publication.

Categories that should do well this year include fragrances, cosmetics, jewelry, compact disc players, home furnishings, sporting goods and home videos.

On the video front, marketers are slashing prices and creating special holiday packages in preparation for what's expected to be the most competitive video selling season ever.#

Written by Judith Graham in New York from bureau reports.

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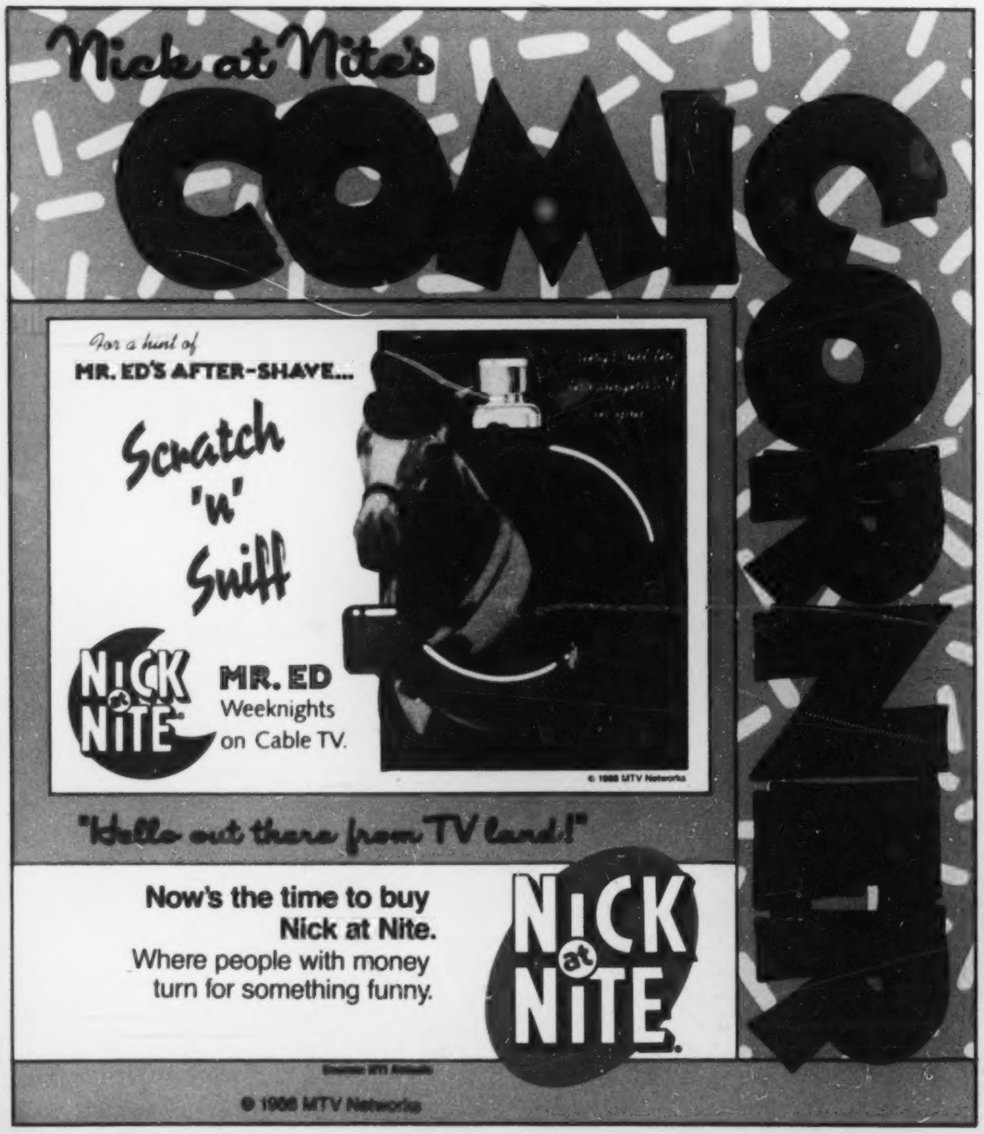

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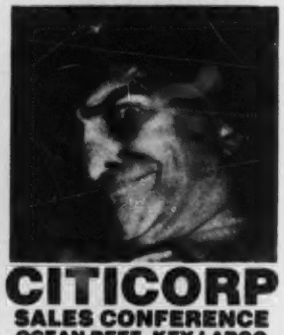

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Advertising Age®
Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Computers brace for battle over lap models

By JENNIFER LAWRENCE

Compaq Computer Corp. today unveils its first laptop personal computer in a long-awaited move that raises the stakes in the $1 billion market.

In presenting the Compaq SLT/286 at a New York news conference, the No. 2 business PC marketer takes aim at laptop leaders Toshiba America, Zenith Data Systems and NEC Home Electronics USA instead of longtime rival IBM Corp.

IBM, the business PC leader, may not be far behind, however. IBM and Apple Computer are expected to announce their own smaller portable PCs soon. IBM planned a news conference for this week, but details weren't available at press time.

Compaq is backing its introduction with a $4 million print advertising campaign that breaks Oct. 18 in *The Wall*

(Continued on Page 72)

Outdoor ads use regional moves as springboard

By ALISON FAHEY

The regional marketing trend and declining dominance of network TV are playing right into the hands of the outdoor advertising industry.

Despite heavy cuts in tobacco and liquor spending, revenues for the $1 billion-plus industry are expected to jump 6% to 8% this year, compared to a 4% annual growth rate in the past two years.

And while outdoor accounts for only 1.5% of the nearly $100 billion in national ad revenue, Don Byer, new president of the Institute of Outdoor Advertising, expects that figure to double in the next five years.

"The outdoor medium is being rediscovered," Mr. Byer said.

Contributing greatly to the resurgence are changes in

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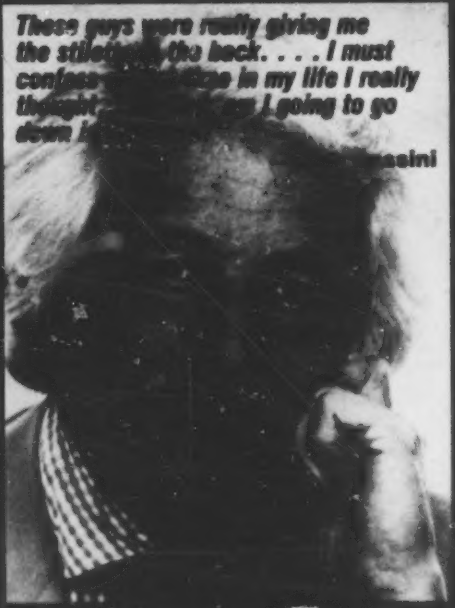
Inside:

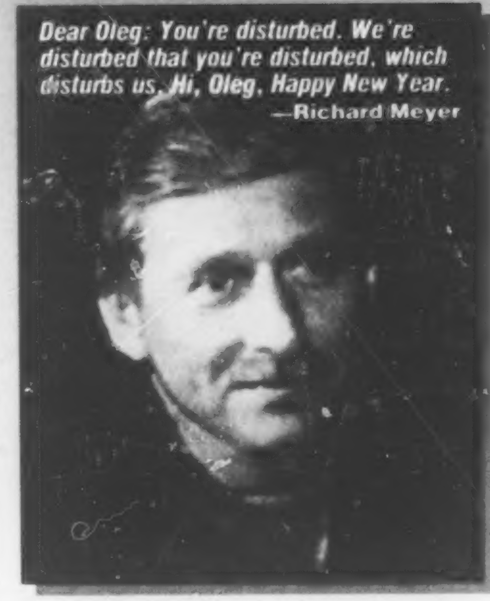
Is the Super Bowl sold out?—P. 3
Alex Kroll talks creativity—P. 4
Health spas draw crowds—P. 20
Who's going to Disneyland?—P. 31

FIRE & ICE II

Oleg Cassini vs. Richard Meyer and Jovan



These guys were really giving me the stiletto [illegible] the back. . . . I must confess [illegible] time in my life I really thought [illegible] was I going to go down [illegible]
—[illegible]assini



Dear Oleg: You're disturbed. We're disturbed that you're disturbed, which disturbs us. Hi, Oleg, Happy New Year.
—Richard Meyer

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October 17, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Photos by Michael Mertz

While one smoker in Phoenix, Ariz., tried Premier because it "just might be better for my health" . . .

> **"Premier is not a cigarette; it's a nicotine delivery system."**
>
> **—Ben Chaiken**
> **Executive director**
> **Arizona Lung Assn.**

Photo by Bill Knight

. . . **Another smoker** in St. Louis stocked up on the promotional four-pack package.

Premier under fire

States could ignite regulatory war over RJR product

By JUDANN DAGNOLI
and MELANIE JOHNSTON

Health organizations in two states are trying to snuff out R.J. Reynolds Tobacco Co.'s new Premier cigarette by having local agencies regulate it as a drug.

Premier, which could get a $125 million marketing push if it goes national, is taking additional heat from health officials in three other states.

If the states succeed in regulating the cigarette, it could mean curtains for Premier in those states and likely would result in a regulatory quagmire for both Reynolds and the U.S. Food & Drug Administration.

Since April, the FDA has been reviewing Premier to determine whether it's a drug and should be regulated on the federal level.

William Grigg, director of press relations for the FDA, said that "unless the company or the FDA sues to pre-empt" states regulating the product as a drug, the state regulations would hold.

That could result in all 50 states having different rulings on the product, making it impossible for Reynolds to market Premier nationally.

An FDA official who requested anonymity said that, under the Reagan administration, the agency has traditionally "been loathe" to sue for pre-emption. The FDA's ruling on Premier is due by November or December.

Impatient for action from the FDA, a coalition of local Arizona chapters of the American Lung Association, the American Cancer Society and the American Heart Association is readying a formal request to be filed this week with the state Board of Pharmacy.

The request asks that the pharmacy board determine whether Premier is a cigarette or a drug that presents health risks warranting its removal from the market.

Premier is being test-marketed in Phoenix and Tucson, Ariz., and St. Louis. Young & Rubicam is handling advertising.

In New Jersey, where Premier isn't being marketed, a regulatory board has scheduled a Nov. 21 hearing on the product's safety. The Public Health Council, which is taking the action, is an eight-member board of appointees empowered to create regulations under the New Jersey Sanitary Code.

The council could seek to ban the product not just on the grounds it may be a drug but as a health nuisance.

Rumblings also are coming from Missouri, which has the product, and Colorado and Minnesota, which do not. Health com-

(Continued on Page 66)

Last Minute News

Congress backs paid AIDS ads

WASHINGTON—Congress has approved legislation to create an unprecedented $50 million program for paid public education ads about AIDS. The Department of Health & Human Services would supervise the program (AA, July 11). Currently, the federal government produces only public service AIDS ads, via Ogilvy & Mather, Atlanta.

Time Inc. sets one-shot 'Match'

NEW YORK—Time Inc. said it has struck a deal with Publications Filipacchi to jointly publish a "one-shot issue" of a European picture magazine. *Match* will be printed simultaneously in English, German, Spanish, French and Italian, and will appear on newsstands in December in major European cities. Christopher Meigher, Time Inc. group publisher, said a decision on whether to publish *Match* as a monthly will be made after studying the one-shot's advertising and newsstand sales. It will have a newsstand distribution of 200,000.

'Miami News' seeks buyer

MIAMI—Cox Enterprises said *The Miami News*, its ailing evening daily, is for sale and will be closed down at yearend if a buyer isn't found. The *News* has been publishing under a joint operating agreement with Knight-Ridder's *The Miami Herald* since 1966. The *Herald's* circulation is 420,000, compared to about 48,000 for the *News*. David Easterly, president of Cox's newspaper division, said the *News* is losing about $9 million a year

(Continued on Page 8)

Politics: final stretch

★★★★ Campaign 88

Agency execs rap candidates on ad tactics

By CLEVELAND HORTON
and DENNIS CHASE

SCOTTSDALE, ARIZ.—The presidential race is coming under attack within the agency community, particularly for the negative slant both candidates have adopted in their advertising.

Agency executives attending the American Association of Advertising Agencies western region conference here had little positive to say about political advertising. Comments characterizing the ad campaigns ranged from "cutthroat" to "huckstering."

Conference attendees expressed the increasing concern that the ad industry as a whole may suffer from the negative ad campaigns, which to the public presumably showcase the talent of the best creative minds. "The presidential

(Continued on Page 66)

Photo by Michael Mertz

Discussing political ads at the Four A's western region meeting are (from l.) William Weithas, chairman, Lintas:Worldwide; Joel Harnett, publisher, *Phoenix Home & Garden*; and John O'Toole, incoming Four A's president.

Doner ad team takes high road for Dukakis TV

By JANET MEYERS

Hope for rejuvenating Michael Dukakis' presidential campaign appears to rest with a new pool of issue-oriented, more positive TV spots created by a special team of executives from W.B. Doner & Co.

The TV spots represent a dramatic shift in strategy for the Democratic governor from Massachusetts.

Sources say the spots, which may have started airing over the weekend, will replace the much-maligned negative commercials that have been airing. Other sources say the negative spots may continue as well.

Those spots focused on Indiana Sen. Dan Quayle, the Republican vice presidential candidate, and on the political "handlers" of Republican presidential

(Continued on Page 66)

States show car-rental ad guides

By SCOTT HUME

The final draft of car-rental ad guidelines issued by the National Association of Attorneys General last week focuses on price advertising and collision insurance.

A spokesman for industry leader Hertz Corp. called the guidelines "a positive step in the right direction."

"If [the guidelines] had meant the end of price advertising, we would have opposed them," said Joe Russo, VP at Hertz. "But in fact they'll make it possible to compete on the basis of *real* prices for the first time. No illusory prices, no low-ball prices. The consumer will be able to price-shop for the first time, and that should make for some very intense competition."

But an American Advertising Federation official warned that the restrictions, if approved by NAAG, could "put advertising in a straitjacket."

"If we have one real difference with NAAG, it's over this question of how much information should go in an ad," said AAF Senior VP Wally Snyder. "They view an ad almost as though it's a final contract that the consumer somehow signs. We view an ad as an offer of a service available."

Rental-car companies have until Oct. 21 to respond to the 44-page draft of advertising and business-practice guidelines assembled by NAAG's Task Force on the Car Rental Industry.

The final draft contains a few surprises. One is its conclusion that "the marketing and sale of CDW [collision damage waivers] have been fraught with deception. For that reason, the task force recommends that each state strongly support legislation that would make the sale of this product illegal."

If the waivers aren't eliminated, NAAG has come up with a list of disclosures that would have to be made both in advertising and during counter or phone reservations.

Consumers, the report admits, "simply would not be able to read and understand such disclosures in print or broadcast advertising."

Another change is the expansion of the definition of advertising to include computer screens.

Initially, the task force hadn't treated computer terminals as a separate advertising medium. But the expanded definition was expected, rental company sources said, because NAAG's airline guidelines included computer reservation system terminal screens.

Under the guidelines, any use of a price in rental-car advertising would have to be accompanied by a detailed disclosure of any restrictions that could affect the given price.

For print ads that quote a price, the 11 disclosures that would have to be present are: expiration date for the price if less than 30 days; geographical limitations on use; advance reservation or payment requirements; airport access fees; refueling requirements; required number of days of use for rate eligibility; cost of additional-driver fee; any blackout dates; non-availability of the offer at all locations, if so; mileage charges; and full disclosure of collision damage waiver costs.

These disclosures must be set in type at least one-third the size of the largest type in the ad, with a minimum of 12-point type.

TV and radio commercials must disclose expiration dates; non-availability of the advertised price at some locations, if so; mileage limitations; and the price or price range for the waivers. The other disclosures required in print ads may be eliminated from TV and radio but must be made on request by rental agents.

The task force admitted that its requirements for TV spot disclosure might make it impossible to use 15-second commercials for price advertising.#

Highlights

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4 Brown-Forman cuts 3 shops
Brown-Forman has dropped three agencies from its roster and consolidated its cooler, champagne and wine assignments at FCB/Leber Katz.

10 Burnett champions direct-response
One-third of Leo Burnett USA's print production this year will be for direct-response advertising.

12 Driving home tradition
Good Housekeeping is celebrating the age of "The New Traditionalist."

32 Luring back the network viewer
The Big 3 TV networks are boosting their budgets for outside media and experimenting with cross-promotions to bring back viewers.

37 'Sport' ready to storm 'SI'
Armed with the resources of Petersen Publishing, *Sport* believes it can take on the biggest in the business.

59 Following 'Moonstruck' phases
AD AGE's MediaWorks section, with the help of video researcher Alexander & Associates, is tracking one of the hottest videos to hit the market, MGM/UA's "Moonstruck."

63 A new diamond in its cap
Time-Life Books has won the first Diamond Echo award from the Direct Marketing Association.

64 Magic loses with NAD
Magic Shaving Powders has agreed to modify an ad claim after being reviewed by the National Advertising Review Board.

INTERNATIONAL

38 Siesta's over in Spain
Marketers are taking advantage of Spain's economic boom and membership in the European Community to position themselves for 1992.

40 Looking for a buyer
ScanPartner International is looking for a buyer, but the Scandinavian agency network is being hurt by its own strength.

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SPECIAL REPORT: Direct Marketing starts after P. 40.

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Big adventure

The talking Pee-Wee Herman doll saves himself from hostile islanders by his famous rejoinder "I know you are, but what am I?" in a TV spot breaking Oct. 17 on network TV. Matchbox Toys (USA) introduced the $27 doll last year. Berenter Greenhouse & Webster, New York, handles the account.

Upjohn to break consumer ads for hair restorer

By PAT SLOAN

Upjohn Co. in January will start advertising the benefits of its Rogaine prescription hair restorer directly to consumers.

A $20 million budget has been set for the consumer "health information" campaign, which won't mention Rogaine by name.

Upjohn President Lawrence Hoff said the company has recognized that Rogaine "will have to be consumer driven to be successful."

The drug is even packaged like a consumer product, in a sleek black can with white lettering and a choice of applicators.

Upjohn also is expected to introduce a non-prescription shampoo as a companion product to Rogaine later in 1989.

The shampoo might carry the Rogaine name in some form, said Viren Mehta, a financial analyst with SG Warburg, who attended an Upjohn briefing for securities analysts.

However, the product won't be part of Upjohn's joint venture program with Procter & Gamble Co., which is studying line extensions and new delivery systems for antibaldness products both in prescription and non-prescription form.

Rogaine's consumer advertising from Klemtner Advertising, New York, will follow 12-page ads that broke this month in medical journals.

The consumer ads will focus on male pattern baldness in a so-called "disease" ad format used by other pharmaceutical companies. Some of those efforts discuss herpes, smoking and other conditions without mentioning specific treatments.

This technique avoids federal regulations requiring data on side effects and other information in pharmaceutical product ads.

The U.S. Food & Drug Administration has approved the first of several 30-second TV spots, said Robert Perino, executive director of Upjohn's Group II. Klemtner also is working on two print ads.

Mr. Hoff put the budget for TV alone at $20 million, but Mr. Perino said it hasn't been finalized and that $20 million could end up being the amount for both print and TV.#

More blasts leveled at network TV

By SCOTT HUME and JON LAFAYETTE

It's open season on network TV.

Both *Time* and *Newsweek* last week ran major stories examining the declining power of the Big 3 networks, once the unquestioned star of the media mix.

Alvin Achenbaum, chairman of New York consultancy Canter, Achenbaum, Associates, took his attacks on the road, too, telling the Point-of-Purchase Advertising Institute at its Chicago convention that TV has lost much of its previous luster as a marketing tool *(see related story below)*.

Mr. Achenbaum long has chastised marketers and their ad agencies for blindly relying on TV to carry their selling messages, despite sweeping changes in the media and marketing environment.

He amplified those criticisms last week, saying TV has been "debased by clutter and fragmentation."

He pointed to lower-than-expected ratings for NBC-TV's commercial-laden coverage of the Summer Olympics as a further example.

TV remains an effective tool for creating brand awareness "but that's not enough," Mr. Achenbaum said. "Marketers must deal more aggressively with all parts of the media mix, not just TV."

Mr. Achenbaum's latest assault follows similar criticisms from him and other prominent industry executives at a recent Association of National Advertisers media workshop in New York.

"TV is showing signs of wear," Roger Godbeer, corporate director of media at Colgate-Palmolive Co., said at the ANA meeting. "We buy more [time] to compensate as it loses reach."

"The medium is being tarnished through overcommercialization and the lack of distinctive programming," said Jules Fine, vice chairman-worldwide director, marketing services, at Ogilvy & Mather. "Even prestigious events, like the Seoul Olympics, are not drawing up to expectations."

Mr. Fine said TV's "halo is slightly askew. The deference, the almost blind allegiance paid to this medium, is being shaken."

Still, he said, "It would be foolhardy and totally unrealistic to suggest that television, in one form or another, won't continue to be the medium of choice. The inherent power of TV for the creative product cannot be ignored."

Mr. Fine also responded to some of the criticism by Mr. Achenbaum, who's claimed that agencies don't come up with more imaginative media plans because they make more money by sticking to network TV.

"Decisions are not made based on cost," the agency executive said, noting that O&M has staffed its media department with specialists in alternative media, including cable and interactive media, and is considering specialists in video and in-store.

"That's not the simplest way to do business," he said.

Mr. Achenbaum last week said the breakdown of TV's effectiveness is one reason consumer marketing finds itself in "a state of crisis" to which "advertising agencies have not helped in identifying or providing a solution."

Ad agencies, he charged, have become "greedy dinosaurs, more concerned with mergers and acquisitions than with providing service."

Colgate's Mr. Godbeer said his company is "actively exploring all media opportunities."

But to do that, he said, clients must think of ways to motivate their agencies, because if a product has a TV-based campaign, "working in other media adds to the workload with no incremental revenue to the agency."#

POP posts big gains in early '88

By SCOTT HUME

CHICAGO—Claiming we're witnessing "the end of a golden era for broadcasting," the president of the Point-of-Purchase Advertising Institute said he expects record growth for non-media advertising.

POP sales during 1988's first quarter hit a record $3.1 billion, 9% above last year's first three months, said POPAI President John Kawula. For the year, he projects total POP sales will be up nearly 14% to $13.4 billion.

Mr. Kawula claimed the marketplace has shifted from being "image-driven to impact-driven," a change he said favors non-media advertising such as in-store merchandising and promotional marketing.

"Image advertising [on TV] can make things happen," he said, "but only when that POP is there to close the sale.

"Consumers are increasingly dissatisfied with [TV] programming and are changing channels to avoid commercials or unwanted shows, playing VCRs or watching cable. The result is that the marketers are reaching the consumers in the store where 66% of all buying decisions are made."

Through the first quarter, product areas showing the greatest increases in POP use included roofing products, lighting and fixtures, housewares and distilled spirits.#

CORRECTIONS & CLARIFICATIONS

- In the "August consumer magazine ad linage" report (AA, Sept. 19, P. 64), *Personal Computing's* year-to-date figures should have been 1,535 for 1988 and 1,201 for '87. Also, *Mademoiselle* misreported its current-month 1988 ad page total, which should have been 191.1.
- DDB Needham Worldwide handles Ford Motor Co.'s New Zealand account. Mainstream/FCB has only the dealer network account (AA, Sept. 12, P. 82).
- Walker & Associates, Memphis, Tenn., handles advertising for National Bank of Commerce's Mississippi branches; Ward Archer & Associates, Memphis, handles advertising for the bank's Memphis branches. Archer also handles Boyle Investment Co. (AA, Sept. 12, P. 86).#

VIEWING
IS UP 90%

The Family Channel's fall launch is off to a great start. Our prime time household delivery is up 90%[1] over the same period last year. And our 18-hour average is up 32%.[2]

We've got other great news as well. Our new original *Rin Tin Tin K-9 Cop* scored a 4.3 rating cume[3] in its third weekend airing—that's almost 1,900,000 homes. And *Bonanza: The Lost Episodes* placed first among the major basic cable-oriented networks in its time period.[4]

So when you want families to pay attention to you, call The Family Channel. And tuck your message into our unique environment of premiere originals, cable exclusives, movies, and more.

The CBN Family Channel

1 Source: Nielsen NHI Multi TRAK Report, daypart averages, 7P-12 A, 9/3-30/88 compared with 9/5-10/2/87.
2 Source: Nielsen NHI Multi TRAK Report, daypart averages, 7A-1A, 9/3-30/88 compared with 9/5-10/2/87.
3 Source: Nielsen NHI Multi TRAK Report, Sat. 7-7:30 P & 11-11:30P, Sun. 8-8:30P, 10/1-10/2/88.
4 Source: Nielsen NHI Multi TRAK Report, 6-7P, 9/3-30/88. FAM commercial programming only. Ratings for all networks are within FAM's universe.

September consumer magazine ad linage

	Current month		Year-to-date	
	1988	1987	1988	1987
Auto/cycle/rec. vehicles				
ATV Sports	19.7	45.1	266.7	387.4
Autoweek (52X)	141.5	132.4	1,467.6	1,327.7
Car & Driver	89.6	86.6	920.0	844.5
Car Collector & Car Classics	16.5	17.7	147.6	154.2
Car Craft	74.3	86.7	833.1	864.9
Circle Track	72.7	66.5	808.2	763.9
Cycle	33.5	26.4	398.3	424.9
Cycle World	38.1	37.7	436.6	472.1
Dirt Rider	28.4	29.5	371.6	342.6
Dune Buggies & Hot VWs	71.0	77.0	670.5	690.0
Family Motor Coaching	170.5	148.8	1,562.0	1,403.4
4 Wheel & Off-Road	96.1	87.5	891.5	887.4
Four Wheeler	91.0	81.0	810.0	772.0
Hot Rod	69.5	60.9	877.1	744.2
Motorcyclist	21.7	24.9	426.6	473.5
Motor Trend	62.9	52.5	772.6	746.6
Motorhome	100.8	86.8	831.4	770.6
Rider	31.8	27.7	357.5	387.8
Road & Track	96.2	90.1	922.7	916.5
Trailblazer	81.0	68.0	590.2	468.6
Trailer Life	104.8	110.8	879.9	948.4
Total Group	**1,511.6**	**1,444.6**	**15,241.8**	**14,791.3**
% change	**4.6%**		**3.0%**	
Boating & yachting				
Boating	169.8	154.3	1,431.7	1,374.7
Chesapeake Bay	55.1	51.9	448.2	406.0
Cruising World	115.1	116.5	999.0	1,015.5
Lakeland Boating (11X)	82.5	58.5	739.9	716.1
Motor Boating & Sailing	142.3	159.7	1,416.1	1,479.2
Sail	112.8	108.5	982.9	981.2
Small Boat Journal(6X)	—	—	—	—
Trailer Boats(11X)	46.4	32.9	586.3	500.5
Western Boatman(6X)	48.6	30.8	258.3	186.1
Yachting	175.5	141.7	1,314.1	1,273.1
Total Group	**948.1**	**854.8**	**8,176.4**	**7,932.4**
% change	**10.9%**		**3.1%**	
Civic/fraternal				
American Legion	63.3	54.3	322.2	303.9
Elk (10X)	19.5	19.8	137.8	157.6
Kiwanis	21.2	20.8	119.0	143.3
Lion (10X)	8.6	7.3	51.7	63.8
Rotarian	19.4	12.6	140.1	126.8
V.F.W. (11X)	32.3	33.8	228.4	251.8
Total Group	**164.3**	**148.6**	**999.2**	**1,047.2**
% change	**10.6%**		**-4.6%**	
General				
American Health (10X)	59.8	57.8	496.8	501.0
American Heritage (8X)	55.6	47.2	229.8	187.8
American West (6X)	—	—	130.8	147.5
The Atlantic A	36.6	46.4	360.8	299.3
Bon Appetit A	91.8	69.4	688.8	694.7
Cable Guide	32.3	19.9	276.8	184.0
Changing Times	47.6	60.9	476.5	544.5
Conde Nast's Traveler	63.1	74.5	428.7	74.5
Connoisseur	100.6	88.0	687.3	610.9
Consumers Digest (6X)	28.7	26.3	114.0	113.3
Ebony	89.1	88.1	891.3	-812.8
Fifty Plus	42.4	40.1	275.4	343.1
Finance (10X)	39.4	43.8	262.9	335.5
Food & Wine	56.6	59.6	446.4	482.2
Games (6X)	—	—	64.6	67.0
Golden Years	30.7	40.1	285.3	258.9
Gourmet	114.7	98.4	846.5	828.8
Harper's Magazine A	32.6	34.4	286.2	266.5
Harrowsmith (6X)	51.0	57.3	254.4	240.0
Let's Live	49.0	41.0	437.0	398.0
Life	33.6	71.3	477.9	406.4
Modern Maturity (6X)	—	—	136.6	177.7
Money	102.0	118.6	960.5	1,059.7
Money Maker	—	—	32.7	28.8
National Geographic	15.6	19.3	196.6	172.8
National Geographic Traveler(4X)	34.9	31.0	118.7	117.0
Natural History	38.5	36.7	323.4	296.4
Prevention	62.1	63.0	499.1	558.6
Psychology Today	37.4	23.9	244.5	259.5
Reader's Digest A	106.9	56.0	893.3	774.1
Saturday Evening Post(9X)	34.9	36.5	213.4	247.2
Smithsonian	92.8	96.6	743.4	708.1
Town & Country	183.8	190.9	1,088.5	1,072.1
Travel-Holiday	60.2	47.7	477.5	466.9
Travel & Leisure	130.3	109.1	929.5	826.0
Vanity Fair	159.3	126.4	787.6	564.2
Writer's Digest	32.0	33.0	265.6	252.9
Yankee	75.6	102.9	646.8	682.7
Total Group	**2,221.1**	**2,155.8**	**16,975.5**	**16,061.2**
% change	**3.0%**		**5.7%**	
Home				
Americana (6X)	17.0	26.8	83.2	107.7
Architectural Digest A	150.9	129.5	1,231.2	1,047.0
Better Homes & Gardens	129.0	111.2	1,008.1	941.8
Colonial Homes (6X)	77.1	83.5	304.2	320.4
Columbus Monthly-Homes (4X)	—	—	114.9	86.9
Country Home (6X)	84.6	77.2	281.5	277.8
Country Living	117.4	104.5	787.9	761.4
Family Handyman (10X) A	55.4	60.7	364.3	388.0
Florida Home & Garden	127.5	36.4	640.8	362.8
Flower & Garden (6X)	—	—	176.9	172.4
Home	75.8	78.0	524.8	480.6
Home Mechanics	51.4	55.4	449.4	501.8
The Homeowner (10X)	—	—	—	—
Horticulture	28.4	31.6	351.6	328.0
House Beautiful	111.0	84.4	604.8	618.3
House & Garden	122.2	104.8	791.6	795.2
Metropolis	74.4	60.9	453.1	421.9
Metropolitan Home	106.3	68.8	743.0	553.5
1,001 Home Ideas	78.5	46.4	503.9	429.4
Organic Gardening	44.1	54.0	406.5	447.5
Phoenix Home/Garden	61.2	74.3	637.6	628.0
Practical Homeowner	36.7	51.8	298.8	333.9
San Diego Home/Garden	68.8	59.1	642.8	587.2
Southern Accents (6X)	160.5	141.2	588.7	499.1
Southern Living	124.3	122.6	1,081.1	1,043.1
Sunset Magazine A	117.9	127.3	1,087.1	1,068.6
Workbench (6X)	38.9	46.9	192.6	227.6
Total Group	**2,059.1**	**1,837.3**	**14,350.3**	**13,429.9**
% change	**12.1%**		**6.9%**	
In-flight & other passenger				
Aboard Group (6X)	39.0	29.6	176.2	135.2
Alaska Airlines	55.9	52.6	498.0	487.8
America West Airlines	67.0	71.0	549.5	436.2
American Way (24X)	161.7	148.2	1,175.3	925.1
East/West Network				
Continental	64.8	—	434.6	—
Eastern Review	69.2	61.5	486.9	596.5
Northwest	45.9	61.0	358.5	415.0
Pan Am Clipper	42.0	49.0	389.4	369.8
Spirit	67.0	67.8	545.2	528.7
TWA Ambassador	48.2	57.5	399.6	436.6
Vis A Vis	107.6	63.3	535.5	509.0
Halsey Publication				
Delta Sky	92.3	94.3	714.7	707.5
Pace Communications				
Piedmont Airlines	108.1	93.6	856.1	788.8
US Air	62.0	65.0	528.5	443.9
Spirit of Aloha (6X)	22.5	33.1	185.5	278.0
Total Group	**1,053.2**	**947.5**	**7,833.6**	**7,058.1**
% change	**11.2%**		**11.0%**	
Men's				
Esquire A	175.2	150.5	851.4	789.1
Firehouse Magazine	39.0	59.7	396.7	404.3
Gentlemen's Quarterly A	334.2	305.1	1,486.7	1,321.7
M Magazine	151.0	138.4	661.6	655.5
Muscle & Fitness	133.3	134.3	1,101.1	1,108.6
Penthouse A	47.3	43.6	390.1	364.0
Playboy A	65.9	53.4	475.2	462.6
Salute (10X)	39.6	27.6	205.3	150.5
Total Group	**985.4**	**912.5**	**5,568.2**	**5,256.3**
% change	**8.0%**		**5.9%**	
Metropolitan				
Aloha (6X)	—	—	—	—
Atlanta	74.8	76.0	611.3	520.3
Baltimore	70.3	87.3	605.9	633.4
Boston	198.1	205.1	1,369.2	1,424.5
California	47.2	59.2	531.0	518.3
Chicago	157.5	124.8	944.1	898.2
Chicago's North Shore	105.3	93.5	807.0	746.2
Cincinnati	47.6	45.5	412.2	532.3
Cleveland	57.5	65.2	519.6	609.6
Coast (39X)	207.7	246.4	1,702.7	2,069.3
Columbus Monthly	79.2	100.1	628.2	630.5
Connecticut	97.7	100.2	898.4	865.5
D/Magazine	88.2	116.9	737.4	954.1
Denver	33.8	50.5	303.2	322.2
Detroit Monthly	107.0	134.9	744.8	604.9
Grand Rapids	53.5	84.0	348.5	387.2
Gulfshore Life (10X)	—	—	594.0	554.0
Honolulu	60.0	60.0	519.9	547.8
Houston Metropolitan Mag	53.0	58.7	518.4	624.5
Louisiana Life	42.7	49.8	173.4	191.0
Madison	40.0	65.0	316.7	572.0
Memphis	81.3	68.0	756.3	712.0
Mid Atlantic Country	56.0	32.0	327.1	312.1
Milwaukee	58.5	61.2	488.9	526.6
Minneapolis/St. Paul	124.0	106.8	899.0	906.8
Nashville	43.0	50.0	398.0	396.0
New England Monthly	48.6	47.5	418.9	393.2
New Jersey Monthly	112.8	104.0	895.8	806.9
New Mexico	36.5	33.0	351.6	285.8
Ohio	85.0	97.7	503.0	535.7
Orlando	81.8	91.0	769.1	824.7
Palm Beach Life	29.9	22.7	516.4	521.7
Palm Springs Life	244.1	285.4	1,039.2	1,038.7
Philadelphia	211.1	178.8	1,331.3	1,286.0
Phoenix	—	—	—	—
Pittsburgh	66.8	70.5	625.8	599.8
St. Louis	47.9	67.2	400.9	526.3
San Diego	187.2	155.0	1,507.2	1,367.3
San Francisco Focus	103.4	95.6	826.0	825.3
South Florida Magazine	167.8	59.5	920.1	483.7
Texas Monthly	90.8	88.2	796.4	821.2
Twin Cities	119.5	106.8	663.9	594.0
The Virginian (6X)	64.0	63.0	305.8	298.6
Washington (7X)	75.6	59.5	356.3	300.0
The Washingtonian	174.0	165.3	1,329.3	1,300.8
Total Group	**3,930.7**	**3,931.7**	**29,711.8**	**29,869.0**
% change	**0.0%**		**-0.5%**	
Music/entertainment				
Audio	90.8	88.6	732.2	702.0
Dance Magazine	51.2	49.0	476.9	530.5
Playbill	54.5	43.3	445.5	391.9
Video Magazine	103.0	86.0	562.0	618.0
Total Group	**299.4**	**266.9**	**2,216.7**	**2,242.3**
% change	**12.2%**		**-1.1%**	
Outdoor & sport				
Alaska	30.4	28.5	309.8	307.1
The American Handgunner (6X)	61.0	47.0	263.0	229.0
American Hunter	48.4	52.3	217.6	192.5
American Rifleman	36.0	36.2	227.7	217.2
Bass Master (10X) A	45.8	40.1	626.9	543.0
Bicycling (9X)	77.0	64.5	955.0	755.1
Ducks Unlimited (6X)	47.2	75.3	141.3	176.9
Field & Stream	128.6	126.5	775.0	793.9
Fins & Feathers A	—	—	—	—
Fishing World (6X)	16.6	20.8	185.2	190.2
Florida Sportsman	92.0	79.4	1,150.5	1,091.3
Golf Digest	86.5	71.0	986.6	904.9
Golf Illustrated	72.8	28.7	289.0	216.2
Golf Magazine	52.7	42.4	858.7	701.1
Gun Dog (6X)	62.2	59.3	198.4	181.3
Guns	45.0	41.0	323.0	286.0
Guns & Ammo	87.6	84.5	524.1	490.3
In-Fisherman (6X)	47.7	47.0	453.3	468.0
Outdoor Life	106.9	105.2	695.2	729.3
Outside Magazine	49.5	46.8	505.1	459.6
Petersen's Hunting	98.7	91.6	536.8	539.9
Runner's World (12X)	42.0	31.0	309.6	323.1
Salt Water Sportsman	86.7	80.8	1,077.0	960.7
Sierra (6X)	43.9	44.7	203.1	192.9
Shooting Times	60.3	68.1	341.3	328.8
Ski (8X) A	162.4	202.8	455.8	455.1
Skiing (7X) A	167.9	190.0	431.0	393.3
Skin Diver	102.8	84.2	1,151.8	1,040.9
Southern Outdoors (9X)	86.1	71.6	460.3	374.2
Southern Saltwater (8X)	27.6	—	264.7	196.2
Sport Magazine	35.5	40.8	362.4	398.2
Sports Afield	92.6	79.6	674.9	736.8
Tennis	143.5	109.0	737.8	675.3
Waterski (8X)	52.3	51.3	551.8	390.7
Western Outdoors (10X)	36.8	31.3	354.7	347.2
Wildfowl (6X)	—	—	77.0	52.1
WindRider (8X)	—	—	—	—
Wing & Shot (6X)	32.2	27.7	89.8	72.3
World Tennis	115.4	63.8	543.2	308.1
Total Group	**2,580.6**	**2,364.7**	**18,308.6**	**16,718.7**
% change	**9.1%**		**9.5%**	
Photography				
American Photographer	35.2	37.9	272.3	329.0
Petersen's Photographic	31.9	31.6	264.2	270.3
Popular Photography	80.5	77.0	705.9	645.9
Total Group	**147.5**	**146.5**	**1,242.4**	**1,245.2**
% change	**0.7%**		**-0.2%**	
Science/electronic/mech				
Discover	30.7	44.9	308.0	386.6
Home Office Computing	55.8	44.7	417.1	403.0
Omni	51.8	49.1	518.3	494.7
Personal Computing	193.0	246.1	1,890.9	1,439.4
Popular Mechanics	75.0	59.1	701.1	744.9
Popular Science	63.1	70.5	591.7	608.9
Scientific American	52.3	24.3	351.5	349.6
Spectrum	—	—	—	—
Total Group	**521.6**	**538.6**	**4,778.6**	**4,427.0**
% change	**-3.2%**		**7.9%**	
Woman/fashion/service				
Beauty Digest (6X)	—	—	89.3	39.0
Bride's Magazine (6X) A	—	—	2,069.9	1,833.1
Cosmopolitan A	251.3	233.7	1,750.6	1,758.1
Elle Magazine	335.4	314.7	1,590.8	1,443.8
Essence	93.7	94.6	686.0	700.2
Family Circle (17X) A	213.6	112.1	1,299.6	1,090.8
Glamour	248.6	281.6	1,558.4	1,664.4
Good Housekeeping A	158.7	158.4	1,106.8	1,204.9
Harper's Bazaar	251.4	1,043.5	287.1	1,176.7
Health	35.5	37.7	327.8	397.3
Ladies' Home Journal	138.3	111.1	966.9	876.0
Mademoiselle	212.1	244.2	1,336.4	1,336.0
McCall's	101.7	93.9	698.3	800.8
Military Lifestyle (10X)	58.5	67.7	391.5	391.4
Modern Bride (6X)	—	—	1,644.3	1,544.5
Ms.	37.6	59.6	276.8	372.1
New Woman	92.8	87.9	746.0	714.9
Parents Magazine A	107.4	124.0	935.3	946.7
Redbook	140.1	150.0	874.6	875.6
Savvy	57.7	46.2	377.7	310.5
Self	134.9	136.6	905.7	887.8
Seventeen	125.3	141.4	1,144.2	1,154.6
Shape	89.1	96.9	652.6	656.0
Soap Opera Digest (26X)	30.7	21.7	211.1	186.4
Soap Opera Update	10.0	—	87.5	—
Teen Magazine	47.6	63.2	555.0	599.2
True Story A	61.1	45.2	428.6	417.7
Vogue	577.0	620.2	2,387.9	2,432.6
W Magazine	189.6	171.1	—	—
Weight Watchers	38.3	34.8	295.7	283.7
Woman (10X)	39.2	—	300.8	205.0
Woman's Day (15X) A	140.3	119.6	1,093.1	1,072.5
Workbasket	23.5	32.1	198.9	246.8
Working Mother	78.1	80.9	585.1	635.5
Working Woman	144.3	109.1	844.8	828.7
Total Group	**4,263.0**	**4,933.9**	**28,704.8**	**29,083.0**
% change	**-13.6%**		**-1.3%**	
Youth				
Boys' Life	32.1	29.5	154.7	143.8
Campus Life (10X)	41.0	54.2	286.1	293.9
Total Group	**73.1**	**83.6**	**440.9**	**437.6**
% change	**-12.6%**		**0.7%**	
Business/national				
Barron's	177.9	242.6	1,586.3	1,867.4
Black Enterprise	57.8	45.6	694.8	626.0
Business Month	50.8	25.0	326.3	209.2
Business Week (52X) A	382.0	377.0	2,970.4	2,992.1
Financial World (26X)	35.6	55.9	470.7	524.3
Forbes (26X)	270.7	290.6	2,170.8	2,363.2
Fortune (26X)	265.8	245.0	2,143.6	1,997.0
Frequent Flyer	46.1	70.0	415.7	516.3
Futures	51.6	102.6	531.7	479.5
Inc. Magazine	108.6	86.1	823.0	751.2
Income Opportunities	95.2	91.5	676.1	594.1
Industry Week (25X) A	127.0	99.8	752.2	711.8
Nation's Business (12X) A	35.2	55.0	302.3	288.5
Venture	59.5	72.0	476.4	565.8
Total Group	**1,763.7**	**1,858.8**	**14,340.2**	**14,486.3**
% change	**-5.1%**		**-1.0%**	
Business/regional				
Advantage-Nashville's Bus. Mo.	58.0	67.0	475.0	511.0
Arizona Bus. Gazette (52X)	63.9	86.1	630.3	639.5
Baltimore Bus. Jrnl	74.0	115.6	727.2	748.8
Boston Bus. Jrnl (52X)	86.2	100.1	993.8	1,047.0
Bus. First of Buffalo	71.3	—	607.2	—
Bus. First of Columbus	—	—	—	—
Bus. Jrnl.-Milwaukee	140.4	136.1	1,183.0	1,111.2
Bus. Jrnl.-Sacramento	109.4	92.5	747.6	598.6
Bus. North Carolina	46.8	47.7	423.8	398.8
Capital Dist. Bus. Review (52X)	86.3	75.7	762.6	714.9
Caribbean Business	182.0	142.0	1,282.0	1,275.0
Corporate Rpt. Kansas City	26.8	27.7	182.2	192.6
Corporate Rpt. Minnesota	100.0	101.0	664.0	679.0
Crain's Chicago Bus. (52X)	156.7	162.0	1,314.1	1,305.0
Crain's Cleveland Bus. (52X)	80.2	80.1	620.6	553.0
Crain's Detroit Bus. (52X)	76.9	89.6	688.8	687.6
Crain's New York Bus. (52X)	52.0	46.0	427.0	327.0
Florida Trend (13X)	48.8	81.6	554.4	690.8
Georgia Trend	66.8	84.2	513.7	605.2
Grand Rapids Bus. Jrnl.	51.3	56.9	468.8	421.8
Hawaii Business	49.3	43.5	440.2	425.1
Houston Bus. Jrnl. (52X)	91.5	84.8	597.0	539.0
Indianapolis Bus. Jrnl. (52X)	158.2	138.3	1,344.0	1,227.3
Manhattan Inc.	101.1	101.2	547.2	643.7
New England Bus. (20X) A	60.5	78.8	474.1	640.9
New Orleans City Bus.	42.3	52.4	433.0	496.7
Pacific Bus. News (52X)	103.9	113.5	947.3	1,048.0
Pittsburgh Bus. Times (52X)	—	—	—	—
Providence Bus. News	81.3	70.7	755.1	560.7
Regardie's/Washington	161.0	183.0	1,306.0	1,270.0
Review Publication				
Broward Review	78.4	39.9	524.6	296.8
Miami Review	83.0	50.9	558.8	416.6
Palm Beach Review	81.3	30.4	481.0	216.8
San Jose Bus. Jrnl.	88.7	—	640.3	—
St. Louis Bus. Jrnl. (52X)	108.9	138.9	1,009.4	1,141.2
Warfield Monthly Baltimore	81.0	86.7	623.0	578.1
Total Group	**2,948.2**	**2,804.8**	**23,947.1**	**22,007.7**
% change	**5.1%**		**8.8%**	
National Sunday mags				
Parade (52X)	50.3	70.8	490.6	453.1
USA Weekend (52X)	45.3	45.1	418.3	350.5
Vista Magazine	26.2	15.1	151.9	105.9
Total Group	**121.7**	**131.0**	**1,060.8**	**909.5**
% change	**-7.1%**		**16.6%**	
Newspaper Sunday magazine				
Boston Globe	203.9	215.0	1,675.7	1,829.6
Chicago Tribune	149.6	122.8	950.8	925.0
Cleveland Plain Dealer	78.9	85.7	570.1	544.8
Columbus Dispatch	32.2	23.5	259.3	315.6
Detroit Free Press	36.1	43.7	425.3	433.5
L.A. Times	—	—	—	—
Louisville Courier-Jrnl.	59.0	83.0	332.0	476.0
New York Times Mag.	441.5	491.1	2,819.3	2,902.9
Philadelphia Inquirer	119.0	127.0	791.0	641.0
Seattle Times	72.0	78.0	605.0	520.0
St. Louis Post Dispatch	70.1	80.9	667.1	625.0
Toledo Blade Magazine	29.6	38.3	291.4	353.6
Washington Post	165.4	153.2	1,135.9	1,111.8
Total Group	**1,457.3**	**1,542.2**	**10,522.9**	**10,678.8**
% change	**-5.5%**		**-1.5%**	
Weeklies/bi-weeklies				
The Advocate (26X)	219.4	184.4	1,556.9	1,240.6
Army Times Military Group:				
Air Force Times (52X)	171.3	191.0	1,443.1	1,468.4
Army Times (52X)	160.1	173.0	1,377.2	1,427.4
Navy Times (52X)	182.7	192.3	1,574.1	1,593.8
The Blood-Horse (52X)	185.0	220.4	2,462.0	3,046.0
Capper's (26X)	31.2	26.9	212.6	246.0
Commonweal (22X)	8.6	2.8	56.1	62.4
Golf World (43X)	68.8	66.7	1,097.7	891.0
Grit (52X) A	32.6	30.8	252.8	251.1
National Journal (50X)	66.5	64.0	620.5	555.5
National Review (25X)	53.3	40.7	321.6	284.9
New Republic (48X)	38.8	50.8	351.9	343.2
New York Magazine (50X)	286.5	321.4	2,080.9	2,123.7
New Yorker	196.8	229.3	1,487.0	1,606.0
Newsweek (52X) A	205.7	225.1	1,673.7	1,763.2
People (51X)	320.1	307.3	2,501.3	2,442.9
Rolling Stone (25X)	167.4	170.9	1,301.1	1,191.2
Sporting News (52X)	57.8	57.6	443.0	458.8
Sports Illustrated (52X)A	260.7	192.4	2,081.9	1,834.8
Time (52X) A	203.3	177.9	1,686.6	1,626.8
Travelhost (52X) C	3,565.0	3,511.5	28,912.0	28,545.5
TV Guide (52X) A	274.2	439.9	2,355.6	2,644.6
US Magazine (26X)	58.6	51.0	456.1	412.5
U.S. News & World Report (50X) A	172.7	166.9	1,264.2	1,138.7
Total Group	**6,987.2**	**7,095.0**	**57,569.8**	**57,198.9**
% change	**-1.5%**		**0.6%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

NEWSPAPER

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Tobacco tug of war

RJR, Philip Morris try divergent tactics

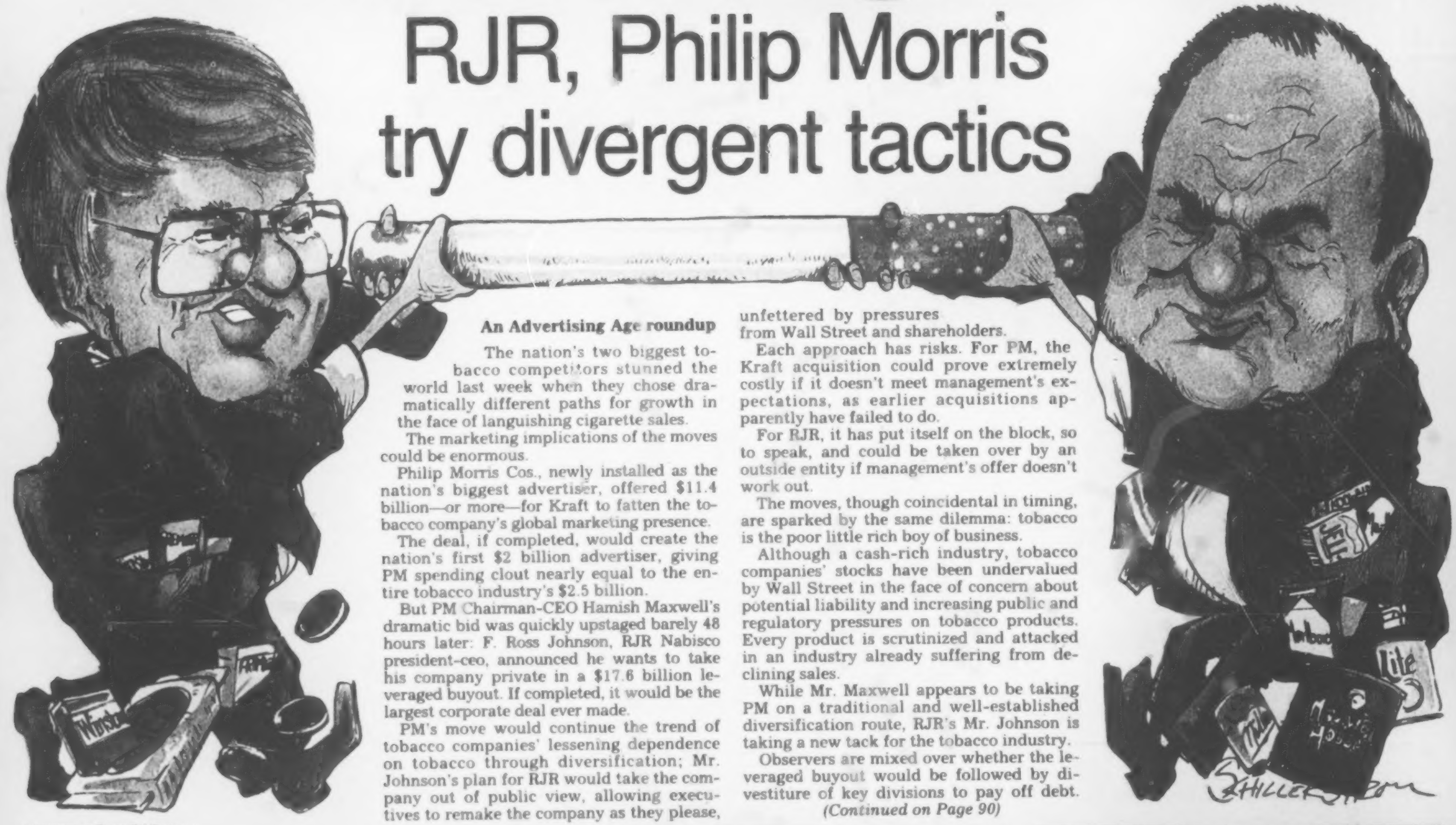

Illustration by Roger Schillerstrom

An Advertising Age roundup

The nation's two biggest tobacco competitors stunned the world last week when they chose dramatically different paths for growth in the face of languishing cigarette sales.

The marketing implications of the moves could be enormous.

Philip Morris Cos., newly installed as the nation's biggest advertiser, offered $11.4 billion—or more—for Kraft to fatten the tobacco company's global marketing presence.

The deal, if completed, would create the nation's first $2 billion advertiser, giving PM spending clout nearly equal to the entire tobacco industry's $2.5 billion.

But PM Chairman-CEO Hamish Maxwell's dramatic bid was quickly upstaged barely 48 hours later: F. Ross Johnson, RJR Nabisco president-ceo, announced he wants to take his company private in a $17.6 billion leveraged buyout. If completed, it would be the largest corporate deal ever made.

PM's move would continue the trend of tobacco companies' lessening dependence on tobacco through diversification; Mr. Johnson's plan for RJR would take the company out of public view, allowing executives to remake the company as they please, unfettered by pressures from Wall Street and shareholders.

Each approach has risks. For PM, the Kraft acquisition could prove extremely costly if it doesn't meet management's expectations, as earlier acquisitions apparently have failed to do.

For RJR, it has put itself on the block, so to speak, and could be taken over by an outside entity if management's offer doesn't work out.

The moves, though coincidental in timing, are sparked by the same dilemma: tobacco is the poor little rich boy of business.

Although a cash-rich industry, tobacco companies' stocks have been undervalued by Wall Street in the face of concern about potential liability and increasing public and regulatory pressures on tobacco products. Every product is scrutinized and attacked in an industry already suffering from declining sales.

While Mr. Maxwell appears to be taking PM on a traditional and well-established diversification route, RJR's Mr. Johnson is taking a new tack for the tobacco industry.

Observers are mixed over whether the leveraged buyout would be followed by divestiture of key divisions to pay off debt.

(Continued on Page 90)

Last Minute News

Gallo loses Crawford

MODESTO, CALIF.—John Crawford Creative, San Francisco, last week quit E&J Gallo Winery's Bartles & Jaymes wine cooler business. The creative boutique had been creating B&J spots for Gallo since early this year. Sources say Gallo is in contact with other creative resources, including Los Angeles production house Bert, Barz & Kirby, about continuing the Frank & Ed saga. Hal Riney & Partners, San Francisco, resigned the $75 million overall Gallo account in December (AA, Dec. 7).

EPB to buy troubled Va. shop

RICHMOND, VA.—Earle Palmer Brown Cos., Bethesda, Md., this week is expected to buy part of what's left of financially strapped Ford & Westbrook here and F&W's subsidiary, Martin Remick Moore. EPB plans to merge the purchase into its Richmond office and hire Bill Westbrook, Ford & Westbrook's former partner and creative chief, sources said. The sources added that such a move

(Continued on Page 8)

- **Riney envy hits new heights—P. 24**
- **Execs tell how to fix America—P. 46**

Audi, GMC Truck drop network TV from media plans

By RAYMOND SERAFIN

Audi of America and GMC Truck are dropping network TV from their 1989 model year media plans because of high costs and questions about the effectiveness of the buys.

Both marketers are shifting out of TV in favor of print and several other media to develop consistency in reaching target groups.

Combined, the two spent $22 million on network TV and another $10 million on spot TV in 1987, according to Leading National Advertisers.

The shift is intended to "maximize efficiency and effectiveness," said Mike Wilberding, senior VP-account representative on GMC Truck at McCann-Erickson, Troy, Mich.

Anthony Kirton, director of marketing for Audi, a unit of Volkswagen of America, said, "We really can't afford the cost [of network TV] on an ongoing basis. To run a six-week flight, we'd spend 30% of our budget."

But he added, "For any major new-product launch in the future, we'll still use TV." DDB Needham Worldwide's Troy and Chicago offices handle Audi.

Factors other than just budget entered into consideration, Mr. Kirton said.

"One of the complications of TV

(Continued on Page 92)

Ad Age magazine editor of the year

Photo by Annie Leibovitz

Tina Brown mixes glitz and grit at *Vanity Fair*, making her Ad Age's first Magazine Editor of the Year *(see story after Page 56).*

BEST COPY AVAILABLE

ANA hits NAAG

Responds to car-rental ad rules

By JENNIFFER LAWRENCE and SCOTT HUME

The Association of National Advertisers blasted proposed car-rental ad guidelines last week, saying they might cripple broadcast advertising and violate the U.S. Constitution.

The ANA, which opened its annual meeting in New York last weekend, urged the National Association of Attorneys General task force on car-rental advertising and practices to "reconsider the guidelines in light of constitutional requirements" that courts have found protect advertising from overregulation.

The recommendation was made in a seven-page letter from ANA Senior VP Dan Jaffe to Art Weiss, Kansas deputy attorney general.

The American Advertising Federation and the American Association of Advertising Agencies also filed comments with the task force late last week. Both groups are concerned about lengthy disclosure requirements in price ads.

But it's unlikely NAAG will back off its regulatory warpath after successfully implementing airline ad guidelines (AA, Sept. 7, 1987, *et seq.*) and moving on to other areas like health/nutrition food claims and automobile advertising (AA, Oct. 3).

"I think this is a phony issue," California Senior Assistant Attorney General Herschel Elkins said of the ANA's belief that the states are acting beyond their authority. "These are not statutes. We won't throw out the whole guidelines, but we will listen to specific recommendations. . . . We don't intend to have a guideline on every subject known to man."

The NAAG task force circulated

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INTERNATIONAL

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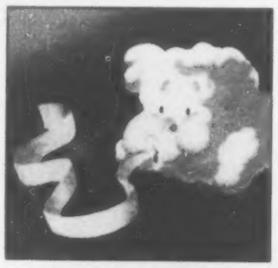
Procter & Gamble Co., aiming to triple its sales in Japan within three years to more than $2 billion, reportedly is gearing up its most aggressive marketing push there to date.



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RED TAG ABP ABC MPA ANPA

Tracy-Locke stumbles in Los Angeles

By CLEVELAND HORTON

LOS ANGELES—Abandoned by Princess Cruises' estimated $20 million account, Tracy-Locke last week laid off eight employees just as it's trying to build its presence here.

The loss of the cruise ship account in mid-October (AA, Oct. 17) "forced us to assess the needs and the service requirements for Taco Bell," the agency's only other significant account, said Tom Morris, exec VP-director of client services.

T. Morris

With the $60 million-plus Taco Bell business, the office remains financially stable, Mr. Morris said. Unlike the demise of Tracy-Locke's Denver office, the shop here will "live to see another day," he said.

Earlier this year in Denver, Tracy-Locke lost Mountain Bell when U.S. West consolidated the accounts of its regional telephone companies. Once a full-service shop, the Denver operation is now simply a service office.

Similar to the Denver situation, Tracy-Locke here has suffered from a new-business drought and several shifts in its management suite.

With the exception of Princess Cruises, Tracy-Locke's West Coast office hasn't won any new business since it opened three years ago at Taco Bell's request. During the same period, the agency has restructured its management three times. It now has 102 employees.

Most recently, Chairman-Chief Creative Officer Phil Slott moved here from Dallas to inject new creative life into the agency. According to sources, Mr. Slott brought with him the creative portion of Frito-Lay's Doritos account.

The office is interviewing public relations agencies to help the agency create a better image for itself in California.

Tracy-Locke is pitching several new accounts, including Toshiba America's $6 million copier business.

Although the office doesn't need new business to survive, Mr. Morris acknowledged the importance of winning accounts. "New business helps in building strength, in building a presence," he said.#

Olympics ads score: Lintas

By VERNE GAY

NEW YORK—Despite disappointing ratings for NBC-TV's broadcast of the 1988 Summer Olympics, several advertisers emerged as big winners in ad recall, according to a new study by Lintas:USA.

Although the survey showed viewers complained a lot about ad clutter, their opinions of most advertised products weren't affected adversely or positively. That finding led Lintas executives to conclude the Olympics still are an effective ad vehicle.

> *"I can say that the Olympics are still a damned good event. Clients are not wasting their money by getting involved."*

Spots for McDonald's Corp. were found to have the highest unaided recall among viewers in the survey. Of those questioned, 23% recalled the McDonald's commercials without prompting. Anheuser-Busch placed second (17% recalled), and General Motors Corp. and Coca-Cola Co. third (7%).

Other advertisers mentioned included Miller Brewing Co. (6%), GM's Chevrolet (4%), Eastman Kodak Co. (3%), K mart Corp. (3%) and Reebok International (3%).

Viewers only recalled three other advertisers: IBM Corp., Visa International and American Express Co. However, only 2% or less of those surveyed remembered their ads.

The Lintas executives said GM's recall was lower because there were several GM divisions as advertisers, as opposed to a single dominant advertiser. With a $40 million-plus Olympics budget, GM was the biggest NBC advertiser.

The survey showed that 69% of the viewers said they were "satisfied or somewhat satisfied" with the telecasts, but 67% said there were too many commercials during the 179½-hour broadcast.

The viewers who said they were dissatisfied cited "too many ads," not enough coverage of events they liked and overexposure of Bryant Gumbel, the telecast's anchor.

Complaints of excessive advertising weren't without merit; Lintas executives said NBC ran about 10.2 minutes of commercials per hour. ABC-TV's 1984 Summer Olympics telecast had 8.4 minutes per hour; the average prime-time commercial load is 7 minutes.

Lintas, through Survey Sampling, a Fairfield, Conn.-based market researcher, commissioned the survey to determine how viewers watched the telecasts and whether the weaker-than-expected ratings on the telecasts were symptomatic of a bigger problem, said Lintas Exec VP Lou Schultz. NBC got an average

(Continued on Page 92)

Eveready hops on Duracell's idea

Eveready Battery Co.'s Energizer unleashes a room full of drum-banging pink bunnies (above) to take a jab at Duracell. Undaunted, Duracell is reviving its own rabbit to participate in a new promotion.

By JULIE LIESSE ERICKSON

Eveready Battery Co. tweaks rival Duracell's advertising in the new Energizer TV campaign it unveiled last week.

In place of former loudmouth spokesman Jacko, the new effort parodies Duracell's windup-toy commercials.

Eveready's new campaign ends Jacko's tenure as Energizer spokesman, though sources say the Australian media star probably will be featured in short-term promotions.

The new Energizer spot stars a mechanical pink bunny similar to one Duracell used in TV commercials several years ago and is reviving for a fall promotion.

The Energizer spot, which broke on NBC-TV's World Series telecast, uses a room full of mechanical pink bunnies to mimic Duracell.

"For years, one of our competitors has been telling you they have the longest-lasting battery," the voice-over says. "But they haven't invited us to the party."

As one by one the bunnies stop drumming, a larger pink bunny—carrying a drum with an Energizer logo—struts past.

The new Energizer tagline is "A word to the wise: energize." DDB Needham Worldwide, Chicago, handles the $30 million campaign.

Duracell, which is recycling its bunny as part of a major fall promotion, criticized the Energizer campaign.

Eveready's "use of our pink bunny shows just how effective Duracell's advertising has been," said Jim Donahue, Duracell's director-communications. "Eveready also is showing that they are questioning the marketing decisions made over the past two years."

In the new promotion, Duracell will give away more than $1 million in prizes to consumers collecting game cards from Duracell battery packages. Each "Power Picture" game card features one of the toys used in the Duracell campaign.

Print ads will support, starting in early December. Ogilvy & Mather, New York, handles Duracell's $30 million account.

Rayovac Corp., meanwhile, marches to the beat of a different drummer in its own new $12 million campaign, breaking tonight.

The new campaign, themed "Batteries that turn people on," dramatizes situations described in consumer letters to the company. One features a raving husband playing with a remote-control toy car; his wife complains to Rayovac that the batteries should have died a long time ago.

The other spot shows a couple dusting off a battery-operated back-scratcher, whose batteries still work after 18 years. Visitors are treated to back-scratching—even the pizza delivery man.

"A lot of Rayovac's competitors are parts of conglomerates and have changed ownership over the past few years. We wanted to portray Rayovac with the words and endorsements of real consumers," said Cynthia Perry, senior VP-management director at FCB/Leber Katz Partners.

A husband, obsessed with a remote-control car, drives his wife to complain to Rayovac that the batteries should be dead by now.

Additional TV executions—some featuring Rayovac's flashlight line—newspaper ads and holiday magazine ads are also planned.

In the past year, both Rayovac, with a 14% estimated share of the $2.5 billion U.S. battery market, and Duracell, with 28%, have gained on Eveready, whose share now stands at 37%, according to figures compiled by A.C. Nielsen Co. and other measurement services (AA, July 11). Eveready had a 50% share when Ralston Purina Co. bought it in 1986.#

Gary Levin in New York contributed to this story.

CORRECTIONS & CLARIFICATIONS

- Casey McCabe, author of a "Forum" article (AA, Oct. 10, P. 18), who's now a freelancer, was formerly at Young & Rubicam, not McCann-Erickson.
- A chart listing SAMI/Burke statistics on sales of dried fruit snacks (AA, Oct. 3, P. S-6) used inaccurate numbers. The following are the correct numbers: Sales of fruit rolls and bars: 1983—$113.2 million; 1984—150.4; 1985—211.7; 1986—272.7; 1987—312.0. All other dried fruit: 1983—$414.4 million; 1984—391.6; 1985—383.8; 1986—411.0; 1987—433.2.#

If you're looking for food sales, there's a market in Michigan that'll make your mouth water.

If you're hungry for an appetizing market, here's a place you can sink your teeth into–Booth, Michigan. By consuming over $2.5 billion worth of groceries per year, we make up America's 18th largest food market. Detroit papers only reach 11% of the Booth market. A market whose food sales have grown nearly 5 times faster than Detroit's in the last five years. And we've got impressive numbers in other markets, too. We're America's 15th largest retail market. And number nine in general merchandise sales. If you and your clients are looking for numbers that are easy to swallow, phone Booth Newspapers at (313) 540-5600. You get 8 newspapers at a 15% discount with just one call. One order. One bill. Represented nationally by Newhouse Newspapers.

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Source: Survey of Buying Power 7/86. Circulation 86-87

Ad-to-sales ratio study uncovers big hikes

EVANSTON, ILL.—Candy, costume jewelry, motion pictures, and perfume and cosmetics are among the major U.S. industries that boosted their average ad spending growth rate by 25% or more this year, according to a new study by Schonfeld & Associates.

Using data from more than 5,700 companies, Schonfeld has compiled estimates of 1988 advertising-to-sales ratios for more than 390 U.S. industry sectors *(see chart)*.

In 1988, the candy industry is expected to raise its ad spending growth rate by 28.7%, costume jewelry will boost its rate 26.7%, movies by 30.4%, and perfume and cosmetics by 32.3%.

Among the major categories expected to show significant downturns in the growth rate are food stores (down 47.4%), leather products (down 12.6%) and shoe stores (down 10.9%).

Schonfeld also has a more complete "Advertising Ratios & Budgets" report that contains ad-to-sales ratios and ad-to-gross margin ratios for individual companies, and high and low ranges for ratios by company. In addition, it contains forecasts of 1989 ad spending by company, grouped by industry sector.

Estimates for the categories of advertising and ad agencies showed that aggregate company ad expenditures will be up more than 25% this year.

The data are compiled from a variety of sources, including the 10-K reports of publicly held companies. Estimates and forecasts are based on trends developed through historical data.

To make the forecasts, Schonfeld applied three techniques to historical data for each company. These methods include projecting a time trend, estimating using a multivariate industry model and extrapolating using a constant ratio model. The final forecast is a weighted composite of the forecasts from each method.

Based on these data, the table here shows industries listed by four-digit standard industrial classification code, advertising expenditures as a percent of sales and as a percent of gross margin (net sales minus cost of goods sold), and the expenditure growth percentage for 1988 compared to 1977.

Eugene P. Schonfeld, author of "Advertising Ratios & Budgets," notes that cautious interpretation is advised in using the data, since:

1. Expenditures included as advertising in 10-K reports may vary from company to company.

2. Events such as mergers, acquisitions and divestitures may distort spending patterns.

3. Private ownership of very large companies in specific industries may mean that some advertisers are omitted.

4. Multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business). This may overstate expenditures in the primary industry and understate expenditures in the subsidiary industries.

Copies of the complete 205-page study are available from Schonfeld & Associates, 2530 Crawford Ave., Evanston, Ill. 60201. Phone: (312) 869-5556. Price is $295, or $275 prepaid. Data are also available on diskettes. #

Advertising-to-sales ratios, 1988 estimates (by industry)

Legend: SIC: Standard industrial classification. NEC: Not elsewhere classified. Ad dollars as per cent of sales: Ad expenditures/net sales. Ad dollars as per cent of margin: Ad expenditures/net sales-cost of goods sold. Annual growth rate: of advertising dollars. Source: Schonfeld & Associates, 2530 Crawford Ave., Evanston, Ill. (312) 869-5556.

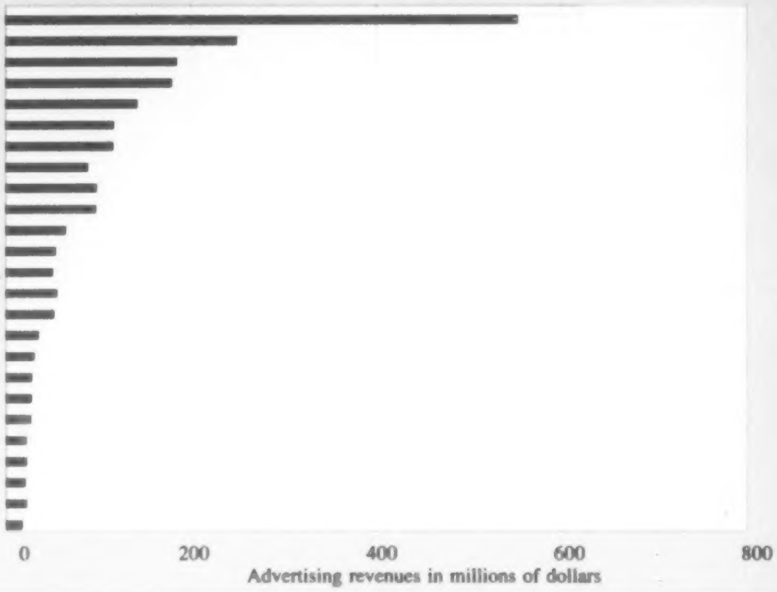
Industry	SIC no.	Ad dollars as per cent of sales	Ad dollars as per cent of margin	Annual growth rate (%)
Abrasive, asbestos, misc minerals	3290	1.7	4.9	7.4
Adhesives & sealants	2891	4.2	9.0	12.5
Advertising	7310	1.2	3.6	26.4
Advertising agencies	7311	0.1	0.5	25.8
Agricultural services	700	1.7	4.8	13.3
Agriculture production-crops	100	2.0	8.4	4.2
Air cond, heating, refrig equip	3585	1.5	5.7	13.7
Air courier services	4513	2.1	12.2	9.3
Air transportation, certified	4511	1.8	14.8	10.6
Alarm & signaling products	3669	2.2	5.7	5.5
Amusement, except motion pictures	7900	3.9	8.5	21.6
Apparel & accessory stores	5600	2.3	5.6	12.4
Apparel, piece gds, notions-whsl	5130	5.6	17.9	30.8
Apparel & other finished prods	2300	2.0	8.0	11.9
Auto & home supply stores	5531	2.8	7.3	20.5
Automatic mdse mach operators	5962	1.7	2.9	8.5
Auto rent & lease, no drivers	7510	2.9	4.3	12.6
Auto repair, services, garages	7500	4.0	16.6	11.9
Automatic regulating controls	3822	1.5	6.0	(30.5)
Autos & other vehicles-whsl	5012	2.6	20.2	19.8
Bakery products	2050	1.9	4.2	7.2
Beverages	2080	8.5	15.6	9.1
Biological products	2831	1.7	3.8	11.2
Blankbooks, binders, bookbinding	2780	2.8	6.7	10.6
Bldg matl, hardware, garden-retl	5200	4.5	11.1	(8.4)
Blowers, exhaust, vent fans	3564	2.1	5.6	21.0
Books: pubg, pubg & printing	2731	3.8	8.4	11.1
Bottled & canned soft drinks	2086	1.4	3.1	17.2
Brd woven fabric mill, cotton	2211	1.9	8.4	9.9
Business services, NEC	7389	5.3	12.9	13.8
Cable television operators	4841	1.9	3.3	18.6
Can fruit, veg, preserv, jam, jel	2033	2.0	5.7	0.3
Can, preserve fruit, vegetable	2030	6.8	17.3	10.1
Candy & other confectionery	2065	5.8	14.4	28.7
Catalog showrooms	5334	3.7	15.5	2.8
Chemicals & allied prods-whsl	5161	3.5	6.1	15.0
Chemicals & allied prods	2800	2.6	6.4	14.3
Cigarettes	2111	5.1	11.2	9.0
Computer program & software svcs	7372	3.5	9.0	17.8
Coating, engraving, allied svc	3470	2.8	4.7	(1.0)
Comm & signaling devices, NEC	3669	1.2	3.7	(0.3)
Commercial printing	2750	1.2	4.1	8.1
Comml machines & equip-whsl	5081	1.9	7.5	15.3
Communication services, NEC	4890	4.1	18.9	(6.6)
Computer disk & tape drives	3684	1.2	4.0	19.1
Computer equipment, NEC	3689	1.9	4.8	16.5
Computer peripherals	3686	2.3	6.4	6.0
Computer related svcs, NEC	7379	1.6	2.7	4.2
Computer terminals	3683	1.6	3.6	3.3
Computers-mainframe	3682	1.3	2.1	14.5
Computers-mini & micro	3681	5.1	10.1	9.6
Connectors, electr applications	3678	1.2	2.8	14.9
Construction machinery & equip	3531	1.3	5.2	9.6
Construction-special trade	1700	9.8	20.1	25.1
Convenience stores	5412	1.6	5.3	(3.5)
Convrt, paprbrd prods, ex contain	2640	1.9	4.2	7.1
Cookies & crackers	2052	4.8	9.6	7.5
Costume jewelry, buttons, notions	3960	2.3	6.0	26.7
Cutlery, hand tools, gen hardware	3420	9.5	18.8	10.2
Dairy products	2020	4.9	17.8	4.8
Data processing services	7374	1.2	3.5	6.9
Deep sea foreign transport	4411	4.9	11.1	9.3
Department stores	5311	2.9	11.8	7.2
Direct mail advertising svcs	7331	0.2	0.9	12.8
Dolls	3942	16.5	42.0	11.9
Drawing, insulating nonfer wire	3357	3.2	19.8	(4.8)
Drug & proprietary stores	5912	1.6	5.6	10.7
Drugs	2830	4.4	7.1	0.1
Eating & drinking places	5810	5.6	44.4	10.3
Eating places	5812	3.4	18.8	7.0
Educational services	8200	5.0	9.5	17.0
Elec & Elec mach, equip, supply	3600	1.8	5.8	13.7
Elec meas & test instruments	3825	2.5	4.5	6.7
Electr coil, transfrmr, inductr	3677	1.9	4.9	5.0
Electric housewares & fans	3634	8.8	27.6	(0.2)
Electric lighting, wiring equip	3640	1.1	2.8	7.5
Electrical industrial appar	3620	2.5	9.2	2.3
Electronic components, NEC	3679	2.3	6.5	11.5
Electronic computing equip	3680	1.2	2.5	7.7
Electronic parts & equip-whsl	5065	1.3	4.2	7.6
Engines & turbines	3510	1.8	6.3	12.3
Engr, lab & research equip	3811	1.7	4.0	18.9
Equip rental & leasing svcs	7394	3.5	5.2	5.7
Fabricated rubber prods, NEC	3069	1.1	3.7	10.5
Fabricated structural metal	3440	1.6	7.0	(3.4)
Family clothing stores	5651	2.0	6.3	12.5
Farm machinery & equipment	3523	1.6	9.3	2.6
Farm & garden machinery & equip	3520	3.4	10.9	5.9
Floor covering mills	2270	1.1	3.0	17.6
Food & kindred products	2000	7.3	36.0	13.6
Food stores	5400	0.6	2.3	(47.4)
Footwear, except rubber	3140	3.2	8.2	(4.4)
Freight forwarding	4712	3.6	20.4	24.6
Furniture, home furnish stores	5700	5.0	10.4	11.7
Furniture stores	5712	7.2	16.0	6.3
Furniture & home furnsh-whsl	5020	7.0	21.4	(23.2)
Games, toys, child veh, ex dolls	3944	18.4	37.6	12.5
Glass containers	3221	6.1	12.3	47.2
Glass, glassware-pressed, blown	3220	2.0	5.7	7.5
Grain mill products	2040	9.3	19.3	10.0
Greeting card publishing	2771	4.8	9.2	9.5
Groceries & related prods-whsl	5140	1.2	11.8	5.1
Grocery stores	5411	1.4	5.7	5.6
Hardware, plumb, heat equip-whsl	5070	6.4	50.1	17.7
Health services	8000	3.3	28.0	24.2
Heating equip, plumbing fixtures	3430	3.3	8.6	17.7
Hobby, toy & game shops	5945	1.5	4.6	10.5
Hospitals	8060	5.8	36.4	17.8
Hotels, motels, tourist courts	7011	3.8	12.3	5.5
Household appliances	3630	2.6	9.5	20.5
Household furniture	2510	3.4	10.9	18.4
Ice cream & frozen desserts	2024	7.9	32.1	19.8
Industrial controls	3622	1.7	8.3	16.8
Industrial mach & equip-whsl	5084	2.0	5.8	20.4
Industrial measurement instr	3823	1.7	4.1	7.0
Jewelry, precious metal	3911	1.7	3.6	15.4
Jewelry stores	5944	3.9	8.6	(5.8)
Jewelry, watches, diamonds-whsl	5094	4.7	23.0	11.6
Knit outerwear mills	2253	1.8	6.5	6.4
Knitting mills	2250	2.9	10.2	15.9
Leather & leather products	3100	9.1	27.8	(12.6)
Lumber & constr matls-whsl	5030	2.2	12.3	4.6
Lumber & other bldg matls-retl	5211	2.2	7.9	9.1
Machine tools, metal cutting	3541	2.0	7.7	(1.2)
Machinery & equipment-whsl	5080	1.3	4.3	7.3
Mail order houses	5961	6.6	28.8	14.2
Malt beverages	2082	8.7	21.2	8.9
Measuring, controlling instr	3820	4.8	28.2	13.5
Meat packing plants	2011	1.3	9.8	14.8
Medicinal chems, botanical prods	2833	4.9	5.9	25.8
Men, yth, boys frnsh & work clthg	2320	3.4	10.0	12.2
Metal cans	3411	1.7	8.8	4.8
Metal forgings & stampings	3460	1.8	6.3	1.9
Metal office furniture	2522	1.5	4.4	23.1
Metalworking machinery & equip	3540	5.4	13.6	6.5
Managmt, consulting & PR svcs	7392	1.8	8.5	(3.0)
Misc amusement & rec service	7990	6.1	14.4	13.4
Misc chemical products	2890	2.8	7.8	8.6
Misc elec machy, equip, supplies	3690	2.8	10.6	10.3
Misc food preps, kindred prods	2090	2.8	7.5	9.9
Misc furniture & fixtures	2590	1.4	5.1	16.7
Misc machinery, ex electrical	3590	1.7	4.9	3.9
Misc manufacturing industries	3990	2.2	5.8	7.9
Misc nondurable gds-whsl	5190	1.8	5.3	34.0
Misc plastics products	3079	2.3	6.8	10.5
Misc repair services	7690	6.1	13.6	12.1
Misc transportation equip	3790	3.3	14.5	6.0
Miscellaneous publishing	2741	1.1	2.0	16.9
Miscellaneous retail	5900	5.3	13.5	11.5
Mining, quarry nonmtl minerals	1400	1.7	4.2	17.6
Mobile home dealers	5271	1.6	5.1	25.5
Mobile homes	2451	1.6	8.7	(1.0)
Motion picture distr & svcs	7820	8.8	16.1	30.4
Motion picture prodtn, ex TV	7813	8.9	14.3	12.9
Motion picture production, svcs	7810	7.4	21.3	10.9
Motion picture production TV	7814	8.8	15.8	21.7
Motion picture theaters	7830	4.1	19.3	19.8
Motor vehicle part, accessory	3714	1.6	6.1	12.6
Motor vehicles & car bodies	3711	1.6	9.0	9.1
Motorcycles, bicycles & parts	3751	2.0	7.9	34.8
Motor veh, parts, supplies-whsl	5010	1.3	5.1	3.6
Music stores	5733	1.2	3.0	12.5
Musical instruments	3931	3.3	10.8	9.4
Newspaper: pubg, pubg & print	2711	3.9	9.2	26.7
Office automation systems	3687	2.3	4.1	13.5
Office, computing, accting mach	3570	1.2	2.0	10.0
Office furniture	2520	1.4	3.8	6.3
Operative builders	1531	1.9	11.6	34.9
Operators-nonres bldgs	6512	3.8	7.7	7.3
Ophthalmic goods	3851	2.0	6.0	14.6
Optical instruments & lenses	3832	1.5	3.3	11.5
Ordnance & accessories	3480	2.5	9.8	17.7
Ortho, prosth, surg appl, supply	3842	1.8	4.2	10.0
Outpatient care facilities	8081	1.1	11.5	23.4
Paints, varnishes, lacquers	2851	3.1	8.4	5.6
Paper & allied products	2600	3.8	14.4	10.7
Paper mills, ex bldg paper	2621	2.9	9.0	5.5
Partitions, shelving, lockers	2540	1.9	5.2	(2.5)
Patent owners & lessors	6794	1.9	6.0	11.1
Paving & roofing materials	2950	2.2	3.8	(7.7)
Pens, pencils, other office matl	3950	5.2	11.0	7.2
Perfume, cosmetic, toilet prep	2844	10.2	18.2	32.3
Periodical: pubg, pubg & print	2721	3.4	6.2	3.5
Personal services	7200	3.7	13.0	4.8
Personnel supply services	7360	4.6	30.2	53.4
Petroleum, ex bulk statn-whsl	5172	2.2	90.2	(35.9)
Pharmaceutical preparations	2834	7.0	10.5	9.3
Phono records, magnetic tape	3652	10.7	32.5	72.5
Photofinishing laboratories	7395	1.8	4.4	7.4
Photographic equip & supplies	3861	3.2	6.5	9.5
Plastic matl, synthetic resin	2820	1.4	7.2	22.2
Plastics, resins, elastomers	2821	1.6	4.9	(13.7)
Pottery & related products	3260	1.8	9.8	16.7
Poultry dressing plants	2016	2.8	14.0	17.3
Prefab wood bldgs & componts	2452	1.2	5.2	11.2
Printing trades machy & equip	3555	1.3	3.4	13.4
Professional equip & supply-whsl	5086	3.5	12.1	15.3
Pumps & pumping equipment	3561	1.2	3.3	2.8
Racing, incl track operations	7948	3.5	21.4	2.6
Radio, TV & music stores	5730	1.9	6.0	13.2
Radio & TV stores	5732	5.3	22.2	20.2
Radio broadcasting	4832	8.8	22.3	21.0
Radio & TV receiving sets	3651	3.0	10.6	11.5
Real estate	6500	1.5	4.2	18.2
Real estate agents & mgrs	6531	2.8	10.4	13.4
Real estate investment trust	6798	1.4	2.1	7.6
Refrig & service ind machine	3580	2.1	5.9	5.0
Research & development labs	7391	2.0	10.1	18.8
Robotics	3585	1.5	3.5	(15.5)
Rubber & plastics footwear	3021	4.1	9.8	10.8
Rubber & plastic hose, belting	3041	1.4	5.2	3.0
Sausage, other prepared meat pd	2013	6.5	20.1	5.8
Search, navigate, guide sys, equip	3694	1.5	6.2	5.6
Security brokers & dealers	6211	3.2	7.9	13.0
Security & commodity brokers	6200	3.8	43.4	0.0
Semiconductor, related device	3674	1.2	2.7	11.6
Sewing, needlework stores	5949	3.9	8.1	5.6
Sheet metal work	3444	1.3	5.7	15.9
Ship & boat bldg & repairing	3730	2.3	18.7	(38.8)
Shoe stores	5661	3.2	8.2	(10.9)
Skilled nursing care fac	8051	3.3	15.7	25.8
Soap, detergent, toilet preps	2840	7.6	16.4	9.0
Social services	8300	1.6	4.5	14.9
Solar energy equip & comp	3437	3.1	17.8	(27.0)
Special cleaning, sanitn preps	2842	14.5	25.3	7.9
Special industry machinery	3550	1.7	5.8	9.3
Sporting & athletic goods, NEC	3949	5.0	14.4	18.2
Sporting & recreatn gds-whsl	5040	4.6	17.7	11.9
Steam supply	4961	2.6	6.0	3.0
Structural clay products	3250	2.4	7.1	(1.6)
Subdivid, develop, ex cemetery	6552	1.9	6.4	4.9
Sugar & confectionery prods	2060	10.8	30.0	8.4
Surgical, med instr, apparatus	3841	2.6	5.0	13.6
Svcs allied with exchanges	6281	8.2	15.1	15.1
Svcs to dwellings, other bldgs	7340	1.9	10.0	(2.8)
Tele & telegraph apparatus	3661	1.6	3.5	10.1
Telegraph comm (wire, radio)	4821	2.7	10.6	13.8
Telephone comm (wire, radio)	4811	1.9	4.3	2.3
Television broadcasting	4833	2.7	7.5	14.2
Temporary help supply svcs	7362	1.3	5.3	6.7
Tires & inner tubes	3011	3.1	9.7	(1.8)
Totalizing fluid meters	3824	2.4	5.6	39.3
Training equip & simulators	3665	1.6	7.5	12.4
Truck & bus bodies	3713	1.1	7.2	15.0
Variety stores	5331	2.2	8.7	9.3
Watches, clocks & parts	3873	2.0	7.4	2.4
Water transportation	4400	1.9	4.9	7.2
Womens, misses, jrs outerwear	2330	1.3	4.2	16.3
Women's ready-to-wear stores	5621	2.7	7.8	9.7
Wood household furn, upholsrd	2512	2.9	10.4	10.1

Ad revenues by group publisher

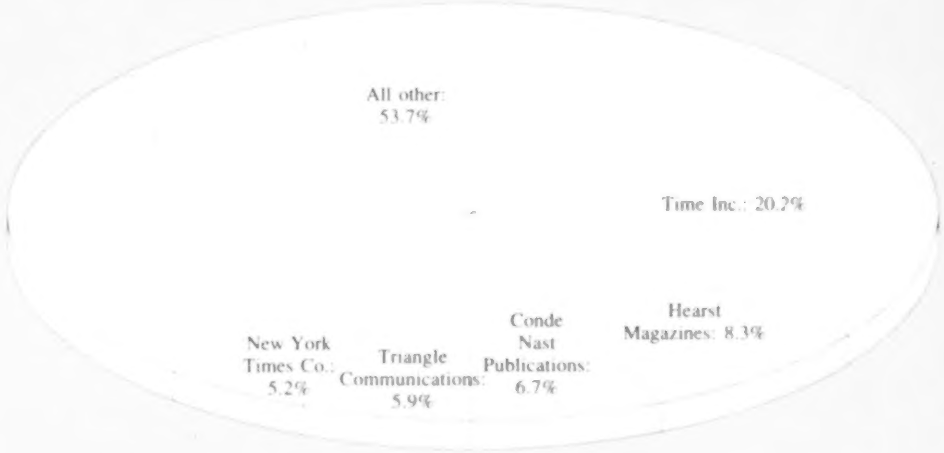
for top 25 companies, six months ending June 30, 1988

Total advertising revenues (in millions)

Magazine group/company	1988	1987	% chg
Time Inc.	$622	$552	12.6
Hearst Magazines	254	250	1.8
Conde Nast Publications	205	185	10.9
Triangle Communications	183	179	1.9
New York Times Co.	159	142	12.3
Meredith Corp.	130	117	11.7
Newsweek Inc.	111	116	(4.2)
Times Mirror Magazines	103	89	16.9
Hachette SA	103	98	5.0
McGraw-Hill Publications	102	97	4.8
Reader's Digest Association	72	64	11.6
Murdoch Magazines	66	54	23.4
U.S. News/The Atlantic	64	50	26.6
Forbes Inc.	59	55	6.4
Working Woman/McCall's Group	50	52	(3.9)
Knapp Communications	41	35	16.7
Gannett	41	30	34.7
Straight Arrow Publishers	36	28	27.3
Petersen Publishing	33	27	20.0
American Express Publishing Corp.	28	26	7.8
Family Media	27	22	20.7
Rodale Press	26	22	17.1
Goldhirsh Group	23	21	9.4
Penthouse International	22	22	(0.5)
Playboy Enterprises	18	17	4.8



Top five group publishers' ad revenues as percentage of six month industry total $3.1 billion



Advertising revenues of the top three magazines of top five group publishers

Time Inc.: $622 million

Time	Sports Illustrated	People Weekly	Other
26.8%, $167	26.3%, $164	21.5%, $133	25.4%, $158

Hearst Magazines: $254 million

Good Housekeeping	Cosmopolitan	Redbook	Other
23.6%, $60	22.5%, $57	13.1%, $33	40.7%, $103

Conde Nast Publications: $205 million

Glamour	Vogue	Mademoiselle	Other
20.8%, $43	18.6%, $38	11.4%, $23	49.2%, $101

Triangle Publications: $183 million

TV Guide	Seventeen	Good Food
89.1%, $163	10.0%, $18	0.8%, $2

New York Times Co.: $159 million

Family Circle	New York Times Magazine	Golf Digest	Other
39.6%, $63	34.8%, $55	20.2%, $32	5.5%, $9

Notes: Ad revenues are in millions of dollars. All figures are for January through June only. In the graphs, white bars indicate 1988 figures, black bars indictate 1987 figures. NA indicates data not available. **Sources:** Ad revenues from Publishers Information Bureau. **Research:** Kevin Brown.

As 'People' goes, so . . .

Magazine sales keep pace with America's interests

By Patrick Reilly

As go the masses, so goes *People*. The publication is so keyed to popular tastes that its covers often are seen as dependable barometers of America's interests, passions and concerns.

For years *People's* cover subjects were dictated by a golden rule developed by Richard Stolley, Time Inc.'s director-special projects and *People's* founding managing editor. Stolley's Law read: Young is better than old, pretty is better than ugly, music is better than movies, movies are better than television, television is better than sports and anything is better than politics.

When the Dec. 22, 1980, cover on John Lennon's death broke *People's* newsstand sales records, Stolley's Law was amended: The celebrity dead, particularly still warm, sell best of all.

Under James Gaines, managing editor since 1987, the weekly has taken a noticeable turn toward covers more related to news events or issues of the day.

"The Stolley list of what makes a great cover really doesn't work anymore," says Mr. Gaines. "I would say birth, marriage, divorce, the elemental moments of human life, are what is selling *People* at the moment."

Mr. Gaines points to two recent covers, one of actress Cybill Shepherd, holding her two babies, and one of parents with quintuplets. Both sold equally well on newsstands. "We have found celebrities per se don't sell the magazine as they used to. There was a time *People* could put any hot celebrity on the cover and still make rate base," he says. "Now babies and families sell issues."

Def Leppard, Yves Montand, a new Hulk & those darn Batmans!
People weekly
Her Royal Pregnancy
BURT & LONI
THE WEDDING, THE PARTY, THEIR OWN PHOTO ALBUM
People weekly
OUR AMERICAN HOSTAGES
CAUGHT IN THE CROSSFIRE
The Iranian air tragedy threatened to make them pawns in a deadly game of retribution. Here's how their families endure.

This year's hottest at People: "Burt and Loni's Wedding"; coldest, American hostages in Lebanon.

However, Mr. Gaines violated Stolley's Law this year and got burned. By putting the American hostages in Lebanon on the cover of the July 18 issue—remember, anything is better than politics—Mr. Gaines produced *People's* lowest-selling newsstand issue in its 14-year history. The "Hostage" cover sold only slightly more than 1 million on newsstands, at a time when *People's* average weekly sales topped 1.7 million.

The best seller of 1988 combined both Messrs. Stolley's and Gaines' rules: Two attractive, semi-young TV and movie celebrities getting married. The May 16 issue featuring "Burt and Loni's Wedding," as in Reynolds and Anderson, sold a whopping 2.4 million on newsstands.Mr. Gaines has formulated his own cover law: "There should never be any rules or notions about what should be on a cover. I stay away from concepts on what works on a cover."

So what about Burt and Loni? "I knew Burt and Loni would do well," he says. "Anytime you have two celebrities as big as they are getting married, you are sitting pretty."

End of lesson.

Data Bank

Biggest drops in single copy sales

from publications with circulation exceeding 1 million

Rank	Magazine	Average single copy sales (1/88-6/88)	% decrease from same period '87
1	Playboy	908,246	32.2
2	The Workbasket	15,800	27.5
3	Health	6,013	22.3
4	Changing Times	31,517	21.0
5	The Family Handyman	44,926	20.8
6	Family Circle	4,205,927	20.1
7	Home Mechanix	1,221,206	16.0
8	Sesame Street Magazine	168,926	11.9
9	Popular Mechanics	237,560	11.8
10	Seventeen	418,876	11.1

Source: Audit Bureau of Circulations. Research: Kristine Steven.

Biggest jumps in single copy sales

from publications with circulation exceeding 1 million

Rank	Magazine	Average single copy sales (1/88-6/88)	% increase from same period '87
1	Smithsonian	12,834	37.3
2	Rodale's Organic Gardening	7,328	35.8
3	Reader's Digest	1,006,264	25.2
4	Redbook	835,781	17.7
5	Soap Opera Digest	756,703	17.1
6	Country Living	612,426	15.4
7	People Weekly	1,760,918	13.5
8	Prevention	228,910	12.2
9	Sports Illustrated	179,353	10.7
10	Golf Digest	138,647	9.2

Source: Audit Bureau of Circulations. Research: Kristine Steven.

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SPEAKING WITH AUTHORITY

Agency media buyers

How much emphasis should be put on newsstand sales when making a media buying decision?

John Meskil, exec VP, Warwick Advertising, New York

"It's difficult to determine whether newsstand sales are better than subscription sales. Personally, I like to see as many newsstand sales as possible because they show the desirability of the magazine.

"It's challenging because there are fewer newsstands and there is a lot of competition at the grocery checkout, which makes it particularly tough for magazines that don't tailor themselves to be newsstand sellers.

"Although I like to see as much single-copy sales as possible, generally and increasingly, magazines have to rely on subscriptions to fulfill their rate base so it's not a fundamental consideration when we make a buying decision."

Paul Zuckerman, senior VP, director-media planning and operations, DDB Needham, New York

"I've always felt that newsstand sales are very important because they're indicative of reader involvement with the magazine. That doesn't mean that certain forms of subscriptions don't show the same thing, and that a former newsstand buyer who becomes a subscriber is no longer interesting to us.

"But when circulation is used to show reader involvement with a magazine, it's the newsstand sales that show that, not the reader profile. A study can show how tall you are and how much money you make, but it can't tell if you're involved with the magazine."

David Buckley, VP, media director, The Shalek Agency, Los Angeles

"The importance of newsstand sales varies from client to client and, obviously, from magazine to magazine. Specialty magazines like *Surfer* and *Surfing* are heavy newsstand sellers; they're oriented to that type of product and that type of reader.

"Strategically, we'd gauge what kind of magazine it is and have to judge it specifically based on why it's being used. There's a different level of importance put on newsstand sales in each buy.

"Too often, buyers simply set up a formula, set up all their criteria, and then aren't flexible. You need to adapt, and any smart planner will want to 'deformulalize' the process and make it as human and unique as possible."

Michael Drexler, exec VP, director-national media, Bozell, Jacobs, Kenyon & Eckhardt, New York

"Newsstand sales don't really play a very significant role in the overall analysis when deciding whether to buy a certain magazine. Although they give an indication that there's a general vitality at the magazine, newsstand sales are such a small part of most magazines' circulation that it really can't carry much weight.

"Obviously, you look at it, but you must look at it in terms of what it does for the magazine as a whole.

"Newsstand sales are a highly profitable method of distribution, and although that has to be balanced against the fact that it's more volatile, the profits it generates may miti-

(Continued on Page S-34)

Michael Drexler

David Buckley

John Meskil

Paul Zuckerman

Leo Scullin

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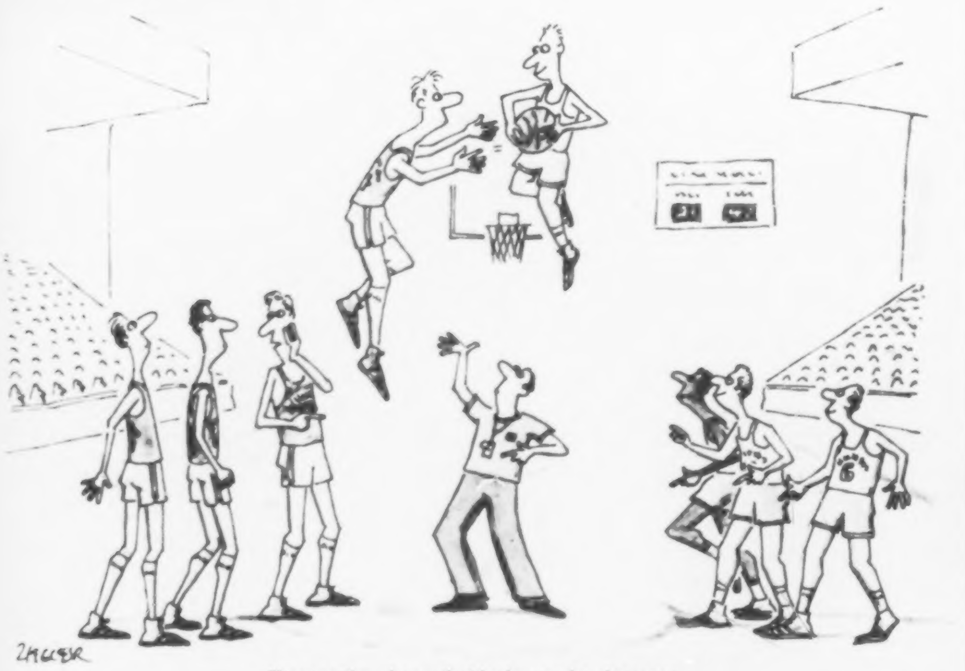
"I guess this shows that looks can be deceiving. According to Street & Smith, they're headed for the playoffs."

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Data Bank

Top 20 magazines in single-copy sales

averages for six months, January to June 1988

Rank	Magazine	Single copy sales	% of total circulation
1	TV Guide	7,759,577	45.8
2	Woman's Day	5,021,138	97.7
3	Family Circle	4,205,927	71.2
4	National Enquirer	3,853,682	89.5
5	Star	3,097,200	85.4
6	Cosmopolitan	2,603,124	86.3
7	Penthouse	1,817,163	88.5
8	People Weekly	1,760,918	53.7
9	Good Housekeeping	1,477,508	29.3
10	Glamour	1,467,703	68.9
11	Globe	1,461,805	96.3
12	Woman's World	1,401,689	100.0
13	National Examiner	1,116,368	98.2
14	Reader's Digest	1,006,264	5.9
15	Ladies' Home Journal	919,091	18.3
16	Playboy	908,246	26.6
17	Redbook	835,781	20.8
18	Mademoiselle	794,969	70.8
19	Self	690,208	56.3
20	Life	666,585	35.7

Source: Audit Bureau of Circulations. Research: [illegible]

Crowding crisis on German shelves

There are now 55 titles competing for women's eyes

By Dagmar Mussey

When Conde Nast of Munich started *Vogue* in 1979, German publishing houses were skeptical about its success. There was a suspicion that many Germans would not find the high fashion editorial appealing.

Two years later, the magazine was in the black; ad pages soared, and now have reached about 2,000 annually. *Vogue* grew gradually at first, in part because the international high fashion advertisers hadn't developed high profiles in Germany. Current circulation of the monthly is about 92,000.

It's little wonder German publishing houses today are looking at the upscale women's magazine segment, which provides exclusive target groups for advertisers. The established women's books, including Gruner & Jahr's *Brigitte*, Burda Verlag's *Freundin* ("Girl Friend") and Jahreszeiten-Verlag's *Petra*, long have passed their zenith, and the low-priced section is crowded. In 1975, Germany had only 23 women's titles; now there are 55 for the 23.8 million women over the age of 14.

After talking with various publishing rivals, Paris-based Hachette Group joined with Burda in a 50% joint venture last year to produce German *Elle*, which hit the newsstands Sept. 22, with 368 pages—164 of them ads—and a $3.33 cover price, far below *Vogue's* $6.11.

But *Elle* was not the only newcomer; a week earlier Gruner & Jahr introduced *Viva* with a 308-page folio, 149 pages of ads and a $3.05 cover price. Both are monthlies.

Elle printed 360,000 copies of its first issue, and *Viva* had a press run of about 300,000. *Elle* targets prosperous women between 25 and 35, who are interested in art, travel and fashion, and *Viva* has a similar target audience.

At this point nobody will venture which of these two will fare the better or even forecast whether the established premium-priced books such as *Vogue*, *Madame* and *Harper's Bazaar* will be pressured.

Dagmar Mussey is an ADVERTISING AGE *correspondent based in Duesseldorf, Germany.*

The German version of Elle is aimed at women aged 25 and 35 with interest in art, travel and fashion. Press run for its first issue was 360,000.

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Media buyer

(Continued from Page S-32)

gate a rate increase, or may be poured back into the magazine to improve the editiorial product.

"Newsstand sales can also act as a mechanism for subscription conversions.

"All those are important considerations, but in the overall scheme of things, the consideration of newsstand sales on their own is a small part of the total picture."

Leo Scullin, senior VP, director-new electronic & print media, Young & Rubicam, New York

"We're not of the mindset that newsstand sales are more important than subscriptions. The weight we put on it is the weight each magazine puts on it. We don't go into any planning situation with a leaning toward one or the other.

"Our contention is that each individual publisher and company has figured out the best way to make a profit and the best distribution mix for the magazine.

"The decision, therefore, is theirs, and we look at each individual case on its own merits.

"Most senior media and client people are now aware of the intricacies of circulation, and there's growing sophistication so the decision is never cut-and-dry in putting full weight on one type of circulation over the other."

—Kristine Stiven

Data Bank

Percentage of single copy sales

for top 25 consumer magazines

Rank	Magazine	Total circulation (avg. 1/88-6/88)	Single copy sales as % of circ.
1	Modern Maturity	17,924,783	0.0
2	Reader's Digest	16,964,226	5.9
3	TV Guide	16,917,545	45.8
4	National Geographic	10,516,837	0.6
5	Better Homes & Gardens	8,152,478	7.3
6	Family Circle	5,900,794	71.2
7	McCall's	5,146,554	11.9
8	Woman's Day	5,138,280	97.7
9	Good Housekeeping	5,027,865	29.3
10	Ladies' Home Journal	5,013,761	18.3
11	Time	4,737,912	4.5
12	Guideposts	4,371,861	0.0
13	National Enquirer	4,303,631	89.5
14	Redbook	4,007,564	20.8
15	Star	3,623,058	85.4
16	Sports Illustrated	3,438,998	5.2
17	Playboy	3,405,786	26.6
18	Newsweek	3,315,369	5.4
19	People Weekly	3,277,839	53.7
20	Cosmopolitan	3,013,759	86.3
21	Prevention	2,975,149	7.6
22	American Legion	2,728,543	0.0
23	U.S. News & World Report	2,365,930	2.3
24	Southern Living	2,281,707	7.5
25	Smithsonian	2,280,808	0.5

Source: Audit Bureau of Circulations. Research: Kristine Stiven.

Top magazines by % of single copy sales

from publications with circulation exceeding 1 million

Rank	Magazine	Single copy sales as % of circ.	Total circulation (avg. 1/88-6/88)
1	Woman's World	100.0	1,401,689
2	National Examiner	98.2	1,135,744
3	Woman's Day	97.7	5,138,280
4	Globe	96.3	1,516,823
5	Weekly World News	95.9	1,021,708
6	National Enquirer	89.5	4,303,631
7	Penthouse	88.5	2,053,080
8	Cosmopolitan	86.3	3,013,759
9	Star	85.4	3,623,058
10	Soap Opera Digest	71.4	1,059,522
11	Family Circle	71.2	5,900,794
12	Mademoiselle	70.8	1,121,336
13	Glamour	68.9	2,130,148
14	Vogue	63.9	1,222,229
15	Self	56.3	1,225,360
16	People Weekly	53.7	3,277,839
17	New Woman	46.5	1,393,027
18	TV Guide	45.8	16,917,545
19	Country Living	35.8	1,706,932
20	Life	35.7	1,866,042
21	US Magazine	31.0	1,254,395
22	Good Housekeeping	29.3	5,027,865
23	'Teen	26.7	1,113,700
24	Playboy	26.6	3,405,786
25	Seventeen	23.2	1,803,549

Source: Audit Bureau of Circulations. Research: Kristine Stiven.

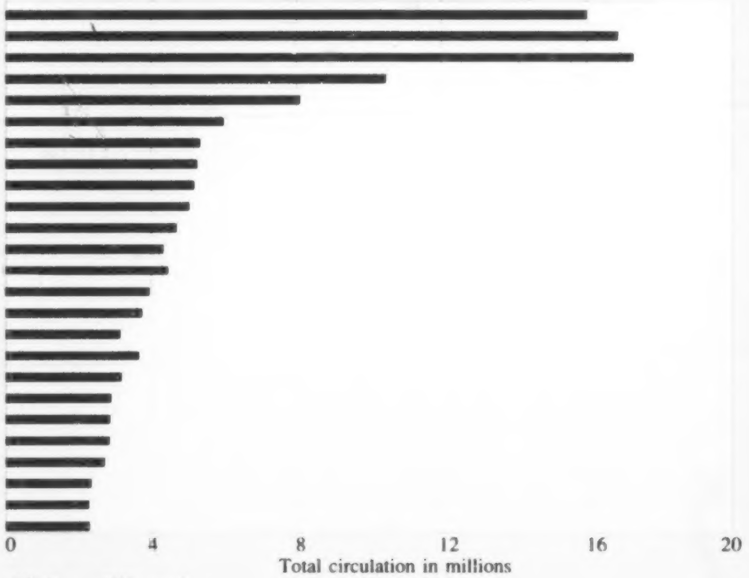
DATA BANK

Advertising revenues per subscriber

for top 25 consumer magazines in circulation for six months ending June 30, 1988

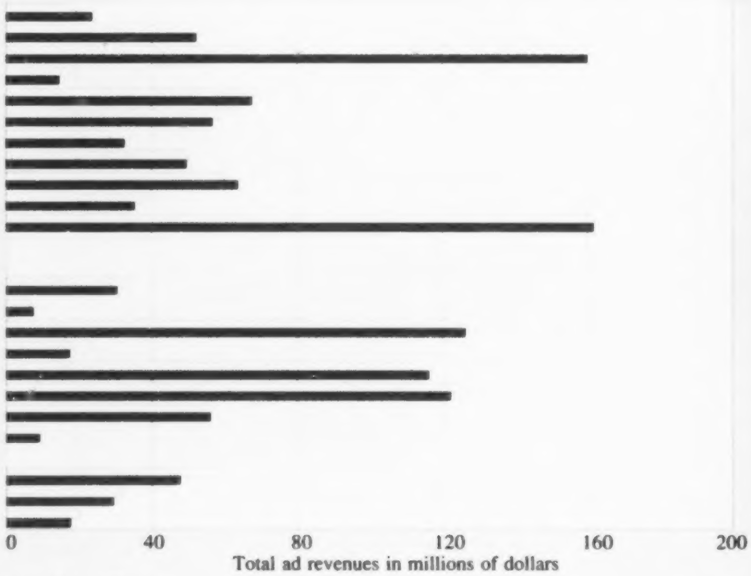
Total circulation

Magazine	1988	1987	% chg
* Modern Maturity	17,924,783	15,986,938	12.1
Reader's Digest	16,964,226	16,849,551	0.7
TV Guide	16,917,545	17,281,955	(2.1)
National Geographic	10,516,837	10,461,337	0.5
Better Homes & Gardens	8,152,478	8,093,630	0.7
Family Circle	5,900,794	5,994,327	(1.6)
McCall's	5,146,554	5,349,181	(3.8)
Woman's Day	5,138,280	5,263,894	(2.4)
Good Housekeeping	5,027,865	5,175,638	(2.9)
Ladies' Home Journal	5,013,761	5,043,143	(0.6)
Time	4,737,912	4,698,325	0.8
Guideposts	4,371,861	4,339,228	0.8
National Enquirer	4,303,631	4,460,407	(3.5)
Redbook	4,007,564	3,941,979	1.7
Star	3,623,058	3,743,658	(3.2)
Sports Illustrated	3,438,998	3,150,413	9.2
Playboy	3,405,786	3,672,063	(7.3)
Newsweek	3,315,369	3,181,187	4.2
People Weekly	3,277,839	2,892,137	13.3
Cosmopolitan	3,013,759	2,864,343	5.2
Prevention	2,975,149	2,855,926	4.2
American Legion	2,728,543	2,711,280	0.6
U.S. News & World Report	2,365,930	2,351,313	0.6
Southern Living	2,281,707	2,283,639	(0.1)
* Smithsonian	2,280,808	2,302,109	(0.9)



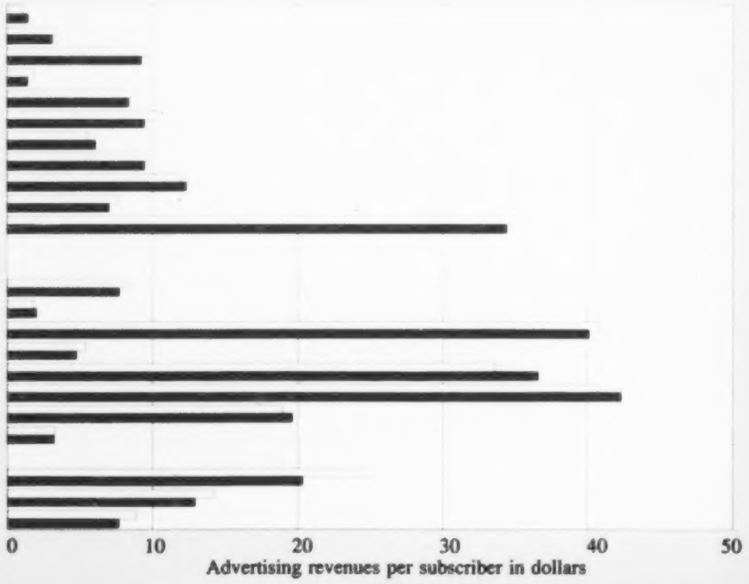
Total ad revenues ($ in millions)

Magazine	1988	1987	% chg
* Modern Maturity	$19.3	$23.6	(18.2)
Reader's Digest	59.3	52.4	13.2
TV Guide	162.8	159.8	1.9
National Geographic	19.5	14.7	32.5
Better Homes & Gardens	73.1	67.7	8.0
Family Circle	63.1	56.8	11.0
McCall's	28.7	32.6	(12.1)
Woman's Day	50.4	49.7	1.3
Good Housekeeping	60.1	63.9	(6.0)
Ladies' Home Journal	38.6	35.3	9.3
Time	166.5	161.6	3.0
Guideposts	NA	NA	NA
National Enquirer	NA	NA	NA
Redbook	33.3	30.5	9.4
Star	6.7	7.5	(11.0)
Sports Illustrated	163.7	126.3	29.6
Playboy	18.3	17.4	4.8
Newsweek	111.4	116.3	(4.2)
People Weekly	133.5	122.4	9.1
Cosmopolitan	57.2	56.2	1.8
Prevention	9.8	9.1	7.5
American Legion	NA	NA	NA
U.S. News & World Report	59.9	47.9	25.1
Southern Living	32.5	29.5	10.1
* Smithsonian	20.3	17.7	14.7



Ad revenues per subscriber

Magazine	1988	1987	% chg
* Modern Maturity	$1.08	$1.48	(27.1)
Reader's Digest	3.50	3.11	12.4
TV Guide	9.63	9.25	4.1
National Geographic	1.85	1.40	31.8
Better Homes & Gardens	8.97	8.36	7.2
Family Circle	10.69	9.48	12.8
McCall's	5.57	6.10	(8.6)
Woman's Day	9.80	9.44	3.8
Good Housekeeping	11.94	12.34	(3.2)
Ladies' Home Journal	7.69	6.99	10.0
Time	35.14	34.40	2.2
Guideposts	NA	NA	NA
National Enquirer	NA	NA	NA
Redbook	8.31	7.73	7.6
Star	1.85	2.01	(8.0)
Sports Illustrated	47.60	40.09	18.7
Playboy	5.37	4.75	13.0
Newsweek	33.61	36.56	(8.1)
People Weekly	40.72	42.30	(3.8)
Cosmopolitan	18.98	19.61	(3.2)
Prevention	3.30	3.20	3.1
American Legion	NA	NA	NA
U.S. News & World Report	25.31	20.35	24.4
Southern Living	14.25	12.93	10.2
* Smithsonian	8.89	7.68	15.8



Notes: Ad revenues are in millions of dollars. * indicates institution-sponsored magazine. All figures are for January through June only. In the graphs, white bars indicate 1988 figures; black bars indicate 1987 figures. NA indicates data not available. Sources: Circulation figures from Audit Bureau of Circulations Fas-Fax Report. Ad revenues from Publishers Information Bureau. Research: Kevin Brown.

NEWSPAPER

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October 31, 1988

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Last Minute News

IBM taps Lintas to buy media

ARMONK, N.Y.—IBM gave its media assignments for both TV and print to Lintas:New York (AA, Sept. 12), sources said. Most of IBM's buying had been handled at Lord, Geller, Federico, Einstein, New York. IBM spent $97.5 million on measured media last year, according to Leading National Advertisers. The company moved its advertising account to Lintas and Wells, Rich, Greene, New York, from Lord Geller in September.

Daihatsu to try another agency

LOS ALAMITOS, CALIF.—Daihatsu America this week will pick its third agency in less than two years, one week after splitting with Admarketing, Los Angeles. Admarketing had the $8 million account for only six months. Kresser-Craig/D.I.K., Los Angeles, is among the agencies that kept in contact with Daihatsu after the initial review two years ago.

Jordan flies high for Wheaties

MINNEAPOLIS—General Mills today will announce that Chicago Bulls basketball star Michael Jordan

(Continued on Page 8)

- **MPA awaits more buyouts—P. 3**
- **Why Dukakis is fading—P. 20**

Gillette: $80M to rebuild image

Ends 2-year stall from takeover wars

By ALISON FAHEY and PAT SLOAN

Gillette Co., in a massive effort to rebuild its image following a series of takeover attempts, will increase advertising for shaving systems by 45%, emphasize global and regional marketing, and launch new products in 1989.

Gillette will ring in the new year with its first global effort, built around an $80 million multimedia campaign for its Atra Plus blade-and-razor system. TV will break Dec. 31 in the U.S.

Several executions of the new "Best a man can get" pan-Atlantic campaign will run throughout 1989 in the U.S., Canada and Europe, where Atra Plus is called Contour Plus.

Atra Plus will be Gillette's only advertised shaving system next year.

Gillette, trying to recapture momentum lost during more than two years of battling hostile takeover attempts by Revlon Group, Coniston Partners and others, will boost its pan-Atlantic ad budget for all shaving systems to more than $100 million by 1990, said John Symons, president of the Gillette North Atlantic Blade & Razor Group.

During the past few years, the $3.2 billion company diverted its financial and human resources from product marketing while fending off takeover attempts. In 1986, Gillette bought back shares acquired by Revlon Chairman Ronald Perelman, and last August, it agreed to pay $720 million to buy back shares from Coniston.

Although Gillette still may be a takeover candidate, financial analysts agreed the attempts have subsided enough to allow the company to start rebuilding its image.

The company plans to shift dollars away from disposables in its new plan for shaving systems. "Disposable [shavers] threaten traditional Gillette business," Mr. Symons said, noting that those disposable-shaver users are more

(Continued on Page 62)

ANA tries to shake things up

By JUDANN DAGNOLI and PATRICIA WINTERS

NEW YORK—Advertisers are mad as hell, and they're not going to take it anymore.

That was the posture at the 79th annual meeting of the Association of National Advertisers last week. Facing not just corporate takeovers and consolidations, but stagnant markets, price competition and the rising power of retailers, advertisers said it's time to fight back.

Top executives called on the estimated 300 attendees—down from 500 last year—to return to image advertising, take a new look at globalization, increase support in the battle against undue government interference in advertising and, most of all, reduce price promotion, couponing and other short-term marketing methods.

Whether marketers will go back to their companies and heed the call is in doubt.

An informal survey of members by ADVERTISING AGE found that five out of 16 marketers predict flat budgets for 1989 or minor budget increases that may just keep pace with inflation. The majority predict ad spending increases, but some boosts might not exceed inflation by much.

Campbell Soup Co., Gillette Co., Adolph Coors Co., Nestle Foods Corp., Kraft, Carnation Co., Ashland Oil, Brown-Forman Corp.'s Korbel division, Owens-Corning Fiberglas Corp., Archway Cookies and Kayser-Roth Hosiery all predicted ad spending increases ahead of 1988.

Coming in flat were General Foods Corp., Thomas J. Lipton Inc., Stroh Brewery Co. (for outdoor and radio spot buying), AT&T Co. and GTE Corp.

"The reality is everyone is wrestling with budgets," said Kim Armstrong, AT&T director of advertising and promotions, noting that AT&T will try to "hold the line" on ad spending next year.

**ANA members worry about the impact of takeovers—P. 60
New chairman speaks his mind on P. 62, with photos on P. 46**

"Every company I know of is looking at every expense line on the budget without abandoning position in the marketplace," Ms. Armstrong said. "Advertising isn't alone. It's part of what's going on."

Food products apparently won't get the hefty budget hikes next year that they've received in the past, several executives said.

"The food business is flat, particularly in dry grocery and frozen," said Herb Baum, president of Campbell USA, and that's forcing companies to build volume through promotion "rather than taking the time to do long-term brand building."

Campbell's ad budget will increase 5% to meet inflation, but its promotional budget, including co-op ads, will rise 20%, Mr. Baum said.

Last year, Campbell trimmed 115 new products, including line extensions, and this year will eliminate another 100.

In new products, the company has been testing Souper Combos, a frozen soup and sandwich line, for almost a year.

"Two years ago, we would have rolled it out nationally," Mr. Baum said, "but now we're taking a very slow, disciplined approach."

Slow growth in the food industry, said Edmund Ladendorff Jr., VP-marketing support at Lipton,

(Continued on Page 60)

Staff photo by Doug Goodman

Future co-workers? David Hurwitt (l.), VP-marketing and communications services at Philip Morris Cos.' General Foods unit, and Stephen Rutledge, Kraft VP-advertising, were among those at the ANA's annual meeting.

WRG exits Pan Am review

By JENNIFER LAWRENCE and JON LAFAYETTE

Pan American World Airways will add one or more agencies to its $65 million account review because incumbent Wells, Rich, Greene dropped out of the running late last week.

The nation's eighth-largest carrier said it would contact other agencies this week.

The New York shop resigned the account less than a week after learning the financially troubled carrier would conduct a review. The resignation takes effect Jan. 25.

Pan Am plans to separate shuttle advertising from its main domestic and international business.

The battle for the main $55 million account so far includes Della Femina, McNamee WCRS; Ogilvy & Mather; and J. Walter Thompson USA, all New York.

The Bloom Agency and Lord, Geller, Federico, Einstein will vie for the $10 million shuttle account. Scali, McCabe, Sloves was asked to pitch the business but declined.

Agency presentations are scheduled for early December; a decision is expected by mid-to-late December.

The review, prompted by Thomas Plaskett, who was named chairman-ceo of Pan Am in January, hit Wells, Rich, Greene at a bad time. The agency can't afford the extra strain of a review as it gears up to handle the IBM Corp. account it won in September.

"We see no benefit to either Pan Am or Wells, Rich, Greene in the review," said Kenneth Olshan, Wells, Rich, Greene/Worldwide chairman. ". . . Ironically, Pan Am's decision comes at a time when they are announcing record revenue due to strong passenger traffic."

The agency that wins the main account will face the challenge of repositioning Pan Am as both a quality and viable airline.

Despite some market share gains since 1986, Pan Am has been fraught with financial and image problems.

Mr. Plaskett last week told financial analysts that when he arrived at Pan Am, the company didn't have a marketing plan.

"As a result," he said, "its entire marketing and selling effort was fragmented and unfocused—literally out of control."

Mr. Plaskett is regarded as a marketing whiz. While the top marketing executive at American Airlines, he developed the country's first frequent flier program and instituted Maxsavers deep discount fares.

He moved to Continental Airlines, serving as president for a brief eight months before he was fired.

Pan Am, a unit of Pan Am Corp., is looking for ideas on how to deliver a message of an improved product, said Jeff Kriendler, VP-corporate communications.

Despite its smaller size, the shuttle account will be important; Pan Am is preparing to compete with real estate mogul Donald Trump, who's agreed to purchase Eastern Air Lines' Air Shuttle.

Mr. Trump has said he intends to upgrade the shuttle as a quality carrier between Boston, New York and Washington—which is also Pan Am's shuttle's main turf. #

Gary Levin in New York contributed to this story.

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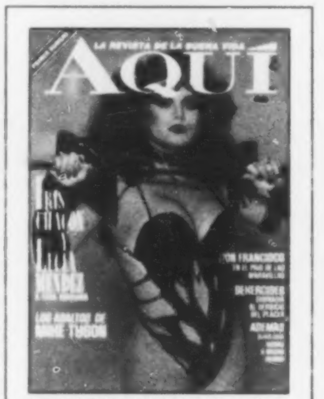

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Atari awards $25M account to unit of DDB

By CLEVELAND HORTON

Atari Corp.'s Federated chain of consumer electronics stores last week moved its $24.5 million account to DDB Needham Retail from in-house.

DDB Needham Worldwide's retail division became an Atari agency earlier this year when it picked up the videogame division's $6 million account.

Atari Chairman Jack Tramiel subsequently decided to consolidate all Atari advertising, including the $2 million computer account formerly handled by Richard & Edward's, New York.

The Federated chain has 60 outlets in California, Arizona and Texas. Atari purchased Federated a year ago but has yet to realize a profit from that investment. For the quarter ended July 7, Federated posted a $5.7 million loss on sales of $63.1 million.

While the chain's corporate offices are located in City of Commerce, Calif., Atari controls all marketing decisions from its Sunnyvale headquarters.

DDB Needham Retail now reports billings of $94 million, half of which represents business won since DDB Needham created the division with the December 1987 acquisition of Girvin, Conrad & Girvin.

Dick Girvin, president-ceo of the division, said he expects continued growth through additional new business as well as acquisition of other agencies. The division currently has offices in Sacramento, San Francisco, Los Angeles and Denver, and expects to acquire agencies in other cities within the next year.

The Federated win creates a conflict for the agency with The Good Guys, a smaller electronics retailer operating in northern California with annual broadcast billings of about $2.5 million. DDB Needham Retail will continue to handle the account through the end of this year. #

Mojo stock fuels WPP buyout talk

By LAUREL WENTZ and GEOFFREY LEE MARTIN

Mojo MDA's low share price once again has sparked speculation that the Australian-based agency will be taken over by WPP Group.

Industry sources say London-based WPP is negotiating to buy Mojo MDA to strengthen WPP's position in Australia and the Far East.

Mojo MDA is the largest publicly quoted agency in Australia and the No. 3 agency in gross income. It has 35 offices in Australia, Asia, the U.K. and U.S.

WPP wouldn't comment on takeover rumors. Gawen Rudder, Mojo MDA corporate affairs manager, denied WPP—or anyone else—is about to take control of the company.

"It's fair to say that we get an approach, or an offer, just about once a week," Mr. Rudder said. "But that's nothing new—it was the same when [the agency was] just a small creative shop."

Neil Blackley, an analyst at U.K. stockbroker James Capel, said a takeover is "likely from WPP's point of view, because they're very keen to improve their Far East exposure. I wouldn't discount it, depending on price."

Mr. Blackley said Mojo's stock "was looking very cheap." The stock has been selling in the $1.50 Australian-to-$1.60 Australian range since July. Before last year's stock market plunge, Mojo stock was selling for $3 Australian a share.

Sources close to WPP said the rumors are false and could have been started to boost Mojo MDA's low stock price.

About two months ago, Mojo MDA Group Managing Director Malcolm Spry and other executives met with U.S. institutional investors to increase interest in the company on an investment-only basis.

Chris Akers, an analyst at U.K.

(Continued on Page 59)

Campaign flak flies

Pols' ads have negative charge

By STEVEN W. COLFORD

WASHINGTON—With political advertising dominating the presidential campaign, the Nov. 8 election looks like it could be a showdown between George Bush's tank ads and Mike Dukakis' anti-tank ads.

Whether the forum is *The New York Times* or NBC-TV's "Today" show, campaign ads have been examined, dissected, reviewed and reviled more than ever before.

Advertising has become so critical to the candidates' election hopes that both sides have unleashed "truth squads"—teams of designated politicians—to rebut the opponent's ads.

Not surprisingly, Bush media adviser Roger Ailes has a curt explanation for the prominence accorded this election year's advertising.

"The news media hate substance and love pictures and mistakes," Mr. Ailes said. "News is who has the hottest attack ads and who can get the highest ratings. What would a journalist rather cover—new TV ads or the latest proposal to change the capital gains tax?"

But even Mr. Ailes conceded that TV's pervasiveness and persuasiveness are factored into the creation of a candidate's media plan.

"We sit around to decide how to do an ad for the network news" that will generate coverage, he said. "We know that if it's clever or funny, it will double our gross rating points because [NBC anchorman Tom] Brokaw or [ABC anchorman Peter] Jennings will cover it."

Sig Rogich is the Bush advertising director and president of his own Las Vegas, Nev., agency, R&R Advertising. A veteran of presidential politics, Mr. Rogich called this year's presidential ads "not the most memorable, but effective."

He thinks there may be "a little more" negative advertising this election than in past races, but he said that's because "never before have there been two candidates so different and with so many differences.

"The media are focusing on the advertising so much because the other side [Dukakis] has made it an issue," Mr. Rogich said. "When you're losing, it's natural to attack the ads, so, hopefully, people will write the ads off when they see them."

Jeff Greenfield, political reporter on ABC-TV's "Nightline," dismisses Mr. Ailes' anti-media views and puts the onus for advertising's prominence on the campaigns themselves.

"The Bush campaign this year launched their negative ads very early, compared to the historic pattern of first using ads to establish your candidate's positives," Mr. Greenfield said. "This is the first time that negatives came so early, and it shocked people."

A senior member of the Dukakis ad team, who asked to remain anonymous, thinks the 1988 presidential ads have been accorded unprecedented attention because no one can—or wants to—focus on the candidates themselves.

"People are having a tough time determining what George Bush or Mike Dukakis stand for," he said. "So that's when the advertising comes to the forefront, when it has to supply the passion that the candidates cannot. In this race, the candidates have become almost irrelevant to what's going on. They might as well sit home and watch TV themselves."

He agreed with Mr. Ailes' blast at TV news but said the "quick-and-dirty" facet of TV is a fact of modern political life.

"That is the nature of TV and of TV news," he said. "And that may be the fault of the TV media, but it's not going to change. So we have to play by their rules. . . . that sound bites are the nature of the beast."

Others believe that "this year's ads aren't that negative," said Bob Gardner, president of Gardner Communications, San Francisco, the co-creative director on President Gerald Ford's 1976 campaign. "On a scale of 10, it's probably a 5."

Phil Dusenberry, vice chairman of BBDO Worldwide, New York, who worked on the 1980 and '84 campaigns of President Reagan, said the candidates may have lit the spark of ad attention when they criticized not only each other, but each other's ads.

"Usually they attack each other, but now they're taking pokes at each other's ads," he said. "They're calling attenion to the ads and not the issues. In the cola wars, people ask, 'Who won, Coke or Pepsi?' Well, both win because the ads increase attention and awareness. Here, I'm not sure the candidates win."#

Photo by Christopher Dukas

"News is who has the hottest attack ads and who can get the highest ratings. What would a journalist rather cover—new TV ads or the latest proposal to change the capital gains tax?"

—Roger Ailes
George Bush's media adviser

Duke makes final TV buys

WASHINGTON—The Dukakis campaign will pull out its last advertising stops this week with five-minute commercials scheduled for Nov. 1 and Nov. 5 on network TV.

The commercials will supplement a flight of four issue-oriented 30-second spots already airing (AA, Oct. 17).

Late last week, the ad team for the Democratic presidential candidate hadn't decided whether the campaign's last two five-minute commercials would feature Michael Dukakis by himself; with his wife, Kitty; or with running mate Lloyd Bentsen.

The four 30-second spots, created by executives from W.B. Doner & Co., Baltimore, started airing last week in "spot markets in battleground states," said Lorraine Voles, the campaign's assistant press secretary. She said the broadcast and cable buy included more than 10 states at a cost exceeding $1 million.

All this maneuvering will lead up to a 30-minute Dukakis commercial that will run on election eve on all three networks at 8:30 p.m. (ET). The Bush campaign has bought a comparable half-hour starting at 8 p.m.#

—Steven W. Colford

COI ECTIONS & CLA. FICATIONS

- A photo i ntified as Tom Morris, exec VP-director of client services, Tracy-Locke, was not the right photo (AA, Oct. 24, P. 2).
- The chart listing the top 20 U.S. magazines in single-copy sales (AA, Oct. 24, P. S-32) didn't include *Vogue*. With single-copy sales of 781,319, the magazine ranks 19th.
- Unilever currently is the world's largest consumer-goods marketer (AA, Oct. 24, P. 90).
- Kemp Balloons, Glen Burnie, Md., builds helium balloons, not hot-air balloons as reported (AA, Sept. 19, P. 58). Also, Aerostar International, Sioux Falls, S.D., since 1984 has built new helium balloons for the annual Macy's Thanksgiving Day parade. Kemp Balloons handled that responsibility from 1982 to 1984.#

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